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RUGBY UNION

Six Nations pauses media-rights sales in face of Covid-19 pandemic

By Reginald Ajuonuma

- No date set for resumption of domestic, international processes
- UK tender for 2022-24 cycle saw bids in excess of current £50m/year
- Rights to Autumn Internationals pooled with Six Nations for first time

Six Nations Rugby, the organising body of the annual national team tournament, has paused the sales process for the next cycle of domestic and international rights to the Six Nations and Autumn Internationals due to the widespread uncertainty caused by the Covid-19 pandemic.

SNR, which is owned by the six constituent federations of the Six Nations championships – the English, French, Irish, Italian, Scottish and Welsh rugby unions – began the process in mid-February with the UK tender, setting a bid deadline of March 10. The rights-holder has not pencilled in a date to resume sales.

Industry experts said it would have been difficult for SNR to continue the process, even in the case of having received binding bids, given the need to maintain good relations with broadcasters that will be unsure of the long-term consequences of the pandemic for their operations.

“The broadcasters have found themselves in a whole world of pain” one expert said.

UK tender

The six constituent unions [agreed in February](#) to pool media rights to the Autumn Internationals and other international matches. Each union previously sold rights to these matches independently. The respective unions each host 3-4 matches during the Autumn Internationals, usually against touring countries from the southern hemisphere.

These rights were then bundled with the existing Six Nations rights to create a new product, sold centrally by SNR, that the unions hoped would be more compelling than the sum of its parts.

The UK tender was divided into separate ‘Six Nations’ and ‘Autumn Internationals’ offers, which each contained a number of packages:

- Six Nations (rights from 2022 to 2024)
 1. Live rights to all 15 matches.
 2. First-pick live coverage in each round (five matches)
 3. Second-pick live coverage for three rounds and third-pick for two rounds
 4. Second-pick live coverage for two rounds and third-pick for three rounds
 5. Highlights of all 15 matches (after two hours from final whistle or 22:30 for evening games)

- Autumn Internationals (rights for 2020 to 2022), Rugby World Cup warm-up matches (2023) and other international rugby matches (2020 to 2023)
 1. All matches live
 2. First pick each Autumn weekend, all warm-up matches featuring England and all other matches featuring England
 3. Second pick each weekend, all RWC warm-ups featuring a home nation apart from England, all other matches featuring a home nation apart from England
 4. Third pick each weekend for 2020 and 2021, third and fourth pick for 2022, any additional matches featuring a home nation.
 5. France and Italy package
 6. Highlights of all matches

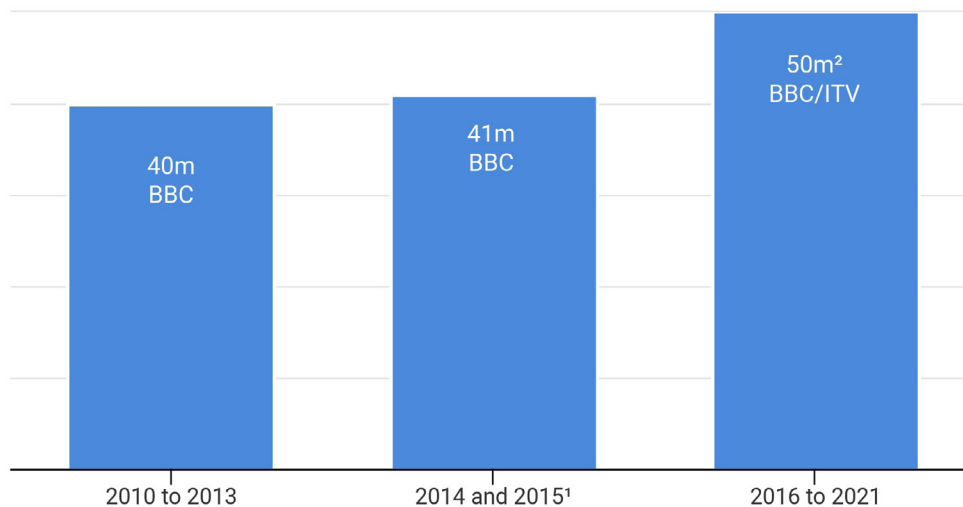
In the 'Six Nations' section, if SNR awarded Package 1, then Packages 2-4 would not be awarded and vice-versa. Similarly, in the 'Autumn Internationals' section, if SNR awarded Package 1, then Packages 2, 3, 4 and 5 would not be awarded and vice versa.

There are no autumn internationals in 2023 due to the Rugby World Cup, which will be held in France from September 8 to October 21.

The 'Autumn International' packages do not include matches involving Ireland in 2020 and 2021 or those involving France in 2020 as these are under contract. The Ireland rights in the UK are held by [commercial broadcaster Channel 4](#), while [media giant Discovery](#) holds the international rights to France autumn international matches until 2020 in a five-season deal worth about \$1m (€900,000) per season.

The UK tender also offers non-exclusive rights in Ireland to the Six Nations and Autumn Internationals. The Ireland-specific tender has yet to begin. The Six Nations rights in that country are currently [held by commercial broadcaster TV3](#) in a four-year deal, from 2018 to 2021, worth about €5m (\$5.3m) per year.

Six Nations rights in the UK, 2010 to 2021 (£ per year)



Source: *SportBusiness Media Rights Tracker*

¹ Deal originally due to run until 2017.

² BBC and ITV pay £22.5m and £27.5m, respectively, per year.

Six Nations interest

SportBusiness Media understands SNR had received several competitive bids for the Six Nations before it paused the process. The bids are thought to value the property at a robust premium to the approximately £50m (€56m/\$61m) per season free-to-air broadcasters [the BBC and ITV jointly pay](#) for exclusive rights in the 2016-21 cycle.

BBC director-general Lord Hall told the UK parliament's Department of Media, Culture and Sport committee [in March](#) that the public-service broadcaster had submitted a bid for the Six Nations that involved a sublicense to ITV.

The DMCS committee subsequently called on the UK government to include the Six Nations in the 'Category A' list of sports events, whose live rights are reserved for free-to-air broadcasters, [but that call was rejected](#). The Six Nations currently sits in 'Category B' of the government's listed sporting events. This category comprises events that can be aired live on subscription television provided secondary coverage (highlights and/or delayed broadcast) is offered to free-to-air broadcasters. The only rugby union event in 'Category A' is the Rugby World Cup final.

At the time the current BBC/ITV deal was agreed, the SNR preferred the wider coverage offered by the free-to-air broadcasters ahead of a larger fee offered by pay-television broadcaster Sky, understood to have been £60m per year. However, SNR has [refused to rule out](#) the possibility live rights to the championship could go behind a paywall this time around, against the backdrop of a proposed investment deal with private equity group CVC Capital Partners.

The private equity company [started an exclusive period of negotiation with SNR](#) last September, with a view to acquiring a 15-per-cent stake in the championships for a reported £300m. It

believes media rights are the key to generating a greater return on its investment.

It is thought CVC considers the Six Nations to be undervalued in the current BBC/ITV deal. It wants to take control of the Six Nations' commercial arm and have the right to arrange its next broadcasting deal. However, *SportBusiness Media* understands the current UK process is being run solely by SNR.

Sky is thought to have made a bid for the Six Nations rights. It has broadcast the competition before in its previous guise as the Five Nations. In 1996, England's Rugby Football Union signed a controversial five-year agreement worth a total of £87.5m with the broadcaster for rights to England's home matches and domestic club rugby. The breakaway deal included rights to England's Five Nations matches from 1997 onward.

Telco BT is also thought to have bid for the Six Nations rights. It currently holds rights to [European Professional Club Rugby events](#) and the [English Premiership](#), alongside Channel 4 and commercial broadcaster Channel 5 respectively.

However, it would seem politically difficult for the Six Nations to go entirely behind a paywall, particularly given opposition from the Welsh Rugby Union.

One industry expert said: "I'd bet on a mixture of free-to-air and pay-television, but if it went to just one bidder it would be ITV and the BBC."

SNR could additionally look to maximise any interest from the likes of Discovery and the DAZN OTT platform, which recently launched its [global boxing streaming platform](#) in a first move into the UK. Internet giant Amazon may also be a potential bidder in a continuation of its strategy to drive traffic to its Prime marketplace. It already holds rights in the UK to the [Premier League](#), [ATP Tour](#), [WTA Tour](#) and [US Open](#).

But it is understood the SNR will not spread the Six Nations and/or the Autumn Internationals across a range of broadcasters given the rights-holder's strong focus on narrative.

Autumn Internationals

In contrast to the Six Nations, interest in the Autumn Internationals in the UK sales process is understood to have been more disappointing.

The six individual unions negotiated their current and previous Autumn International deals separately. The English Rugby Football Union's contract with Sky is by far the most valuable. The broadcaster currently holds [global live rights](#) to England's Autumn Internationals in a deal worth just over £35m per season from 2015-16 to 2019-20. The BBC [holds highlights rights](#) in the UK for the same period.

The UK accounts for nearly all of the value of Sky's RFU deal. The broadcaster [sublicensed the international rights](#) to the Pitch International agency from 2015-16 to 2019-20 for about \$2.4m

per season. Additionally, England matches hold most of the value in SNR's pooled Autumn Internationals offer.

But despite all six unions pooling their rights this time round, the bids submitted suggest they will receive significantly less for these matches in total than England, on its own, achieved last time.

One industry expert told *SportBusiness Media*: "Sky's RFU Deal worked out at nearly £9m per match; you'd probably say it's not worth more than £5m per match. The RFU will get an increase in Six Nations revenue, but I suspect it will be more than offset by a decrease in Autumn Internationals revenue."

However, it is understood SNR never expected to replicate the fee levels seen in the RFU-Sky deal given the agreement was reached at a time of more intense competition for premium rights between Sky and rival BT.

International rights

The international rights tender for the Six Nations and Autumn Internationals, which will cover 2022 to 2024, was not due to have begun until the conclusion of the now-paused UK tender.

Pitch is the incumbent Six Nations international rights-holder for the period 2018 to 2021. It pays SNR a [minimum guarantee](#) of about €6m per year and shares revenues above this level with the rights-holder. Its rights cover all territories outside the six domestic markets, excluding the US and Canada. Pitch has distributed Six Nations international rights since 2010.

It is thought Pitch will be challenged in the new rights round by IMG, Infront and the RDA agency. IMG made a joint bid with Discovery for the 2018-21 rights, while Infront also bid last time round. RDA holds the international rights to a number of club rugby competitions, such as [European Professional Club Rugby events](#), [the English Premiership](#) and the [Pro14](#) cross-border league.

In addition to holding the international rights to the England autumn internationals, Pitch has the equivalent rights for [Scotland](#) until 2021 in a deal worth a minimum of about \$1.2m per year. It also holds international rights to Ireland and Wales autumn internationals. [o](#)

FOOTBALL

Uefa sees sharp fee hike from club competitions in Balkans on strong interest

By David Svenson

- Rights in 2021-24 cycle across five Balkan markets to be worth €46m per season
- Uefa income rises 134 per cent in new deals with Telekom Srbija, HRT
- Aggressive competition between Telekom Srbija, United Media grows

Uefa has more than doubled the value of its club competition media rights across five Balkan countries, awarding almost all rights to aggressive bidder Telekom Srbija, as the telco's battle with rival United Media intensified.

European football's governing body sold rights to the Champions League, Europa League and newly-created third-tier Europa Conference League, from 2021-22 to 2023-24, in Bosnia & Herzegovina, Croatia, Montenegro, North Macedonia, and Serbia. *SportBusiness Media* understands the combined value of the rights is about €46m (\$50m) per season.

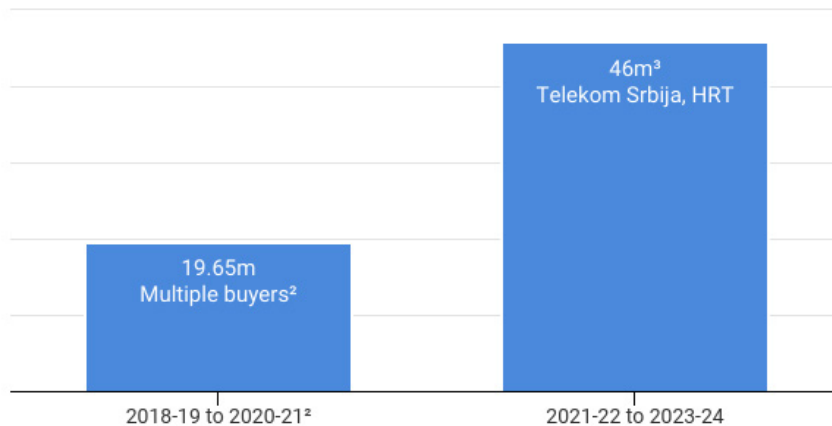
Uefa's total income is an increase of about 134 per cent on the current 2018-19 to 2020-21 cycle, in which it [earns about €19.65m per season](#) from multiple deals across the five countries.

Serbian telco Telekom Srbija has won all Champions League, Europa League and Europa Conference League rights on offer in Bosnia & Herzegovina, Montenegro, North Macedonia and Serbia.

In Croatia, public-service broadcaster HRT has renewed its rights to the first-pick Wednesday Champions League match. Telekom Srbija acquired all other rights in the country. Telekom Srbija's total outlay across the five territories in the new 2021-24 cycle will be about €43m per season. HRT will pay about €3m per season for its package of rights.

Telekom Srbija owns the pay-television Arena Sport channels in the region through its subsidiary company HD-WIN.

Uefa club competition rights in the Balkans¹, 2018 to 2024 (€ per season)



Source: SportBusiness Media Rights Tracker

¹ Countries included are Bosnia and Herzegovina, Croatia, Montenegro, North Macedonia, Serbia

² Rights-holders are HRT, Hrvatski Telekom, Makedonski Telekom, RTS, Telekom Austria, Telekom Srbija, and United Media

³ Telekom Srbija to pay about €43m per season for rights to all matches except for first-pick Wednesday Champions League matches in Croatia; HRT to pay about €3m per season for first-pick Wednesday Champions League matches in Croatia

Current deals

Telekom Srbija is an incumbent rights-holder of Uefa club competitions in Bosnia & Herzegovina, Montenegro and Serbia.

The telco pays about €2.8m per season and about €1.35m per season for its exclusive rights in Bosnia & Herzegovina and Montenegro, respectively.

In Serbia, it holds rights to all Champions League matches, apart from the first-pick Wednesday match, and all Europa League matches apart from the first pick. Serbian public-service broadcaster RTS acquired both the first-pick Wednesday Champions League matches and the first-pick Europa League matches.

The combined value of the rights in the country is about €7m per season for the 2018-21 cycle.

In Croatia, aside from HRT's rights to the first-pick Wednesday Champions League match, all other Champions League matches are broadcast by Telekom Austria-owned telco A1 Hrvatska. Exclusive rights to the Europa League were acquired by telco Hrvatski Telekom. The value of the combined deals in Croatia for the 2018-21 cycle is about €6.5m per season.

In North Macedonia, telco Makedonski Telekom, a subsidiary of Deutsche Telekom, holds exclusive rights to the Champions League and Europa League for the 2018-21 cycle, in deals worth about €2m per season.

First-round knockouts

Uefa, through its exclusive club competition sales agent Team Marketing, [launched ten tenders in the five territories](#) on January 15; five in each territory for the Champions League and five in

each for Europa League/Europa Conference League. Both tenders had a bid deadline of February 10. The Champions League tender also covered rights to the Uefa Super Cup and Uefa Youth League.

Telekom Srbija secured all rights in Bosnia & Herzegovina, Montenegro and Serbia in the first round of bidding. In all three markets, the telco put in knockout first-round bids that were more than double the value of the current rights.

It was expecting aggressive competition from rival United Media. The media group owns the pay-television Sportklub channels and commercial Nova channels in the Balkan region. United Media is thought to have bid strongly – especially for rights in Serbia where it bid at least 50 per cent more than the current value – but it was not expecting Telekom Srbija's level of aggression.

Uefa also awarded Telekom Srbija its Champions League rights in North Macedonia in the first round. Incumbent Makedonski Telekom is thought to have bid without getting close to Telekom Srbija's offer.

Makedonski Telekom owner Deutsche Telekom has an exclusive distribution agreement with Telekom Srbija's Arena Sport channels not only in North Macedonia, but also in Croatia and Montenegro.

Deutsche Telekom uses Arena Sport as its exclusive production partner in those Balkan territories where it acquires rights. Despite not having production capabilities, if it is the rights-holder of a certain property then it holds leverage over Telekom Srbija in carriage negotiations.

Several market experts predict that going forward, Telekom Srbija will seek to distribute its Arena Sport channels more widely, as opposed to exclusively with Deutsche Telekom, in order to maximise revenue.

Croatia battle

Uefa awarded rights in Croatia to all three club competitions, and in North Macedonia to the Europa League and Europa Conference, after a second round of bidding that took place on February 14.

In Croatia, competition for the rights was also strong. In addition to the eventual winners, Telekom Srbija and HRT, bids emerged from United Media and incumbent Champions League rights-holder Telekom Austria.

Telekom Srbija will pay about €7m per season for its Champions League rights in Croatia for the 2021-24 cycle. This is an increase in value of about 150 per cent on the approximate €2.8m per season Telekom Austria currently pays for the same rights.

HRT will pay about 76 per cent more for its first-pick Champions League match in the 2021-24

cycle; it pays about €1.7m per season in the 2018-21 cycle.

For the Europa League and Europa Conference League, Telekom Srbija will pay about €4m per season for its 2021-24 rights. Hrvatski Telekom currently pays about €2m per season for its Europa League rights.

At the time of the previous tender, several market experts suggested Hrvatski Telekom overpaid for its rights. It is thought the telco was surprised when Uefa awarded the Champions League rights to rival Telekom Austria and wanted to compensate with the Europa League.

United v Telekom

Industry experts were surprised at how far Telekom Srbija was prepared to go to secure the Uefa club competition rights and speculated on how it would finance the expenditure.

Telekom Srbija is state-owned, and it is thought United Media believe that to be an unfair advantage as the telco does not have to justify business decisions, nor does it believe that the Serbian state should be funding these commercial agreements. United Media is owned by private equity firm BC Partners.

Several local executives told *SportBusiness Media* that the commercial battle between Telekom Srbija and United Media has become political. Serbian prime minister Ana Brnabić has publicly commented on the ongoing carriage dispute between the two for the distribution of United Media's news channel N1, siding with Telekom Srbija.

Telekom Srbija and United Media have competed for sports rights for many years but have also been able to agree carriage deals for the latter's Sportklub channels.

Telekom Srbija has been acquiring a host of smaller cable operators over the last two years, including several that already had distribution agreements with Sportklub. Talks have been ongoing between United Media and the Telekom-owned operators, which use the collective brand name Supernova.

It is thought United Media was trying to get Telekom Srbija to specifically identify the cable operators in its network that would be able to access the Sportklub channels to avoid overspill. United Media wanted these specifics in the contract, rather than just a verbal promise from Telekom Srbija, to be able to accurately understand the distribution.

However, Telekom Srbija has claimed in local press that United Media wanted to restrict its expansion as a price for securing a deal. It also claimed that a major barrier in the negotiations was United Media's launch of a new subscription channel, Nova Sport, in Bosnia & Herzegovina, Montenegro, and Serbia. Sportklub remains in all markets, with Nova using selected content. The telco claimed that United Media had failed to guarantee any specifics on the existing content that would remain on Sportklub. [o](#)

MULTI-SPORT

Asian sports media industry adjusts to coronavirus shutdown

By Kevin McCullagh

- Buyers and sellers cooperate for now, but financial pressures build
- Broadcasters seek to delay payments, agencies fight to sustain cash flow
- Some major sales slowly proceeding, including AFC and Bundesliga

The shutdown of live sport due to the Covid-19 pandemic has stopped media-rights payments and negotiations, and prompted a scramble by broadcasters for alternative content across Asia-Pacific.

The cessation of rights payments is not the only approach broadcasters are taking to the coronavirus-related non-delivery of content; some have reacted by delaying payments or continuing under adjusted payment terms.

Major sales processes that have been affected by the stoppage include the DDMC Fortis agency's sale of Asian Football Confederation rights, the Dentsu agency's sale of rights to the now-postponed Tokyo Olympic Games, Rugby Australia's domestic rights sale, the German Bundesliga's sale of Asia-Pacific rights for 2020-21 to 2022-23, and Lagardère Sports' sale of the Asean Football Federation Championship national team tournament.

Broadcasters are turning to a variety of other content to fill their schedules, including archive, documentaries, home workout programming and gaming content.

None of the industry professionals spoken to by *SportBusiness Media* for this feature wanted to go on the record during what is a delicate time. However, many reported similar experiences and are adopting similar approaches to the challenges they are facing.

Solidarity, for now

Media-rights professionals across the region say that, for now at least, rights buyers and sellers are largely working to support each other through what is a tough period for all.

Rights-holders and agencies are giving their broadcast partners access to archive material and other content at no additional cost, to replace the live sport that is missing from schedules.

"The good thing is that rights-holders and federations are allowing us almost complete access to their archives," one pay-television source said.

With almost all competitions postponed rather than cancelled, most buyers and sellers are not yet looking to renegotiate or cancel deals. Many buyers, however, have unilaterally stopped making payments, or have agreed with the seller to stop or delay payments.

Agency sources said they were focused on maintaining cashflow in their businesses, making sure as far as possible that money was still coming in from broadcasters. They added that annual financial targets had gone out the window. "We're operating in a completely different environment," one said. "It's all about cashflow."

One television industry source said broadcasters would prefer, in response to rescheduled or cancelled events, to have to settle overdue bills rather than recoup money paid out.

"Broadcasters are trying to gain leverage, so if it gets into the situation where events are cancelled...they're not trying to recoup payments," he said.

One sales manager at a company distributing rights in the region said: "I'm telling my guys it's a fair point. I wouldn't pay for something I'm not going to get...We've been approached by broadcast partners who ask: 'Will the property be able to complete their season? If yes, fine. If not, can we renegotiate in good faith for a rebate?'"

For most players in the industry, it's still too early to assess the magnitude of the financial impact of the shutdown. But the pressure is building. One agency executive said the decision on whether European football leagues would complete their seasons would be a "tipping point". European football rights account for a large proportion of the media-rights market in Asia and are critical to the businesses of many agencies and broadcasters.

Some rights sellers are optimistic the market will rebound strongly after the pandemic, and that there will be a spike in demand for content that will help prop up rights values. But most think the overall impact on the business and rights values will be negative.

One pay-television industry source pointed to the potential for widespread job losses in the general population, which would hit subscriptions, and said the entire sports industry was facing a "reset" in terms of its value.

They added: "The pressure is coming from the consumer, to the channels, to the platforms, and then back to the rights-holders...If seasons are cancelled there will be a huge impact on finances...There will have to be a reset of the whole value in the entire ecosystem...back to athletes and clubs."

Sales continue

A small number of rights sales processes in the Asia-Pacific region are continuing amid the pandemic.

DDMC Fortis's sale of AFC rights is the most significant live process in the region. The agency has the [global media and sponsorship rights](#) for all AFC competitions in the 2021-28 period. It is currently selling rights for the first four-year cycle, 2021-24.

The first matches under the deal are the joint 2022 Fifa World Cup and 2023 Asian Cup third-round, group-stage qualifiers, scheduled for later this year. Second-round qualifiers have been postponed, which may yet affect the schedule for the third round.

Two deals for the 2021-24 cycle have been announced so far, in [Indonesia](#) and [South Korea](#).

In China, considered the key market for the entire project, talks are being handled by Super Sports Media, a subsidiary of conglomerate Wuhan DDMC Culture, which along with Fortis is a joint-venture partner in the DDMC Fortis agency. Talks with would-be buyers in China have started, although they are waiting to see if there will be any changes to the schedule as a result of the coronavirus. National-team games are the most important part of the package for potential Chinese buyers.

Sources say that DDMC Fortis's discussions with potential buyers around the world are proceeding at a slower pace due to work and movement restrictions. Where they have reached the contracting stage, talks are said to be moving only slowly towards completion due to a heavy workload for lawyers dealing with the commercial fallout of the pandemic. In a few territories, discussions are said to have stalled completely as media companies wait to see the effect of the pandemic on their businesses and the AFC calendar.

The German Bundesliga is another seller persisting with a sales process. It is running a tender for its rights in Asia-Pacific for the three seasons from 2020-21 to 2022-23. Bundesliga rights are currently held on a pan-regional basis by pay-television broadcaster Fox Sports Asia, in a six-year deal from 2015-16 to 2019-20. This was [part of a wider deal](#) by parent company Fox International Channels, which also covered the Americas and selected European territories, worth €62m (\$66.7m) per season in total.

Even before the coronavirus crisis, the Bundesliga was facing a tough market. Values for European football properties across Asia have been dropping in recent years. And there are question marks over the appetite for sport at current partner Fox. Since its takeover by Disney, all of Fox Sports Asia's experienced sports acquisition staff have departed and it has been taking a [tough line on rights fees](#) during sales talks.

ATP Tour tennis rights are also on the market in Australia and New Zealand. The rights are [currently held by ESPN](#), in a five-year deal from 2016 to 2020.

Olympics pause

The postponement of the Tokyo 2020 Olympics has given the Dentsu agency welcome breathing space in its sales process for the Games in a string of Asian markets.

Sales were proving slow and difficult, including in Hong Kong where a good deal is critical if the agency is to make a profit. Hong Kong commercial broadcaster TVB is thought to have paid more than \$20m (€18.1m) for its last Olympics rights deal, covering Sochi 2014 and Rio 2016. Dentsu was reported by local media to have approached the market in 2018 seeking [\\$70m for a deal](#) covering Tokyo 2020 and Paris 2024.

Dentsu has a deal with the International Olympic Committee [to sell rights for the four Games in the 2018 to 2024 period](#) in 22 Asian markets. For Tokyo 2020, it had finalised deals in only three markets before the Games were postponed: in [Singapore](#) with broadcasting group Mediacorp, in [Thailand](#) with the Plan B agency, and in Papua New Guinea with commercial free-to-air broadcaster EMTV.

It is understood the agreed deals are being extended on the same terms, at the same values, to cover the rescheduled Games next year.

It is also understood a deal in Malaysia was close just before the Games were postponed. A consortium of public-service broadcaster RTM, pay-television broadcaster Astro and telco Telekom Malaysia had agreed terms with Dentsu and already started airing content, showing the 2020 Winter Youth Olympics in Lausanne in January. The deal also covers the Tokyo Olympics, the Beijing 2022 Winter Olympics and the 2022 Summer Youth Olympics. The same three broadcasters paid about \$9m for Rio 2016 rights. They are thought to have paid a modest increase in the new deal thanks to the improved timezone for the summer Games.

The other markets in which Dentsu has yet to conclude sales are Afghanistan, Brunei, Cambodia, Chinese Taipei, East Timor, Indonesia, Iran, Kazakhstan, Kyrgyzstan, Laos, Mongolia, Myanmar, Philippines, Tajikistan, Turkmenistan, Uzbekistan and Vietnam.

A sales process that is paused is that of the Lagardère Sports agency for the Asean Football Federation Championship. There is some doubt over whether the biennial tournament will go ahead as scheduled in November and December, and broadcasters in Southeast Asia are understood to be holding off on their interest.

China

State broadcaster CCTV and China's major streaming platforms are suffering sharp drops in audiences, advertising and subscription revenue due to the lack of live sport, market insiders say.

CCTV, the country's biggest sports broadcaster, has been showing re-runs of Chinese medal-winning performances at previous World Championships in sports including table tennis, swimming and weightlifting. The broadcaster is understood to have halted rights acquisitions since late January.

CCTV and other linear broadcasters have also been showing Winter Olympics-related content, aligning with the country's preparation for Beijing 2022 and its wider, government-sponsored push to develop its winter-sports sector.

OTT platform PPTV has been showing archive football matches from the English Premier League, Chinese Super League and Asian Football Confederation competitions. Tencent's basketball-focused OTT platform has been showing archive Chinese Basketball Association League games.

Rights-holders are not charging the broadcasters or streamers for the archive content. Most Chinese broadcasters have stopped paying under their rights deals.

One local industry expert said audiences were down "hugely" compared to those for live sport.

CCTV and other Chinese broadcasters and platforms have been asking agencies to source high-quality home-exercise content, a genre that has not been in vogue for many years. "It's something that CCTV used to show at 7am in the morning 20 years ago," one agent serving the market said. "They're looking for stuff people can do on a yoga mat in front of the TV."

A pay-television source in another Asian market said he was not considering acquiring home exercise content as "everyone gets this stuff from YouTube...including me!"

Australia

Market-leading pay-television operator Foxtel has [laid off 200 staff](#) in a sign of how badly it has been hit by the Covid-19 pandemic. Foxtel's troubles are particularly bad news for sports rights-holders as it is the biggest buyer in the market, for its Fox Sports channels and Kayo OTT platform.

Foxtel, like pay-television businesses across the world, had already been under pressure due to falling subscriber numbers. This had been somewhat relieved recently by the success of Kayo. However, *The Guardian* newspaper reported in mid-March that Kayo too was experiencing significant subscriber losses due to the lack of live sport.

Rugby Australia is understood to have halted its domestic rights sales process for the 2021-25 cycle before any bids were tabled. The rights cover Sanzaar competitions the Rugby Championship and Super Rugby. Australia is the last of the big three Sanzaar nations, after New Zealand and South Africa, to agree a domestic rights deal. Rights sales for the Sanzaar competitions in the rest of the world are understood to be on hold until RA agrees its deal.

RA has a tough task ahead. It is looking to increase its free-to-air coverage in the next cycle, and in so doing has annoyed its long-term media rights partner Fox Sports, the pay-television broadcaster. An exclusive negotiation period with Fox expired at the end of last year without a deal.

Local industry insiders say free-to-air broadcasters have limited interest in the RA rights. Their interest is largely confined to home matches of the Australian Super Rugby teams, but if these were sold to free-to-air television it would drastically reduce the value of what was left for pay-television. "There isn't enough product to satisfy pay-television and free-to-air," one local expert said.

Telco Optus has been reported in the Australian press to be interested in acquiring the rights.

In the current deal, from 2016 to 2020, Fox and free-to-air broadcaster Ten together pay \$24m per year. [o](#)

MOTORSPORT

Dorna prioritises exposure over rights fee in NBC deal

By Alex Taylor

- Agreement covers MotoGP rights in the US for 2020-22
- Minimum four races per season to be broadcast on NBC's flagship channel
- Dorna reserves bulk of rights for VideoPass OTT platform

Dorna Sports, the commercial rights-holder of MotoGP, has prioritised exposure over the rights fee in its deal with US network NBC for the 2020-22 cycle, *SportBusiness Media* understands.

Under the deal, NBC acquired non-exclusive multi-platform rights to MotoGP, Moto2 and Moto3 as well as exclusive multi-platform rights to the World SBK Championship competitions. Dorna will continue to exploit rights to all three MotoGP competitions, as well as MotoE, on its VideoPass OTT platform.

Industry experts told *SportBusiness Media* Dorna had waived a rights fee in order to attain a level of exposure it had long craved in the US. However, the rights-holder denied this, telling *SportBusiness Media*: "Dorna is very happy with the exposure being provided by NBC. We cannot disclose any figures but there is a license fee being paid."

NBC declined to comment on the deal when approached by *SportBusiness Media*.

Dorna earned \$2.5m (€2.3m) per year in its previous agreement with Qatar-headquartered pay-television broadcaster beIN Sports. That deal, which also included Canada, originally ran from 2016 to 2018, but the parties decided to [trigger an extension option](#) covering 2019.

NBC will broadcast a minimum of four MotoGP races per season on its flagship NBC network channel from 2020 to 2022. It is the first time MotoGP will have featured on the main channel of a major US network. NBC will not broadcast the races live, but on a same-day delay.

NBC will show a further five MotoGP races live on NBCSN, the broadcaster's primary sports channel. All races on both NBC and NBCSN will be shown on NBCsports.com and the NBC Sports mobile phone and tablet app. They will also be available on demand.

The MotoGP series comprises 18 or 19 races per season.

Moto2 and Moto3 races will primarily be exploited on NBC's website and app but may be shown on NBCSN where scheduling allows.

NBCSN will also broadcast six races per season from the World SBK Championship live.

Dorna Sports events rights in the US, 2013 to 2022 (\$ per year)¹

Broadcaster	Duration	Value
NBC	2020 to 2022	n/a
beIN Sports	2016 to 2019 ²	2.5m ³
Fox Sports	2013 to 2015	250,000

Source: *SportBusiness Media Rights Tracker*

¹ Rights held non-exclusively with Dorna's VideoPass OTT platform

² Deal originally agreed for 2016 to 2018, with option to extend to 2019

³ Fee broke down as \$2m per season for the MotoGP rights, \$500,000 per season for World SBK rights

Wider exposure

Dorna's primary motivation for the NBC deal was to secure wider exposure for the sport. NBC's flagship channel is available in about 120 million US households.

The property's exposure in the US had been damaged by [beIN's carriage dispute with Comcast](#), the US cable giant and NBC's parent company.

The dispute arose after Comcast dropped beIN from its Xfinity cable platform, with the cable network alleging beIN could not guarantee its promises for content. BeIN argued that Comcast's move was motivated by a desire to prioritise its own content via NBCSN. The Federal Communications Commission, the US broadcast watchdog, dismissed beIN's claim, saying it had failed to provide sufficient evidence.

In addition to MotoGP's exposure issues on beIN, the competition's recognition in the US has suffered from a lack of American talent coming through in recent years.

Interest in the sport fell following the retirement of Colin Edwards at the end of the 2014 MotoGP season, and there are currently no American riders in the competition. Across MotoGP, Moto2 and Moto3, Joe Roberts (Moto2) is the sole American rider.

Sales process

The deal was agreed in private negotiations between Dorna and NBC.

Dorna approached beIN to see if it was interested in renewing its rights but is understood to have been swiftly rebuffed. BeIN's target demographic is largely Spanish-speaking Latin Americans whose primary interest is football. The broadcaster felt MotoGP was incompatible with that audience, sources said.

NBC is not thought to have had any other potential competitors for the MotoGP/World SBK rights. It was motivated to acquire the properties as it sees itself as the 'Home of Motorsports' in the US.

The network holds exclusive rights to the Nascar series until 2024 after agreeing [a 10-year deal](#) in 2015 worth \$4bn over its lifespan. The broadcaster also holds the rights to the IndyCar series ([until 2021](#)) and holds [a six-season deal](#) with the International Motor Sports Association, until 2024, for the rights to the IMSA's flagship SportsCar Championship, the SportsCar Challenge and Prototype Challenge.

NBC also held Formula One rights between [2013 and 2017](#). The broadcaster was understood to have been interested in renewing its rights for 2018 and 2019 before Formula One Management, Formula One's commercial rights-holder, [agreed deals with ESPN](#) and Univision.

NBC is thought to have been deterred by FOM's insistence that it be able to launch [F1 TV Pro](#) in the US as part of the deal, thereby decreasing the property's exclusivity for a broadcaster. The Pro product is the highest level of subscription a user can buy on the F1 TV OTT platform, offering live access to all F1 race broadcasts. [o](#)

SWIMMING

French Swimming Federation carves out FTA rights in beIN renewal

By Reginald Ajuonuma

- Incumbent pay-TV broadcaster beIN renews for 2020 and 2021
- Public service France Télévisions acquires FTA rights to 2020 50m French Swimming Championship
- Federation yet to allocate 2021 FTA rights

The French Swimming Federation (FFN) has carved out domestic free-to-air rights for 2020 and 2021 in a departure from the previous cycle. But the Covid-19 pandemic has introduced significant uncertainty over how the rights-holder's new broadcasting contracts will operate.

Incumbent pay-television broadcaster beIN Sports renewed its deal in direct negotiations [earlier this year](#) after the FFN's open tender was unsuccessful. BeIN's deal, covering 2020 and 2021, again comprises rights to the French Open, French Swimming Championships (25m and 50m) and the FFN Golden Tour. BeIN is not paying a significant rights fee but is understood to be paying production costs.

BeIN held [full exclusivity](#) in France to FFN events in the 2015 to 2019 cycle. But in the current cycle, the FFN can sell free-to-air rights to events as it chooses.

This year, it agreed a deal for public broadcaster France Télévisions to broadcast the finals of the 50m French Swimming Championship. It is not known if the broadcaster is paying for these rights.

The event was of greater-than-usual interest to the broadcaster because it was intended as a qualifier for the French delegation to the Tokyo Olympics.

Where the deal now stands is unclear, given the Covid-19 pandemic led the FFN to provisionally reschedule the Championship to June 23-29 from April 14-19 and has since [resulted in the postponement of the Games themselves](#).

FFN's marketing and communications manager, Adrien Chandou, told *SportBusiness Media* the pandemic had created significant challenges for its new broadcasting agreements:

“Certain aspects have yet to be the object of a contractual materialization and they are based on one or more events which are subject to uncertainty.”

Sales process

The FFN's original strategy had been to find an exclusive buyer for its rights on all platforms, but it failed to muster adequate bids in its initial tender. Thereafter, it held private talks with beIN and – later – France Télévisions.

The FFN has yet to decide what, if any, free-to-air rights it will sell in 2021.

It is not clear whether France Télévisions would be willing to extend its current arrangement, although it is thought that digital terrestrial channel L'Équipe TV may be interested. Commercial broadcaster TF1 is not thought to consider swimming a strategic option.

beIN portfolio

In addition to renewing its FFN rights, beIN [also announced in January](#) an increase in its portfolio of broadcast rights in France to events sanctioned by swimming's world and European governing bodies.

The rights include: the European Aquatics Championships; the Fédération Internationale de Natation (Fina) World Swimming Championships 25m; the six stages of the Fina Swimming World Cup; Fina Diving World Series and World Cups; and the men's and women's Fina Water Polo World League Super Final.

The deal was agreed with free-to-air consortium the European Broadcasting Union out to 2021.

The EBU [holds Fina rights in Europe](#) from 2018 to 2021, paying about €2.5m (\$2.7m) per year. It is also the Ligue Européenne de Natation's global rights-holder [under a four-year deal](#) running from 2017 to 2020, worth about €1m per year. ○

FOOTBALL

Twitch continues push into live sport with NWSL international rights deal

By Alex Taylor

- Streaming platform to pay about \$1.25m per season for NWSL 2020-22 international rights
- Includes rights to all 108 matches per season, including playoffs, championship match
- Deal marks Twitch's fourth acquisition of live sports rights and joint-longest commitment

Twitch's deal to acquire exclusive international rights to the National Women's Soccer League suggests the Amazon-owned streaming platform has become a go-to partner for traditional sports leagues seeking younger audiences.

SportBusiness Media understands Twitch will pay about \$1.25m (€1.16m) per season for exclusive international media rights to the NWSL for three seasons, from 2020 to 2022.

The outlay is a straight fee and does not include any projections for sponsorship revenue or fan donations during streaming of matches or ancillary content.

This is the first time the NWSL has earned a fee for its international rights. The league's previous international rights deal, with pay-television broadcaster ESPN, was [a short-term deal](#) agreed in August 2019, via which it broadcast the final three months of the 2019 season – including the playoffs and championship game – on its international channels.

Twitch live sports rights, 2019 to 2022 (\$ per season)

Property	Duration	Value
NBA G-League	2019-20	n/a
Novo Basquete Brasil	2019-20	n/a
National Women's Hockey League	2019-20 to 2021-22	n/a
National Women's Soccer League	2020 to 2022	1.25m

Source: *SportBusiness Media Rights Tracker*

In the new deal, NWSL games will be shown on Twitch's website, Twitch.tv, as well as its iOS and Android apps for mobile devices.

Twitch will show all 108 matches from each of the next three NWSL seasons, including the two single-legged playoff matches and the one-off championship match.

The deal was brokered by the Octagon agency in private negotiations. This is the first time the agency has agreed a deal with Twitch in any sport. Sources told *SportBusiness Media* that more than a dozen broadcasters, agencies and streaming platforms were interested in the rights.

US cable network CBS acquired the domestic rights to the NWSL for the same three-year period after Octagon [opted to issue a tender](#) in the domestic market. The acquisition underlined CBS's growing commitment to soccer after last year's acquisition of English-language rights to the Uefa Champions League from [2021-22 to 2023-24](#).

Live sports

This is Twitch's fourth deal for rights to a traditional sports property. It has previously agreed deals for rights to the [NBA G League](#), the NBA's second-tier player-development league, a three-year global rights deal with the [National Women's Hockey League](#) and a short-term deal with the [Novo Basquete Brasil](#) earlier this year.

Twitch is seen as the de facto platform for esports and video-game streaming. It has an excellent reputation for live content among young people and is perfectly suited to the demographic sought by the NWSL and Octagon.

Twitch streams also present an opportunity to develop further revenue channels by offering viewers the chance to donate funds to streamers, either on a one-off basis or via monthly paid subscriptions. These subscriptions do not unlock paid-for content but enable viewers to financially support their favourite content creators.

Given Twitch is paying a guarantee to the NWSL, it is unclear whether the league is entitled to earn extra revenue from subscriptions or donations received from fans. However, NWSL clubs or players have an opportunity to use Twitch's live coverage as a springboard for their own streaming and fundraising activities.

The league and Twitch have confirmed they will create original content tailored to the platform, which will almost certainly take the form of live streams. On-demand content exists on Twitch but only in the form of recorded live streams.

A similar agreement exists in Twitch's deal with the NWHL for original content. That has resulted in exclusive interviews, analysis from experts and subscribers, and profiles of individual players.

Digital priority

Finding a digital partner that could maximise the NWSL's exposure was the league and Octagon's

[number one priority](#) during the sales process. They particularly wanted to access a young, digital-native and socially-active demographic.

Sources close to the deal acknowledged that international distribution of the NWSL had been piecemeal since its inception in 2013. By selling the rights to a streaming platform like Twitch, both rights-holder and agency felt the league would achieve the requisite access to its target demographic while maximising exposure to that audience.

The deal marks the first time Twitch has made an investment of any kind in soccer. It comes at a time when the sport is at a particularly high point following the 2019 Women's World Cup, at which the US Women's National Team won a record-breaking fourth World Cup title. [O](#)

ESPORTS

ESL, DreamHack aim to expand Pro Tour audience with slate of linear deals

By David Svenson

- Rights-holders agree contracts in China, Russia, Germany, Poland and Nordics
- ESL Pro Tour media-rights revenues total about \$20m this year
- Costs of linear sales can outweigh rights revenue in some markets

Esports organisations ESL and DreamHack are looking to the long-term as they continue to agree media rights deals with more traditional broadcasters.

Since announcing the formation of the ESL Pro Tour in 2019, ESL and DreamHack are aiming to capture a new audience for the *Counter-Strike: Global Offensive* ESL Pro Tour circuit, agreeing linear deals in China, [Denmark](#), [Finland](#), [Germany](#), [Norway](#), [Poland](#) and [Russia](#). Most deals run for one year though the deals in Denmark and Germany are for three, until 2023.

CS:GO is a first-person shooter game developed by US-based company Valve. Total media rights revenue for the CS:GO ESL Pro Tour, including revenue earned from streaming platform Twitch, is thought to be about \$20m (€18.5m) in 2020. Of which, Danish commercial broadcaster TV2 pays about \$1m per year for rights in its three-year deal.

The ESL Pro Tour can earn additional revenue on top of rights fees through the revenue-share element of its current deal with Twitch. ESL had previously agreed [an exclusive deal with social media giant Facebook](#), covering 2018, to stream events on the platform. But exclusivity on this deal ended in 2019 when the events returned to Twitch and video-sharing platform YouTube.

The ESL Pro Tour combines ESL and DreamHack events in a circuit that links over 20 CS:GO tournaments and leagues. Teams compete for ranking points that contribute to their qualification for the Masters Championships, which offers prize money of \$1m.

ESL is majority-owned, and DreamHack fully-owned, by the Swedish media group Modern Times Group. Founded in 2000, ESL is one of the largest esports companies in the world.

The ESL Pro Tour will provide up to 2,000 hours of CS:GO content in 2020.

Lowering the barrier

For a sport that was established and grown online, some esports experts are concerned that agreeing linear media-rights deals for CS:GO competitions is a backward step in an industry focused on how best to move forward in the digital space.

But the organisations and teams see linear deals as a way of lowering the barrier to entry for new audiences to become interested in the Tour and esports in general.

It is widely accepted by all parties involved that the hardcore audience of CS:GO is, and will remain, on Twitch. Those involved in the Tour see these deals as a complement to Twitch that can help bring in a more mainstream audience that wouldn't otherwise know it existed.

Twitch provides fans a free, global, English-language service, whereas the regional linear deals provide localisation of editorial and production. The broadcasts are targeted to a local audience and are geared toward those that are new to the game.

As well as broadcasting the events in the local language and covering local teams more closely, regional channels will often provide basic explainers to viewers new to CS:GO.

It is thought there will be further regional linear ESL Pro Tour deals announced this year. Interest in the ESL Pro Tour has increased from broadcasters amid the ongoing postponement of many traditional sports leagues and events due to the Covid-19 outbreak.

Short-term costs

The benefits in gaining a new audience are thought to lie in the long term for the organisers and teams involved in the ESL Pro Tour.

Indeed, for certain low-yielding markets, the amount ESL spends on selling the rights to regional broadcasters can often outweigh the revenue it earns. The time and resource costs of explaining what the product is – even at a basic level – and selling it to traditional broadcasters is far greater than for traditional sports with which executives are already comfortable.

As with most other esports properties, media-rights revenues are still small. It is thought that ESL and DreamHack are willing for some of these deals to be loss-making in order to aid mainstream audience growth and potentially boost future rights fees.

Team benefits

Media-rights revenues, along with other commercial revenues, [are split with the founding members of the Tour](#) (the teams Astralis, Complexity, Evil Geniuses, ENCE, FaZe Clan, Fnatic, G2 Esports, Mousesports, Natus Vincere, Ninjas in Pyjamas, Team Liquid, Team Vitality and 100 Thieves).

The additional media-rights revenue from these linear deals is not thought to be significant for the teams, whose incomes are dominated by sponsorship.

However, there are opportunities for teams to make additional sponsorship revenue via the increased audience in certain countries. It is thought that although the deals will not increase the chance of securing sponsorship deals with global or American brands, teams have begun to explore more lucrative regional sponsorships in specific European markets.

Target audience

For the broadcasters, the ESL Pro Tour allows them to attract a younger audience. It is thought that esports content can add to their current traditional sports offering, rather than become the focus.

Denmark's TV2 shows *CS:GO* events on its linear TV2 Zulu channel. These events make up [16 per cent of all viewing time among 14-to-40-year-olds](#) despite taking up just five per cent of the airtime.

Other broadcasters agreeing deals with ESL and for other esports properties are thought to be hoping to achieve similar success. But most are aware that esports in Denmark – and the Nordic region more widely – is more mature market than elsewhere. Several well-known and successful esports teams, including Danish team Astralis, come from the region. [o](#)

MULTI-SPORT

Navigating the payments minefield is crucial for Asian OTT services

By Kelvin Tan

While over-the-top broadcasting platforms are increasing in popularity internationally, their growth in Asia has been restrained by challenges around pricing, piracy, and payments.

The region's multiple, varied markets make life difficult for international OTT platforms, and it is telling that it is only in the largest markets – with DAZN in Japan and Star's Hotstar platform in India – that the model is thriving. The unique form of China's broadcasting sector makes it a different beast entirely.

In Asia, DAZN currently only operates in Japan despite holding Uefa Champions League rights in Thailand, Laos, Cambodia, Taiwan, Singapore, Malaysia, Brunei and the Philippines,

Rights-holders as well as broadcasters see opportunity in OTT launches in specific Asian markets. The English Premier League came [very close to launching a direct-to-consumer OTT product in Singapore](#) for the 2019-20 to 2021-22 media-rights cycle, before the clubs nixed the idea. Singapore, with its unique content-sharing regulation and high per-capita income, is understood to remain at the forefront of the Premier League's [plans to ready an OTT service](#) in time for the 2022-23 to 2024-25 cycle.

Pricing and piracy

The right mix of economic, social and technical conditions as well as localization, timing, competition, partnerships, regulation and the impact of piracy play a major part of any OTT platform achieving success, says David Scott, APAC associate director for London-based technology research and solutions company IHS Markit.

"There is a broad gap between spending ability of countries in the Asia Pacific. GDP per capita is far lower in Thailand, Indonesia and Vietnam, which is indicative of lower average household incomes and subsequently has a negative impact for take up of digital video services in these countries.

"Major challenges also exist in the region, particularly piracy, which continues to plague many Asian markets as authorities struggle to combat the impact of set-top boxes offering illegal access to copyrighted content including sports.

“These devices are pre-loaded with pirated applications [e.g. LiveStream TV and LK 21 Reborn in Indonesia] which is used to access content for free. As a result, consumers’ propensity to pay for legitimate content is still low.”

Payment problems

Payments are also a challenge, with credit-based forms of payment still uncommon in Southeast Asian countries like Thailand, Indonesia and Vietnam. In Vietnam, for example, only 40 per cent of the population has a bank account.

This has led Asian OTT leaders into partnerships with telcos and multi-channel platforms.

According to an S&P Global market report released last year, as of June 2019, there were 120 partner deals between telcos and multi-channel operators across 21 markets in the region, with telcos in Southeast Asia being the most common targets of the OTT broadcasters.

Such partnership agreements are win-win. Telcos leverage their infrastructure advantage and customer base with OTT partners’ premium, on-demand content libraries, while OTT platforms become more accessible to telcos’ existing mass customer bases via built-in video apps with integrated billing mechanisms over existing fixed or mobile connections known as Direct Carrier Billing (DCB).

DCB enables anyone with a phone to charge a service to their bill and as a result are ideally suited to serve more credit-payment scarce Asian markets.

Srivathsan A R, a senior analyst at Media Partners Asia, which specialises in consulting and research services on the Apac media and telecoms sector, tells SportBusiness: “We have observed a shift in these partnerships over the last couple of years from wholesale lump sum deals to cost-per-subscriber arrangements.

“Platforms have also been proactive in partnering with other key marketing vehicles with the ability to bill their customers – app stores from Google and Apple, e-commerce platforms such as Tokopedia, Shopee and money wallets like Line Pay and OVO.

“Money wallets, with favorable revenue share (one to two per cent), are still in the growth phase though an inflection point is expected in the next couple of years.”

Ultimately, says James Brighton, partnerships director at UK-based mobile payments solutions company PM Connect, the brands most likely to succeed are those providing sustainable pricing options, using in-depth market knowledge to craft territory-specific price points rather than pursuing a quick profit.

“The right service – for example, the touted Premier League offering, which Masters suggests we could see launch as early as 2022 – would normalise OTT products and create market conditions to see others flourish.

“It is crucial that new OTT products evolve in tandem with payment methods to suit the local population – with the right financial technology potentially key to cracking the Asian market.” [○](#)