

Original Article

## The English Premier League Internet Broadcasting Rights Selling Model - Historical Study

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### Abstract

In the last years football clubs games broadcasting rights selling process, internet and mobile phone packages are included too. Internet is a widely accepted and useful mean of communication, something that was immediately recognized by the football authorities and clubs in all countries. Same ways, the gradually increased use of smart phones led to the inclusion of the mobile broadcasting rights in the total selling rights packages. The latest rights auction is of paramount importance, not only because the rights value will break a new record, but also because among the interested parties and bidders are some of the world's tech giants such as Amazon, Google and Netflix. Live streaming Premier League matches looks to be the next frontier and PL hope tech giants like Amazon, Google, Facebook and Netflix will enter the auction and push the price of the UK package above its current standing of £5.14billion.

### 1. Introduction

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 (Dart, 2014). In Europe, the competition between broadcasters for acquiring sports broadcasting rights has raised policy questions concerning both competition and content issues. Sporting events exclusive broadcasting rights rthough could foreclose new media markets and block public access to those events coverage (Evens & Lefever, 2011). The broadcasting of popular sporting events content moved from traditional television

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platforms to content providers through internet. The media sport content economy moved from a model characterized by 'scarcity', with high entry barriers for media companies and sports organizations able to create, control and distribute quality, popular sport content. On the other hand, the new online model is defined by 'digital plenitude', with the internet lowering entry barriers for organizations able to produce and distribute content for online consumption. (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). 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 counterpower. (David, Kirton, & Millward, 2017). The issue of parallel imported broadcasts, live-streams included, is of crucial importance for the English Premier League, since EPL generates enormous income from the sale of television rights broadcasts to domestic and overseas markets, and yet cheaper alternative broadcasts endanger the price of such rights. (David & Millward, 2012).

## **2. Material and methods**

In 2001, the mobile phone company Hutchison 3G signed a 35 million pounds three year deal with the Premier League to provide football news and clips to their customers. Based on that deal Hutchison users got news of Premier League goals on their mobile phones, seconds after they have been scored. Clips of matches, match commentaries, archive material, still photographs, results and fixture listings will be available as well. According to a Hutchison spokesman "All operators are working towards the same goal: securing the most valuable content to give that level of differentiation between ourselves and other operators when we launch. We all launch at the same time. We are all looking for the stuff that is really going to enthuse the customer." (<http://news.bbc.co.uk>).

In 2004 BSkyB acquired the broadband broadcasting rights with a three years deal valued 16 million dollars, that was 5,3 million dollars per year. The rights allowed the clips broadcasting for all 380 season games, five minutes after the game, with a delay up to midnight after each game. (Alexopoulos & Koutroumanidis, 2014).

NTL got the 2007-2010 period internet almost live broadcasting rights for 15 million dollars prevailing against BSkyB. An offer was also submitted by Sportev agency on behalf of few interested parties, including BBC. The package allowed NTL to make available via internet and only on demand up to 10 clips per game, with duration up to 60 seconds per clip, but not more than five minutes per game. The deal covered all 380 season games. The clips were available for seven days,

starting from Sunday night for the Saturday games and from games same night midnight for the rest of the games (TV Sports Markets, 2008).

In 2010, Yahoo struck Premier League highlights deal, getting a five-minutes highlights package of every match in three years deal to run on Yahoo.co.uk, with syndication an option. Yahoo made available the highlights from midnight on Sunday after weekend matches and at midnight the same day for midweek fixtures. Before the EPL-Yahoo deal, the rights were held by Virgin Media and before that by BSkyB, and earlier by 3 and Vodafone jointly. According to Rich Riley, the company's European managing director "The acquisition of Premier League rights shows how serious Yahoo is about providing the best in video content for our both our users and advertisers," said. Part of the deal was also the right in the UK to syndicate all, or part, of the highlights content to third parties. Yahoo had in the US similar deals with major sporting leagues, such as NBA basketball, PGA golf, NHL hockey and MLB baseball. Virgin Media re-bid for the EPL rights but Yahoo made a more profitable offer. Ian Maude, an analyst at Enders stated that "I'm amazed Google hasn't done the deal. They have pushed hard for traditional tv rights and signed up Channel 4 and Five and the Indian Premier League". In January 2010, YouTube - owned by Google - signed a deal with the IPL to live stream matches to every country outside the US. Also YouTube had closed deals with Channel Four and Channel Five. Premier League was involved in a long-running copyright class action suit against YouTube, which kicked off in May 2007. Maude added that "This seems a great coup for Yahoo, although whether the deal works depends on what they paid compared to how they can monetise it. Online sports advertising is pretty significant in the US, albeit tiny compared to TV advertising, and the Premier League is probably the only sport likely to attract a big audience to make money from." (<https://www.theguardian.com/media>).

In 2013, the News International has secured a 20 million pounds deal with Premier League to show PL clips of key moments of live games on mobile and internet versions of the Sun, Times and Sunday Times Digital. Also BSkyB, a 39,1% owned by News Corp, owner of News International, secured extended Premier League TV highlights rights along with its live matches. Previously, the PL had sold the two digital packages separately, with Yahoo! owning the internet rights and ESPN the mobile phone ones. News International titles presented up to eight 30-second clips of key moments during live matches via mobile devices – except for games played on Saturday at 3pm, which were shown from 5.15pm that day. Clips of up to 60 seconds from each game were also available from Monday mornings for a week after match day via the papers' respective digital platforms. Mike Darcey, News International chief executive, stated that "This is a major breakthrough for the company, allowing us to combine our rich heritage with cutting edge technology to transform the experience we are offering our subscribers". From his side, Premier League chief executive, Richard Scudamore, stated that "We are extremely pleased with this exciting development that sees News International, traditionally a newspaper publishing organisation, move

further into the digital media space through the acquisition of our UK near-live clip rights. In a world in which all forms of media are looking at their digital offerings, and given the extensive coverage that News International publications give to the Barclays Premier League, we believe this partnership will see football fans able to consume the best Premier League action in innovative ways." (<http://www.theguardian.com/media>).

In 2015, Sky Sports completed their Premier League rights deal with an extended highlights package of near-live games, in the framework of a three-year deal runs from the start of the 2016/17 season. Sky had the mobile clips for 380 matches and live rights to 126 games. According to Sky Sports managing director Barney Francis, "Sky Sports has never been in a stronger position with this deal cementing our position as the first choice for sports fans. It completes the set and is more good news for Sky Sports viewers having already secured more live Premier League matches from the 2016/17 season, as well as clips from every match available on mobile and online. We are giving fans more ways to watch extended highlights, with the content now available on demand in the individual club section so fans can catch up on the action when they want. Based on the deal on Saturdays one entire match not already broadcast live will be available to view from 8pm, with the remaining games showing from 10.30pm. On all other days, non-live games will be available from 10pm. (<https://www.broadbandtvnews.com>).

The latest rights auction is of paramount importance, not only because the rights value will break a new record, but also because among the interested parties and bidders are some of the world's tech giants such as Amazon, Google and Netflix. Live streaming Premier League matches looks to be the next frontier and PL hope tech giants like Amazon, Google, Facebook and Netflix will enter the auction and push the price of the UK package above its current standing of £5.14billion. Based on the projected 2019-20 rights packaging, 200 live matches will be available each season, in five packages of 32 matches and two packages of 20 and no broadcaster will be allowed to acquire more than 148 per season. Sky's long standing dominance of Premier League TV rights in England is threatened by the planet's biggest digital media companies. Indicative of those giants' strong interest in sporting events streaming rights, is the fact that Amazon acquired the tennis' ATP World Tour, instead of Sky, for 50 million pounds deal. Amazon Prime battles Netflix to become the world's most dominant on line content streaming service. Amazon recently acquired the NFL 2017 season Thursday night game live streaming rights (previously held by Twitter since 2016). Concerning that deal, Jeff Blackburn, Senior Vice President, Business Development & Entertainment at Amazon stated "Our focus is on bringing customers the best premium video programming, when and how they want to watch it. Streaming Thursday Night Football on Prime Video is a great step for us toward that vision, and offers tremendous new value for Prime members around the world." Offering Premier League football live, as well as other PL-related shows in a similar manner to NFL Game Pass, would change the game, much more like Sky did in early '90s.

Amazon officials publicly said that they are “starting to bring live sports to our Prime members all over the world.” Another competitor for the streaming rights seems to be Google, which some say is trying to secure all global packages, completely dominating the landscape. PL is not interested though in such a case, continuing the territorial split of the rights. It is common that traditional broadcasters are losing subscribers (in 2016, ESPN lost up to 10,000 US subscribers every day) and multi-platform distribution is the future. As Ofcom made clear in its recent study on changing viewing habits, 63 per cent said they used BBC iPlayer regularly. Richard Scudamore, Chief Executive of the Premier League, stated on The Times “We envisage anybody really being able to come along and bid for those rights. We would need distribution criteria and to make sure it was readily available across platforms and everything else but as long as it was widely available and distributed properly we wouldn't rule them out.” BT, holding two of the seven packages, could also be squeezed out, while the PL have intensified their crackdown on the illegal streaming of matches in recent months, against free Kodi and Mobdro apps.

The High Court recently passed a "blocking order" in favour of PL that forces internet service providers to shut down any server being used to broadcast a game. Kevin Plumb, the Premier League's director of legal services, stated that “The protection of our copyright, and the investment made by our broadcast partners, is hugely important to the Premier League and the future health of English football”. Netflix meanwhile have contacted a number of clubs, including Liverpool and Chelsea, about possible pre-season documentaries. Amazon, meanwhile, are currently recording a documentary with Manchester City. At the same time, both La Liga and Major League Soccer have already made the move into legal online streaming, having both paired with Facebook. The Facebook- MLS deal included 22 games from the 2017 regular season. The matches, were produced with mobile devices in mind - featuring Facebook specific commentators and features allowing viewers to engage directly with the commentary team during games and helped MLS bid to drive up their social media presence and engagement with supporters, as the league aims to continue its growth. Facebook also made a bid to show cricket's Indian Premier League. (<https://www.mirror.co.uk/sport/football/news>).

### **3. Results and Discussions**

The importance of the internet broadcasting rights as a part of the European professional football leagues overall media rights deals the last 10 years has been boosted. Several global titans in the area of digital media, social media, internet providers and tech giants like Amazon, Google, Facebook, Microsoft, Alibaba and others, has been increasingly showing interest, and some of them bidding and acquiring sporting events streaming rights. Concerning the English Premier League, long way has passed since the 2004-2007 period games, when BSkyB bought the internet broadcasting events for 6,58 million euro per year, For the 2007-2010 period, NTL acquired the rights for 6.2 million euro. Then, in 2010, Yahoo in a PL highlights deal, got the five-minutes highlights package of every

match in three years deal to run on Yahoo.co.uk, with syndication an option. Those rights were previously held by Virgin Media and before that by BSkyB, and earlier by 3 and Vodafone jointly. In 2015, Sky Sports completed their Premier League rights deal with an extended highlights package of near-live games, in the framework of a three-year deal runs from the start of the 2016/17 season. Sky had the mobile clips for 380 matches and live rights to 126 games. For the upcoming Amazon, Google are supposed to be among the bidders for the PL streaming rights, with PL higher management expecting the previous 5,1 billion pounds deal rights value to be significantly increased, and BSkyB will surely have a hard time to match the tech titans bids.

#### 4. Conclusions

The English Premier League streaming rights are set to skyrocket after the supposed involvement of the world's tech titans Amazon and Google in the upcoming rights bidding. The traditional tv platforms are strongly challenged, not to say is much possible to be outrun by huge technology companies, that are keen to invest a tiny percentage of their enormous budget in acquiring popular sporting events content, in order to satisfy and multiply their subscribers numbers. Those events live streaming comes to add to the already offered services by Amazon and Google, such as on line grocery shopping, etc. In this fast changing and awkward environment, the Greek Superleague is among many small and medium size European professional football leagues, that struggle to market and sell their games internet broadcasting rights in the framework of a total media rights deal to interested bidders - media groups. This study would be a guide in how SL or any small-medium league could design and apply an internet broadcasting rights packaging and auctioning its rights to digital media groups, internet providers, or in some cases (of largely populated and demographically and geographically interesting countries) internet titans like Amazon, Google, Microsoft, Alibaba etc, which the last years became more and more active in gaining media rights of sporting events

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