

# Sports Media Rights: Back To The Future

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## What may the future hold for sports media rights?

A few years ago I was among those getting excited about the possibility that the sports business was at the start of golden age in which sports fans would be able to watch premium sports programming on a range of media devices including TVs, mobile phones, PDAs and personal computers. And not just passively watch the action – I was also excited at the opportunities offered by digital interactive media to interact with the content on offer, to choose which matches or camera angles to view, to view related data and statistics, to watch more than one game at once, to place a bet on the outcome whilst watching, to buy merchandise and tickets, etc, etc.

Then the dot com bubble burst, and several of the companies staking their futures on the emergence of this golden age foundered, among them ITV Digital, Quokka, Wordsport.com, Sportal.

However, despite the fact that the business models and financial assumptions underpinning the strategies of several media companies proved to be flawed, the technology enabling distribution of sports content to many different devices continued to develop apace. For evidence of this look no further than the ubiquity of mobile wireless technologies and the rapid growth in uptake of digital television (terrestrial and satellite) and broadband Internet connections. These developments, and the accelerating consumer uptake of them, have brought us, in a sense, back to the future, where sports rights holders and buyers alike (at least those that are well advised) must seriously consider all available means of distribution when framing a strategy for producing, selling (or buying) sports media rights.

The sports media rights landscape is shaped by a number of factors, all of which must be carefully considered when looking to package, sell or buy rights. The trick is to divide the rights “pie” in the optimum way, which, put very simply, is the way that creates the most revenue without cannibalising the value of any of the buyers’ rights. Invitations to Tender in which rights are divided by territory, technology and timing are fairly commonplace. For a hypothetical premium football property, for example, it would not be unusual to see a tender with rights split in the following ways:

- Domestic collective live package(s)
- Domestic collective live pay per view package(s)
- International collective live and delayed highlights package

- Domestic delayed highlights package
- Domestic collective delayed web package (subject to a time-related holdback)
- Domestic collective mobile package (in game clips/alerts and post-match round-up)
- International collective delayed web package (subject to a time-related holdback)
- International collective mobile package (in game clips/alerts and post-match round-up)
- Club/team's own delayed web offering
- Club/team's own delayed mobile offering
- Club/team's own delayed TV channel or TV programming offering

Clearly the landscape is complex and becomes even more complex when production and access considerations are factored in among potentially hundreds of licensees and distributors of the same programming, each with their own slightly varying wish-lists. The role of expert sports lawyers in defining and negotiating the variables is key to getting the whole process right, not least in defining the many different (but increasingly overlapping) media distribution channels, and (more generally) ensuring that each licensee's contract delivers exactly what they expect and does not impinge on the rights of any other licensees.

Two more factors that will shortly make an impact on the media rights landscape are the launch of IPTV (essentially TV pictures delivered to a set-top box via broadband) and the integration of digital television receivers in mobile phones and devices. This makes the prospect of dividing sports rights packages on the basis of distribution technologies or devices even more difficult. To put the problem in a nutshell: If TV channels are going to be delivered by broadband and to mobile phones (as they already are in some parts of the world) what do we really mean by TV rights, mobile rights or broadband rights?

Whilst we're back in the realm of predictions, perhaps we will see a move away from defining rights packages strictly by technology and start defining them in terms of content and time of delivery. This, in a sense, reflects the reality of how consumers choose to access sports content anyway – they will instinctively reach for the optimum means of receiving the content to hand, starting with TV, then PC, then mobile device. In an age of genuine convergence, rights are perhaps better (or at least more easily) defined by content type and time of delivery. Perhaps we will soon see tenders for territories based around live rights (howsoever delivered), live PPV rights (howsoever delivered) delayed whole match (howsoever delivered), goal alert and post-match round-up rights, and delayed highlights (howsoever delivered). Certain rights may remain device specific, e.g. "in game" alerts and immediate post match round-ups may be restricted to mobile devices only, however with IPTV and TV-to-mobile becoming a reality it makes more sense to permit delivery of live and highlights coverage on a multi-device basis.

And let's not forget one other factor shaping rights packages: Brussels. Competition regulators have a keen eye on our sector and their stated desire to ensure maximum competition between media companies and platforms will continue to be a massive (sometimes decisive) influence on how rights for top sports events are packaged, bought and sold.

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