

Original Article**The German Bundesliga Internet Broadcasting Rights Selling Model - Historical Study**Koutroumanides Christos^{1*}Alexopoulos Panagiotis²Laios Athanasios³John Douvis⁴^{1,3}*Democritus University of Thrace, 4 Str Souliou, Kavala 65403, Greece*^{2,4}*University of Peloponnese, Erythroy Stavroy 28 & Karyotaki, 22131, Tripolis, Greece*

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Keywords: *German Bundesliga, internet broadcasting rights, selling model***Abstract**

Streaming rights, both visual and audio, is the new hot product in the world's major sporting events organizers portfolio. Rapidly outplacng the traditional television broadcasters, global technology giants enter the live games and highlights streaming rights auctions and easily prevail against the sporting leagues long standing media partners. In close to 100 million populated and football passionate Germany, it was almost certain that global on line titans would bid for those rights. After decades of holding the domestic and international rights, television broadcasters found themselves out of the deal in certain packages. The trend is growing and for sure Amazon and Tencent are not going the last global tech conglomerates to acquire those rights in the years to come.

1. Introduction

It is a fact that in many countries in Europe, vertical integrated distribution platforms rather than traditional broadcasting companies hold the media rights of major sporting events. Their reason for doing so, is their effort to establish themselves in the digital television market. (Evens, & Lefever, 2013). Dart (2014) argues that new media technologies changed the production, delivery and consumption of professional sports and created a new dynamic between sports fans, athletes, clubs, governing bodies and the mainstream media. At the same time, the acquisition of exclusive broadcasting rights creates entry barriers to new media markets and block public access to those events coverage (Evens, & Lefever, 2011). The broadcasting of popular sporting events content moved from traditional

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television platforms to content providers through internet. (Hutchins, & Rowe, 2009). Nevertheless, the large variety of popular sports media, now available creates commercial and policy confusion, particularly as sports audiences and the advertising market fragment in line with the proliferation of niche channels and sources of digital sports media (Hutchins, & Rowe, 2012). The future of sport broadcasting, as well as the sport consumers are in the middle of traditional television broadcast networks from one side and the new media organizations on the other side, (López-González, Constantino, & Smith, 2017). Based on David, Kirton & Millward, 2017, the resilience of alternative streaming media in switching live sports programming from pay to view to free sharing and the failure to prohibit free streams shows the ongoing viability of such economic counter power. The issue of parallel imported broadcasts, live-streams included, is a key factor for all major football league, since, the cheaper on line and mobile alternative broadcasts may endanger the value of the tv rights. (David & Millward, 2012).

2. Material and methods

In Germany, large amounts are invested the last years in the acquisition of the Bundesliga games internet broadcasting rights as well as the mobile telephony broadcasting ones (Alexopoulos & Kriemadis, 2009). Back in 2000, the Leo Kirch group bought the Germany's Bundesliga broadcasting rights, in a four year, 1 billion pounds deal, which included internet broadcasting rights as well. RTL bought the Bundesliga audio internet rights for its internet service. Those rights were kept out of the DFB - Kirch group deal, which owned the rights to motion picture transmissions and exclusive internet rights to live motion picture coverage. Match coverage was taken from a webpage hosted since February 2000 by Internet Service Provider Altus Analytics AG with the instructions of the Deutscher Fußball-Bund (German Football Federation - DFB). The rights covered live reporting, statistics, still pictures, detailed reports on all matches, as well as the transmission of press conferences (audio and video) and live player interviews. Following each round of matches (from the Tuesday after weekend fixtures), it was possible to access the online archive and view brief video highlights of each game. (IRIS Merlin, 2001).

For the 2004-06 period, T-Online, Deutsche Telekom subsidiary acquired the internet broadcasting rights. (Alexopoulos & Koutroumanidis, 2014). In 2006, Deutsche Telekom got the almost live broadcasting clips highlights rights, paying 10 million euro per year. Moreover, Deutsche Telekom got all games live internet broadcasting rights, paying 50 million euro per year. After an intense conflict with Bundesliga, the company agreed its contract to cover only broadband rights and not to be allowed to broadcast on cable, satellite and digital *επίγεια* means via IPTV connection. (Frick & Prinz, 2006).

In 2012, Germany's 36 professional soccer clubs got an income of 2.511 billion euro until 2017, in a four year deal, with Pay-TV operator Sky Deutschland ensuring rights for cable and satellite broadcasts, as well as for Internet and mobile network transmissions. (W.D., 2012).

In 2015, DFL Sports Enterprises, the commercial arm of the Bundesliga, sold the streaming rights for betting package to the Sportsman Media Group, for the 2015/16 and 2016/17 seasons, for a value five times bigger than the previous deal one. The Sportsman Media Group, marketed the rights to betting shops and online platforms around the world, excluding Germany, Austria, Switzerland, Italy, Liechtenstein, Luxembourg, San Marino and Vatican City. The rights, packaged and marketed by DFL Sports Enterprises since the 2009/10 season, are for limited screen size and transmission quality to prevent competition with traditional live broadcasts (Soccerex, 2015).

At the same time, the Chinese online streaming service global tech giant and on line broadcaster, Chinese Tencent acquired a three year live broadcast rights package for China, including 204 matches (six each round) of Germany's elite club league per season via its various platforms, including desktop, PC and mobile application, and on the top the online broadcaster will show highlights of all matches and ten Bundesliga documentary's each season (Soccerex, 2015).

The German Bundesliga signed a four year, 2017-2021 period, record 5,3 billion dollars media rights deal. Eurosport, Amazon, online streaming company Perform and public broadcaster ZDF joined Sky and ARD in splitting up rights for the Bundesliga, the country's top soccer league. DFL signed a series of rights deals for Bundesliga matches carried over a series of platforms, including pay TV giant Sky, in which 21st Century Fox owns a 39 percent stake, German public broadcasters ARD and ZDF and, for the first time, Discovery Networks' Eurosport channel and new online streaming platform Perform. Amazon acquired internet audio rights. Perform, a U.K.-based sports media company, operates a number of online services in Germany, got the online and mobile highlights rights bundle, streamed as early as 30 minutes following a live game. The company was looking for content ahead of its planned launch of an over-the-top digital service in select European countries later that year. Perform already has certain online rights in Germany for the English Premiere League and Spain's La Liga, as well as the NBA and NFL. One potential bidder shut out of the deal was telecommunication giant Deutsche Telekom, which was expected to acquire the online rights. (Soccerex. (2015).

Also in the framework of the aforementioned deal, Amazon acquired the rights to stream live on Amazon Prime with the Discovery Deal. Discovery Communications recently closed a deal with Amazon to stream its Eurosport network through Amazon that will bring live Bundesliga matches to Friday nights. German and Austrian subscribers to Amazon's marquee service will have access to exclusive HD content from Eurosport, including 45 live-streamed and exclusive Bundesliga matches. Alex Green, the managing director of Amazon Channels Europe stated that "We are delighted to offer our millions of Prime members in Germany and Austria access to live premium sports, including Bundesliga football on Eurosport Player via Amazon Channels". With Eurosport Player, live since 16th of August 2017, and accessible through the Prime Video app online or on any Internet-enabled device, fans can have a weekly preview show and highlights of

Bundesliga matches. Susanne Aigner-Drews, Discovery's senior vice president and general manager stated that "Discovery is excited to partner with Amazon to bring our premium sport to new and existing fans. As the new home of Bundesliga, Eurosport Player will deliver a more engaging and more accessible experience than ever before. This partnership helps us to deliver the ambition to give fans the opportunity to watch the teams and players they love, live through Amazon Channels." (Sporttechie, Sept., 2017).

This wasn't though the only deal the tech giant signed with DFB. Amazon's music streaming service Amazon Music acquired as well the rights to broadcast audio of the Bundesliga and 2. Bundesliga games online, with the streams being available to Amazon Prime members in Germany at no extra charge. Those rights also include the radio transmission rights for German teams involved in UEFA Champions League and Europa League matches, and the audio rights to the DFB Cup, available to subscribers of Amazon Music Unlimited, which carries a further subscription cost. The audio streams are to be broadcasted live 30 minutes before the first kick of the day and end 30 minutes after the final whistle. All international games on Amazon Music will be streamed in full length, with an additional Amazon conference for parallel games. Furthermore, a podcast, available on demand, is to run every Tuesday from 8pm until 11pm. Steve Boom from Amazon Music stated that "We are delighted to offer the German football fans even more great audio content. Football on Amazon brings the outstanding usability of Amazon Music together with a high-quality editorial programme, expert commentators and a true passion for this wonderful sport, and now football fans can even hear the international games of their favourite German musicians Live audio streaming of the most successful football teams in the country." (Soccerex, 2017).

3. Results and Discussions

What started as just a tiny part in the 2000, DFB – Leo Kirch Group, overall media rights deal, now drives the German media rights market. Streaming rights of the Bundesliga, back in 2000 seemed to be of not particular importance. Now Amazon, Tencent, Yahoo and some of the world's on line conglomerates battle in the Bundesliga streaming rights auctions. Seeing the opportunity to attract both the domestic, close to 100 million, German population as well as the world's fan base, that is interested to watch on line the epic Bayern Munich – Borussia Dortmund clashes among other famous Bundesliga games, and in order to subscribe them in their on line services, and thus selling them their portfolios other products and services, the global titans strongly bid for the Bundesliga streaming rights. It seems that it will be hard to find a traditional television broadcaster bidding for the rights in the years to come, since those ones holding the rights for decades, should and will transform into online broadcasting organizations, if they don't want to find themselves either bought by the tech titans or outplaced once and for all.

4. Conclusions

The German streaming rights market was enormously developed the last 5-6 years with the entrance of huge on line organizations like Amazon, Tencent and Yahoo, who actively bid for both the domestic and the international, video and audio streaming rights. Amazon and Tencent, followed Yahoo in certain streaming rights packages acquisition and offer Bundesliga games clips to their on line services billions of subscribers. In this quickly transforming reality, where one will struggle to find a traditional television broadcaster bidding for the major sporting league media rights, the Greek Superleague should aim to create an attractive on line product, market it and sell it to interested technology companies, that could be tech giants Greek subsidiaries, fast emerging Greek technology companies, or any other party that would have an interest in offering the SL on line product to an approximate 5-6 million Greeks as part of its overall offered on line products pool.

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