The International Sports Market







What do you know?

- Consider what you already know about the international sporting market- what is it? Where is it thriving? What / Where is up and coming?
- Roulette feedback



The plan for the module

12pm- 2 / 2:30pm

- Friday 31st January lecture 2 – task to complete by 14th February
- Friday 7th February- No Lecture
- Friday 14th February- Lecture 3- Task delivery
- Friday 21st February- Lecture 4
- Friday 28th February- Lecture 5
- Friday 7th March- No lecture industry
- Friday 13th March- Lecture 6
- Friday 20th March- Assignment support / hand in date

Who will deliver? What will be delivered?

- Mark – lead lectures / practical discussions
- Student led presentations
- Presentations / videos
- Interactive tasks
- Class discussions



The Current Sports Market

America / Europe / Rest Of The World

Themes / Topics

- Sport on Tv
- Sports venues and the offer
- USA college sport
- Sponsorship for teams , leagues , athletes
- Global sporting bodies, leagues and events
- Sports Marketing





Assessment

- Will be handed out Friday 28th February- 3 weeks to complete
- 5000 word assignment
- You must still attend lectures- I do not want to give it out and only leave you 1 week to complete
- It will require research and further reading
- Each lecture will help you by giving you the knowledge and understanding of the international sports market.
- Additional information / reading is on moodle


ANY
QUESTIONS
?

Sport On TV

Sports programming dominates the list of the most watched telecasts of all-time

Broadcast elements are a key driver of major business decisions in sport, due to its ability to:

1. Drive revenues for sport properties
2. Build relationships with consumers
3. Create awareness
4. Platform for technology development



Timeline

- Late 1800’s – film industry showing sports events
- 1910 – MLB and move industry deal
- 1936 – Olympic Games in Berlin, Germany
- 1937 – BBC – boxing match to 20,000 UK homes
- 1938 – Wimbledon
- 1939 – Columbia/Princeton baseball game
- 1960 – Winter Olympics (Squaw Valley) and CBS
- 1964 – Tokyo Olympic Games – global broadcast
- 1980’s – satellite/cable arrive/growth



Task

List the top 5 most watched sporting events

5. UEFA Champions League Final 2013

Number of viewers: 360,000,000

The UEFA Champions League is Europe's premier club competition and is contested by the best teams on the continent. The 2005 final was played by Bayern Munich v Borussia Dortmund, making it an all-German affair. It was aired in more than 200 countries with an estimated global reach of 360,000,000.

4. FA Cup Final 2005

Number of viewers: 484,000,000

Played at Cardiff's Millennium Stadium between Arsenal and Manchester United, two of the best supported clubs not just in the UK but the world. Also contributing to the big viewing figures was the fact that the game ended up being the first goalless draw in an FA Cup final for nearly 100 years with more and more viewers tuning in toward the end of the game in anticipation of a penalty shootout. The game was eventually won by Arsenal.

3. FIFA World Cup Final 2006

Number of viewers: 715,000,000

Taking place on 9 July 2006, the 2006 World Cup Final was contested between Italy and France. The game has gone down in history for two reasons. Firstly, it saw arguably the world's greatest player Zinedine Zidane sent off for a remarkable headbutt on an opposing player. Secondly it was only the second ever World Cup Final to be decided by a penalty shootout. These account for the huge viewing figures for this game.

2. Cricket World Cup 2015

Number of viewers: 1,000,000,000

If you're not a fan of cricket, you may not grasp just how popular the game is, especially in countries such as India and Pakistan. Cricket is almost like a religion in these countries and the national teams are supported with a fervour that is amazing to watch. So, when India played Pakistan as part of the 2015 World Cup, it was no surprise that an estimated 1 billion people watched it with India beating Pakistan by 76 runs.

1. Beijing Olympics Opening Ceremony

Number of viewers: 1,000,000,000+

We've been conservative with our estimates of viewing figures for the Beijing Olympics Opening Ceremony. Chinese news agency Xinhua estimated total viewing figures of nearly 4 billion, Bloomberg went with "billions" whereas Reuters decided upon "around one billion".

The number of people watching the event was down to the Chinese being renowned at putting on such displays and they were set to spend more than any other country on the ceremony. The event was a huge success and the watching world was not disappointed.

Multiple startup sporting leagues events have failed to survive when they failed to generate content that broadcasters were interested in paying sizeable money to show:

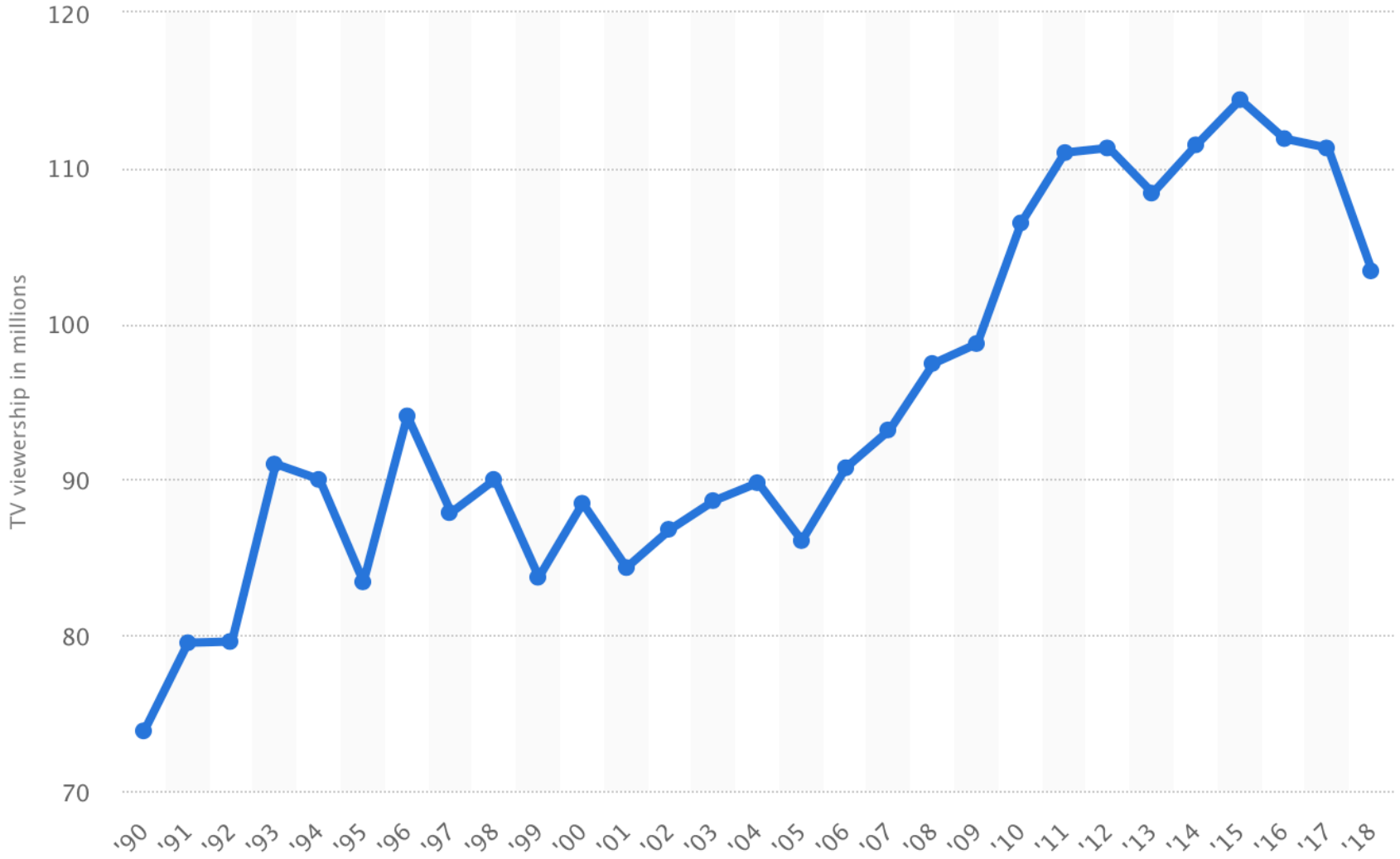



NFL
SUPER BOWL

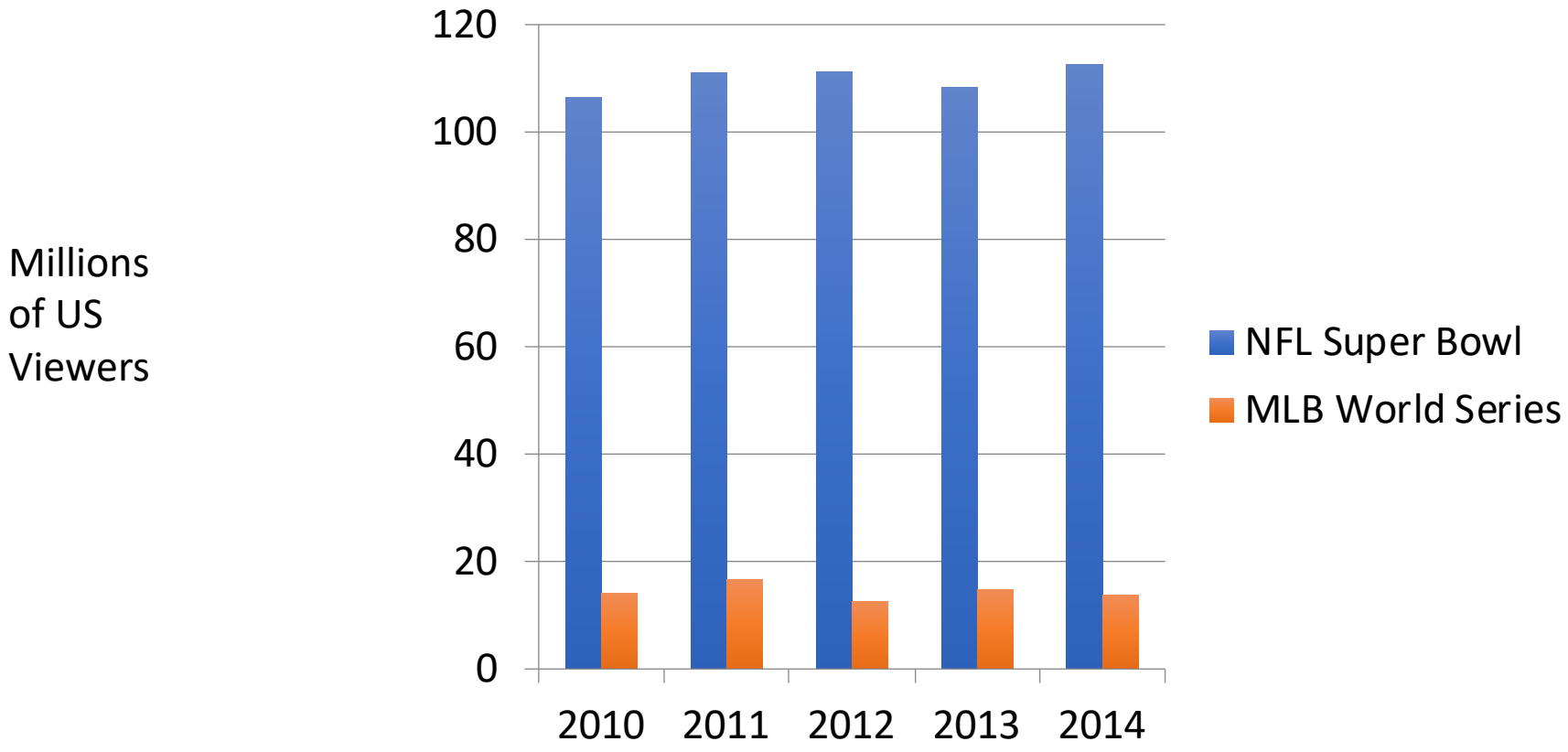



METLIFE STADIUM
CHAMPIONS

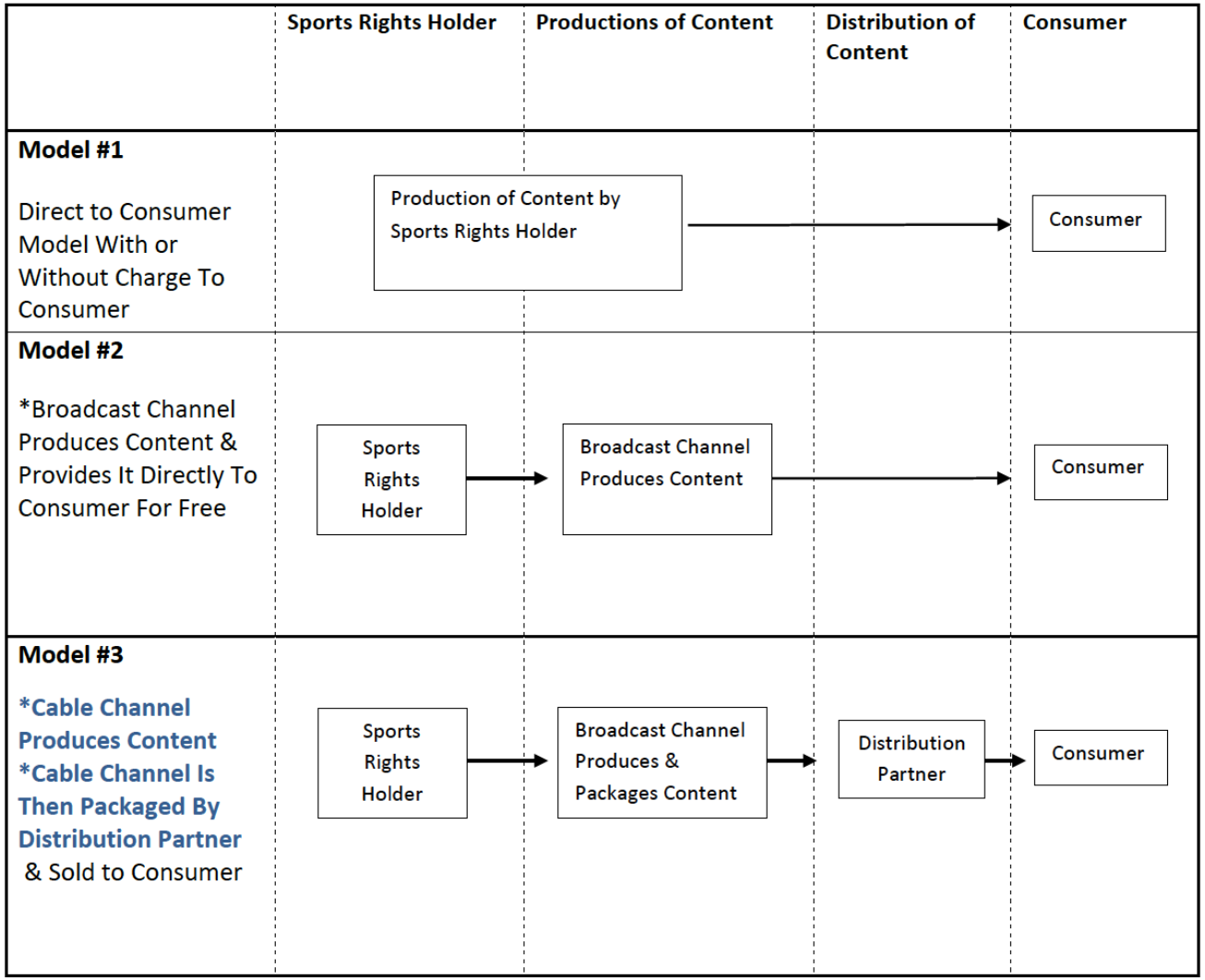
Superbowl Viewing figures from 1990-2018



Super Bowl is dominant programming in relative audience size



ALTERNATIVE MODELS OF DELIVERING SPORTS CONTENT TO THE CONSUMER



Model 1: Direct to Consumer Model

- ✓Simplest broadcast model
- ✓The sports rights holder produces a live broadcast (often with subcontractors) for delivery to consumers via the internet

Revenue sources for the rights holder:

Payments from consumers (subscriber fee to access the content)
Payments from advertisers (place promotions in/around the content)
Payments from sponsors (to associate with the broadcast)

- Example: NFL Broadcasts Regular Season Game on October 25, 2015 (Jacksonville Jaguars versus Buffalo Bills) from London, England free to consumer on Yahoo!
- Yahoo! Reported to pay NFL $17M to $20M to carry NFL game live

Model 2: Partner with Broadcasting Channel

- The ‘traditional’ model before cable television and during cable television
- Consumer can access the channel without paying a fee: “free to air”
- Two main revenue sources (for networks)
  - Advertising: payments for commercial slots (normally 30 seconds) during the telecast
  - Government Support: government support for public television stations such as PBS in the US, CBC in Canada, BBC in the U.K., and ABC in Australia
- Broadcast channels now negotiating with cable distributors to receive “redistribution fee revenue,” a third revenue source. Most viewers now access broadcast channels via a cable package.



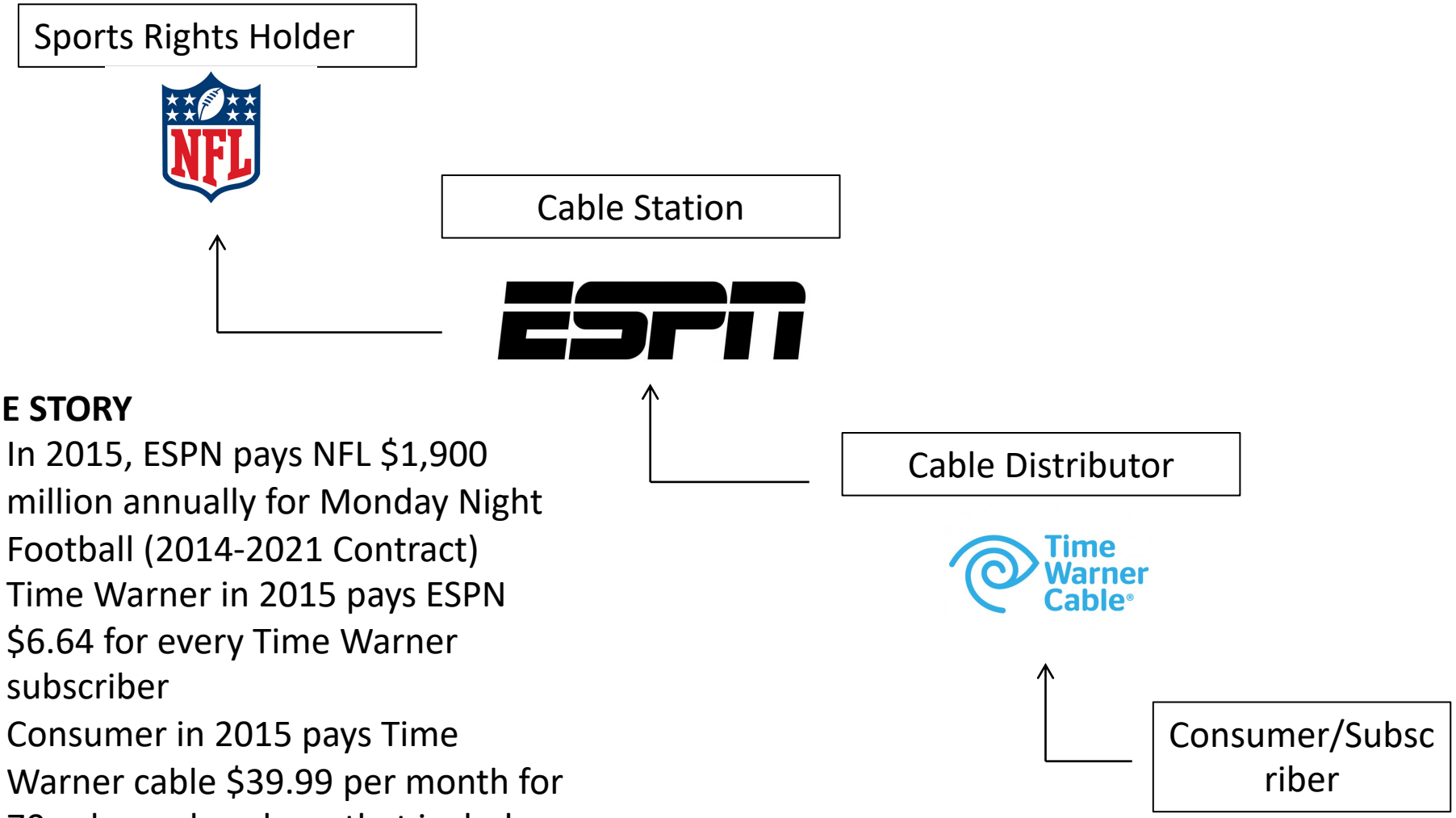




Model 3: Via a 'Double Set of Partnerships'

- **The dominant method of broadcast today**
- **Double Partnership**
  - **Sports Rights Holder partners with Cable Channel/Producer**
  - **Cable Channel partners with a Distributor who delivers content**
- **Distributors: Source of Revenues to Sports Cable Channels**
  - **Receive per subscriber fee under 'long term' contracts**
- **Consumers/Subscribers: Source of Revenues for Distributors**
  - **Monthly payments to cable distributor for packages of channels**
  - **Single event payments (pay-per-view events)**
- **Examples of Cable Channels**
  - **US: ESPN, FOX Sports 1, YES Network**
  - **Canada: TSN, Rogers Sports Network**
  - **Australia: FOX SPORTS**
- **Examples of Cable Distributors**
  - **US: Comcast, Time Warner, DirecTV, DISH Network**
  - **Canada: Rogers, Bell**
  - **Australia: FOXTEL**

The Model 3 Revenue Chain



THE STORY

- In 2015, ESPN pays NFL $1,900 million annually for Monday Night Football (2014-2021 Contract)
- Time Warner in 2015 pays ESPN $6.64 for every Time Warner subscriber
- Consumer in 2015 pays Time Warner cable $39.99 per month for 70+ channel package that includes ESPN

Consumer Options

- Consumers can simultaneously access sports content by the three models
- For example, a consumer can:
  - Access pay-per-view internet content (Model 1)
  - Receive free over-the-air broadcast (Model 2)
  - Subscribe to cable for a set of sport channels (Model 3)



Fight between two youtubers streamed on You Tube
Ended in a Draw
KSI won the rematch by slit decision – sky sports box office. WHY?