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‘Netflix of sports’ hasn’t arrived, but digital titans are setting the table

By Ed Desser and John Kosner

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In the five years since Ed wrote “Handicapping the Netflix of sports” ([SBJ, 3/28/16](#)), streaming has boomed: Disney+, HBO Max and Apple TV+ have joined Netflix and Amazon and “over-the-top” is now materially affecting traditional cable. As predicted for sports, BAM and Disney combined to launch ESPN+; Amazon bought NFL and EPL rights; and new sports-only streamers launched, including FloSports and DAZN. However, a single “Netflix of sports” has not emerged. In fact, we now anticipate there will not be one sports aggregator. Therefore, every property must now rethink its key source of non-gate revenue and exposure. [🔒](#)

Based on incumbent rights, the legacy networks remain kings of live major U.S. sports — for the time being. Now they are buying streaming rights in combination with linear — spreading package content (and cost) across their platforms (e.g., ESPN/ESPN+ [SEC and UFC], NBC/Peacock [EPL]). These deals permit the leagues to stay with proven entities they know and trust (which still need and can pay for their product) while hedging the properties’ and networks’ future bets.



Another mostly traditional media rights cycle is on the horizon, but more true competition is on the way.

Photo: GETTY IMAGES

As we look forward:

- Expect one more mostly traditional rights cycle, led by even-richer NFL agreements. But sports networks will continue to bifurcate content across multiple platforms, serving viewer groups differently: older ones via linear large screens, and younger ones on their smaller streaming handhelds.
- Sports combined with entertainment will also make sense for multi-product streamers (USA Network and TNT originally started with entertainment plus MLB, NBA, NHL and NFL) — compelling, week-to-week original content that provides continuity to balance SVOD services that live on hit-driven binge viewing and shows to fit everyone's filter bubble of taste.
- To integrate sports successfully, entertainment streamers will have to upgrade their experiences, adding live curated promotion by personal taste (as they do now for shows and movies) plus highlights and real-time scores/stats.



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- Roku and Samsung can now also join in pursuit of live sports rights to differentiate and gain market share.

For rights owners to embrace streaming as the primary distribution, the magic "critical mass" number might be about 50 million U.S. subscribers (HBO Max has 38 million). At that point, growing DTC mini bundles begins to approach the size of the shrinking pay TV universe.

But rather than buy a single pay TV bundle (a package of virtually all networks), future fans will likely buy and rotate three to five streaming services that each include different sports and entertainment. Managing churn, particularly at specific times of the year, will become a crucial driver for sports rights. Expect this to be a primary subject of discussion this spring when non-football season churn further melts the pay TV bundle.

When sports go a la carte, a host of new challenges arise for leagues/owners. Platforms will compete in a no longer "all or none" world. This new ecosystem will call into question how rights are apportioned. Leagues will align with the best platforms able to pay them the most money while providing sufficient exposure. Will they do several nonexclusive packages or combine rights to increase leverage across multiple services, as today by network?



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No longer will fans have automatic access to everything with one cable subscription. They will now have to choose among distributors. The total cost for fans is unlikely to be less, which may make some long for the “good old days.” Sports rights might also resemble income disparity in the U.S.; the rich (like the NFL) have almost all. But ultimately the Netflix-ing of sports will mean more true competition — speeding greater diversity of offerings, more consumer choice, and better quality service for tomorrow’s sports fans.

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