

# Apple embraces potential of sports streaming with MLS deal

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Apple senior vice president of services Eddy Cue, right, speaks next to Major League Soccer Commissioner Don Garber during a MLS Season Pass and Apple TV talent announcement at MLS soccer media day in San Jose, Calif., Tuesday, Jan. 10, 2023. Credit: AP Photo/Jeff Chiu

After taking its first dip into sports streaming last year, Apple is now

immersing itself.

The tech giant kicked off a 10-year partnership with Major League Soccer on Wednesday with the launch of Season Pass on Apple TV+.

"This is very important for us. It is one of the key things we are doing this year and for the next 10 years. We're now part of a family together," Apple CEO Tim Cook said during a presentation for MLS players, owners and media at Apple Park last month.

The Apple launch comes after a transformative year for sports and [streaming services](#). The NFL further embraced streaming last year as Prime Video carried "Thursday Night Football" and Major League Baseball partnered with Apple TV and Peacock to stream games. The NFL also reached an agreement with Google's YouTube TV to carry the "Sunday Ticket" package beginning next season.

Tech companies and broadcast outlets likewise see the value of live sports programming. According to a recent report by Parks Associates, revenue from sports streaming subscription packages is expected to increase 73% to \$22.6 billion in 2027 after generating \$13.1 billion last year.

In the era of cord cutting, [tech companies](#), advertisers and sports leagues are also finding that younger viewers continue to migrate toward streaming and are watching for extended periods.

According to Amazon tracking data, 22% of "Thursday Night Football" viewers on Prime Video were in the coveted 18-34 age demographic, compared with 14% of viewers watching NFL games on linear networks.

The average viewing time for "Thursday Night" games was 85 minutes—nine minutes longer than games not on Prime.

Apple teaming with MLS makes sense for both parties. Various studies have found that soccer fans are more likely to watch sports on streaming devices or recorded TV.



Apple senior vice president of services Eddy Cue, middle, jumps toward a soccer ball next to Major League Soccer Commissioner Don Garber, middle right, during a MLS Season Pass and Apple TV talent announcement at MLS soccer media day in San Jose, Calif., Tuesday, Jan. 10, 2023. Credit: AP Photo/Jeff Chiu

"This is a deal that expresses where things have been headed for a while and pushes them forward as well," said Daniel Kirschner, the cofounder and CEO of Greenfly, a digital media distribution platform that works

with over 30 leagues.

MLS will receive at least \$250 million per season from Apple. The league averaged \$90 million per season under its previous eight-year agreements with Fox, ESPN and Univision.

Apple has made previous forays into sports streaming, but this is its first significant involvement with a league. MLB aired two games on Apple TV+ on Friday nights last year, including the game where St. Louis' Albert Pujols became the fourth player in baseball history to reach 700 career home runs.

This deal could signal where sports streaming and league media rights are headed.

Apple and MLS are teaming up for a direct-to-consumer product that will allow fans to watch every game without local blackouts or restrictions and that reaches beyond North America. Fans in London, Paris and wherever the Apple TV app is available will be able to see the games as well.

"We've looked at sports and acknowledged that there's never been a better time to be a sports fan, and there's also never been a worse time to be a sports fan," said Eddy Cue, Apple's senior vice president of services. "We have an opportunity with this partnership to make the experience a lot better for fans, and help grow the sport and the league in the US and beyond."

MLS is taking over the production of all its matches, similar to how European soccer leagues do business. But the other leagues, such as the Premier League and Germany's Bundesliga, then sell their rights to broadcast outlets in each country. In this case, only one outlet—Apple—has worldwide rights.

Even games on Fox in the United States, TSN and RDS in Canada and TelevisaUnivision will be on the Apple TV+ app.

"I think they were the right league to recognize that the long-term value of their rights is best situated with a streaming partner or a technology partner, as opposed to the traditional leagues that still need big billions of dollars of payments from traditional networks," said Jon Cohen, senior vice president at Frequency, which provides software for ad-supported streaming channels. "I think it's the right time for both to do this."



Apple CEO Tim Cook speaks in front of the new Taiwan Semiconductor Manufacturing Company facility under construction in Phoenix, Tuesday, Dec. 6, 2022. Cook will take a more than 40% pay cut this year from a year earlier as the company adjusts how it calculates his compensation. Apple Inc. said in a regulatory filing that Cook's target total compensation is \$49 million for 2023.

Credit: AP Photo/Ross D. Franklin, File

While Apple TV+ has had success as the first streaming service to receive an Oscar for Best Picture with "CODA" last year and "Ted Lasso" won back-to-back Emmys for Best Comedy, it is not turning into an entertainment company or studio. It remains a diversified company.

"Sports drives a lot of engagement in terms of media. I think it shows that they have a very specific strategy with respect to growing their subscription and video services," Cohen said.

MLS and Apple's progress will be watched closely by other leagues. While the NFL, NHL and baseball have wrapped up rights deals the past two years, the NBA is expected to have some streaming component when it begins negotiations on its media rights this year.

Cue and Cook acknowledge there will be growing pains during the first year, especially with MLS getting up to speed with its own production company. Everyone, though, is focused on the potential of the project and the road ahead.

"People are going to say we are the smartest guys in the room or we were a couple of years too early," MLS Commissioner Don Garber said. "The opportunities are endless, but it is an undertaking with many tests."

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