

# The Rights Stuff: Sports rights ownership fragments as spending hits \$35bn

## Shifting viewing habits drive rights owners to seek new broadcast partners

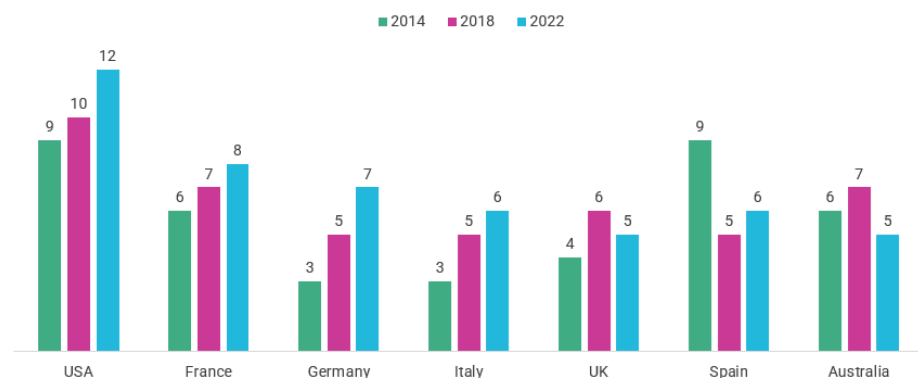
**London, 2<sup>nd</sup> October 2023:** In major Western markets, the broadcast rights to popular sports competitions are increasingly being split across a growing number of services. Changing viewing habits are driving the proliferation of streaming services that are turning to live sports coverage to boost engagement and subscriptions. Rights holders are seeking ways to exploit this rise in potential buyers for the purpose of growing media rights revenues. That's according to a new report just published by Ampere Analysis.

### Capitalising on a fragmenting media market

- Total annual media rights spend in the US, UK, France, Germany, Spain, Italy, and Australia grew from \$20.8bn to \$34.9bn between 2014 and 2022, an increase of 68%
- Reducing financial burden by sharing investment in rights to sports properties with other broadcasters is one positive result of the fragmentation in the media market. This is the case for both incumbent TV players who are facing growing financial pressures and the new streaming entrants who are striving towards profitability and looking to slow their spending on content.



Number of broadcasters holding rights to the 10 most popular sports competitions\* among fans in a market



Source: Ampere Sports – Media Rights

\*The top 10 most popular sports competitions are derived from Ampere's Media Consumer Q1 2023 survey data

### Repackaging sports rights risks alienating lucrative sports fans

- Sports bodies are increasingly aiming to capitalise on the fragmented media market by repackaging the rights to sporting competitions to attract bids from both linear and digital broadcasters
- Rights revenue growth illustrates the successful implementation of the strategy, which may also support accessibility for casual fans, but Ampere notes that fragmentation places sizeable financial barriers to access in front of core sports audiences
- However, currently, sports fans take an average of 3.3 paid streaming services per household, versus an average of 3.1 for the average Internet user. This figure is still rising – suggesting fans may be accepting of this increasingly fragmented media market for now

### The German experience

Germany illustrates the fragmentation trend clearly. In Germany, the number of broadcasters with the rights to the top 10 sports competitions has been consistently growing. In 2014 a trio of operators owned the rights; by 2022 that had more than doubled to seven. While Sky Deutschland has maintained its position as market leader, its share of rights spend across the top 10 competitions has fallen from 62% in 2014 to 40% in 2022. Streaming service DAZN’s share has more than trebled from 7% in 2018 to 26% in 2022.



Sports rights holders to top 10 competitions in Germany

2014	2018	2022
Sky Deutschland	Sky Deutschland	Sky Deutschland
ARD/ZDF	ARD/ZDF	Deutsche Telekom
ProSiebenSat1	RTL	ARD/ZDF
	Eurosport	ProSiebenSat1
	DAZN	RTL
		DAZN
		Amazon Prime Video

KEY

- Pay TV
- Public broadcaster
- Commercial broadcaster
- Premium Channels
- Subscription OTT

Source: Ampere Sports – Media Rights

**Daniel Harraghy, Senior Analyst at Ampere** says: “Shifting viewing habits have seen the continued growth of the streaming industry which, in turn, has brought new entrants to the sports broadcasting market. New buyers have the potential to increase the competitive tension in rights auctions which is desirable for sports bodies, and the rights to leading sports properties are being shared across a growing number of broadcasters. But as this trend continues, it’s key that the industry considers the additional cost barriers that result from such a strategy. Failure to do so has the potential to amplify existing piracy issues, while some services could see additional subscriber churn.”

## Ends

### For more information, please contact Greenfields Communications:

Corinna Staedel: [corinna@greenfieldscommunications.com](mailto:corinna@greenfieldscommunications.com) +1 912 506 5674

Lucy Green [lgreen@greenfieldscommunications.com](mailto:lgreen@greenfieldscommunications.com) T: 0208 778 3784/07817 698366

### Ampere Analysis

Roya Sanei T: 020 3848 6400 [roya.sanei@ampereanalysis.com](mailto:roya.sanei@ampereanalysis.com)

Dan Stevenson T: 020 3848 6400/07973 157317 [dan.stevenson@ampereanalysis.com](mailto:dan.stevenson@ampereanalysis.com)

### About Ampere Analysis

Founded in January 2015, Ampere Analysis is a new breed of media analyst firm. The company’s experienced team of sector-leading industry analysts specialises in sport, games, pay and multiscreen TV and next-generation content distribution. Our founders have more than 60 years combined experience of providing data, forecasts and consulting to the major film studios, telecoms and pay TV operators, technology companies, TV channel groups and investment banks.

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