

# Live sports, the newest weapon in the TV streaming war

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Sports stars like LeBron James—pictured at a pre-season match in Shanghai, China—will be part of the attraction for platforms about to be launched by WarnerMedia and Disney

Streaming services have long focused on series and movies, but as online

TV competition heats up could live sports—historically a bit player on these platforms—change the game?

Amazon is the sole established player to have invested in [sports](#) so far, and it has done so only tentatively, buying some rights to the NFL, Premier League and ATP tennis.

Netflix and Hulu have yet to take the plunge, however sports are going to be a significant feature of new platforms that are aiming to shake up the burgeoning on-demand industry.

"(Sports) generate the best audiences," said Patrick Rishe, professor of sports economics at Washington University in St. Louis, Missouri, describing it as one of the last "bastions" of live content.

Live matches are set to be key to platforms about to be launched by WarnerMedia and Disney.

WarnerMedia announced in July that its HBO Max service will air NBA basketball and Major League Baseball when it goes online, expected sometime early next year.

Randall Stephenson, CEO of parent company AT&T, one of the largest wireless operators and a major pay TV provider, said live sports would be "an important element" of the [platform](#).

"There is no question that the frequency with which sports and entertainment content will be streamed will grow," said Rishe, adding that live sports "should certainly help" HBO Max.

Walt Disney Co. already shook up the established order in April 2018 with ESPN +—an on-demand version of its vast network of sports channels, which is the largest in the world.

It is about to do so again when it launches a new platform on November 12 called Disney +.

## **'Unique events'**

For \$12.99 a month, the same price as a standard Netflix package in the United States, consumers will be able to bundle it together with ESPN + and Hulu.

"Live sports is the most valuable content in the media universe because people care passionately about it and because they are unique events that cannot be replicated," former ESPN president John Skipper said last year.

In 2018, 43 of the top 50 American television audiences were for sporting events.

Broadcasting rights—which can cost billions of dollars—are a major issue in sports coverage, just like they are for series and films.



Tom Brady, quarterback for the New England Patriots

Generalist platforms like Amazon have few rights at the moment while young startups specializing in sports, such as "DAZN," are focusing on more niche sports.

Disney seems best placed due to its unique and unrivalled rights portfolio. As well as ESPN, it is also the parent company of television giant ABC.

"Every deal that we're negotiating right now we are looking at how do we acquire rights not just for the linear package but for ESPN+," ESPN President Jimmy Pitaro told Bloomberg in May.

WarnerMedia is also a sporting heavyweight and has already secured the digital rights to several events, including college basketball, which is massively popular in the United States.

Even if Disney and WarnerMedia offer sports with their online video services they are unlikely to make all of their content available on a streaming platform, analysts say.

That is because traditional television, despite suffering decline in viewers, is by far still their main source of income owing to cable subscriptions and advertising.

"What Disney is doing with ESPN will be the norm for years to come—a mixture of streaming and traditional distribution," said John McGuire, a professor of media and sport at Oklahoma State University.

## League Pass

There is also a technical reason for the cautious approach.

"It takes a lot of infrastructure and the infrastructure is not there right now. The ability to stream concurrently to a large number of people can only be done by a few services," Skipper, the ex-ESPN head, told CNBC in November.

Technical glitches have impacted the screening of some sports. An ESPN [live stream](#) of a 2014 football World Cup match between the USA and Germany crashed due to high demand.

Disney, aware that problems occur, spent \$2.6 billion in 2017 to take control of BAMTech Media, a company that has expertise in streaming sport.



These platforms not only face competition for subscribers from each other, but also from the leagues themselves.

More and more organizations have their own streaming offers, available almost anywhere in the world. The best example is the NBA League Pass which allows users to watch all games, live and on-demand.

With several broadcasters bidding for rights and with sports fans having to buy a variety of packages to watch their favorite sports, Oklahoma State professor McGuire is certain of one thing.

"It will continue getting more and more expensive in the coming years," he told AFP.

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