

Will tech giants come to Premier League rights table?

By Charlie Walter, Sportcal – 8 March 2018

Sky Sports and BT Sport have maintained their grip on the Premier League TV rights in the UK. Sky Sports won the rights to four packages including 128 live matches, with BT Sport taking one, comprising 32 games. The latest deal of £4.46 billion (\$6.2 billion) falls short of the previous agreement with the Premier League, when the rights were sold for a reported £5.14 billion in 2015.

The broadcasters bid on a total of seven packages of fixtures, five of which contain 32 matches a season and two 20 matches. This leaves two remaining packages, with Richard Scudamore stating that the Premier League “will now continue the sales process to deliver the best possible outcome for the remaining packages of rights in the UK and throughout the rest of the world.”

Reports suggest that the reserve price for the remaining two packages wasn’t met in the first round of bidding. If correct, this could be a result of the Premier League setting the price point too high - or the OTTs, who were expected to bid, were in fact not interested at any cost.

Twitter, Amazon, Facebook and Google have all bought rights or have begun to stream major sports content in some way. However, if any of the OTTs were to secure live Premier League rights in the UK, then it was always more likely that they would look to secure one of the smaller 20-match packages because winning one of the larger packages would have a huge number of strategic and commercial implications.

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Firstly, they would have to develop a platform capable of live streaming content to millions of fans concurrently, a fundamental shift from the on-demand content delivery they offer at the moment. The technical issues here revolve around making the content truly live: the demands of fans mean they won’t tolerate buffering and time lags on purported live content. Fans don’t want to see a goal flash on social media or receive a WhatsApp message from a friend 30 seconds before they’ve seen it for themselves, something NFL and DAZN encountered at the back end of 2017.

Secondly, those that purchase Premier League rights in the UK are obliged to also produce the content. This represents another new area of development for OTTs and although they are likely to outsource production in order to compete they still need to hit the ground running with a consumption experience for fans that is comparable to the ultra-slick Sky Sports and BT Sport.

Thirdly, these companies are truly global entities with a democratic approach to the market place that they operate in. Securing one of the larger packages in the UK could have led to pressure from other key markets to replicate the same model. Whilst the financial clout of the OTTs isn’t up for debate, this would still require a big reallocation of budgets and another shift in strategic direction.



Lastly, in the back of their minds will be the companies who have gambled their fortunes on Premier League football subscribers in the past, with the likes of ITV Digital and Setanta going bust and ESPN deciding not to persist after one three-year cycle.

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That said, there have been big advancements in technology and clear shifts in consumer behaviour since ITV Digital, Setanta and ESPN entered the market. Sports fans now expect far more flexible options when consuming content, paving the way for the OTTs to enter the market.

One might see the small packages as an opportunity for an OTT to dip its toe in the water, but maybe that's also a problem – it's not a big enough prize, the number of matches on offer is perhaps not enough to change consumer behaviour and it is unlikely to win the OTT provider exclusive football customers that aren't also buying elsewhere. With the above risks, maybe that prize isn't big enough.

The market we now operate in means the rumours that an OTT will come to the Premier League broadcast rights table have substance and it will be interesting to see if one of them wins either of the remaining UK bids, or looks further afield and cherry-picks one or more of the international markets currently out to tender. Either way, expect the status quo to be challenged in the quest for Premier League content to satisfy the ever-changing consumption habits of the modern-day sports fan.

The Premier League would clearly like to see a sustained shift in the status quo, given it would help drive competition amongst the traditional broadcasters, driving up prices in the long run. This would also inherently change the consumption model, as the one-way live service on offer from traditional broadcasters is replaced by a two-way dialogue. Clearly this opens up a huge number of compelling opportunities for brands to engage with audiences in more meaningful ways than ever before.

Watch this space!

Charlie Walter, Business Director, Publicis Media Sport & Entertainment