Max Willens, Ethan Cramer-Flood, and Bill Fisher

The Weekly Listen: Are we watching sports differently, can Uber turn a profit, and what should Disney do with ESPN?

Audio

On today's podcast episode, we discuss whether the way people watch sports has changed, if Uber and Lyft will ever be able to turn a profit, whether Peacock can keep its head above water, what happened to the TikTok ban, what The Walt Disney Co. should do with ESPN, who's not on the internet, and more. Tune in to the discussion with our forecasting writer Ethan Cramer-Flood and analysts Bill Fisher and Max Willens.

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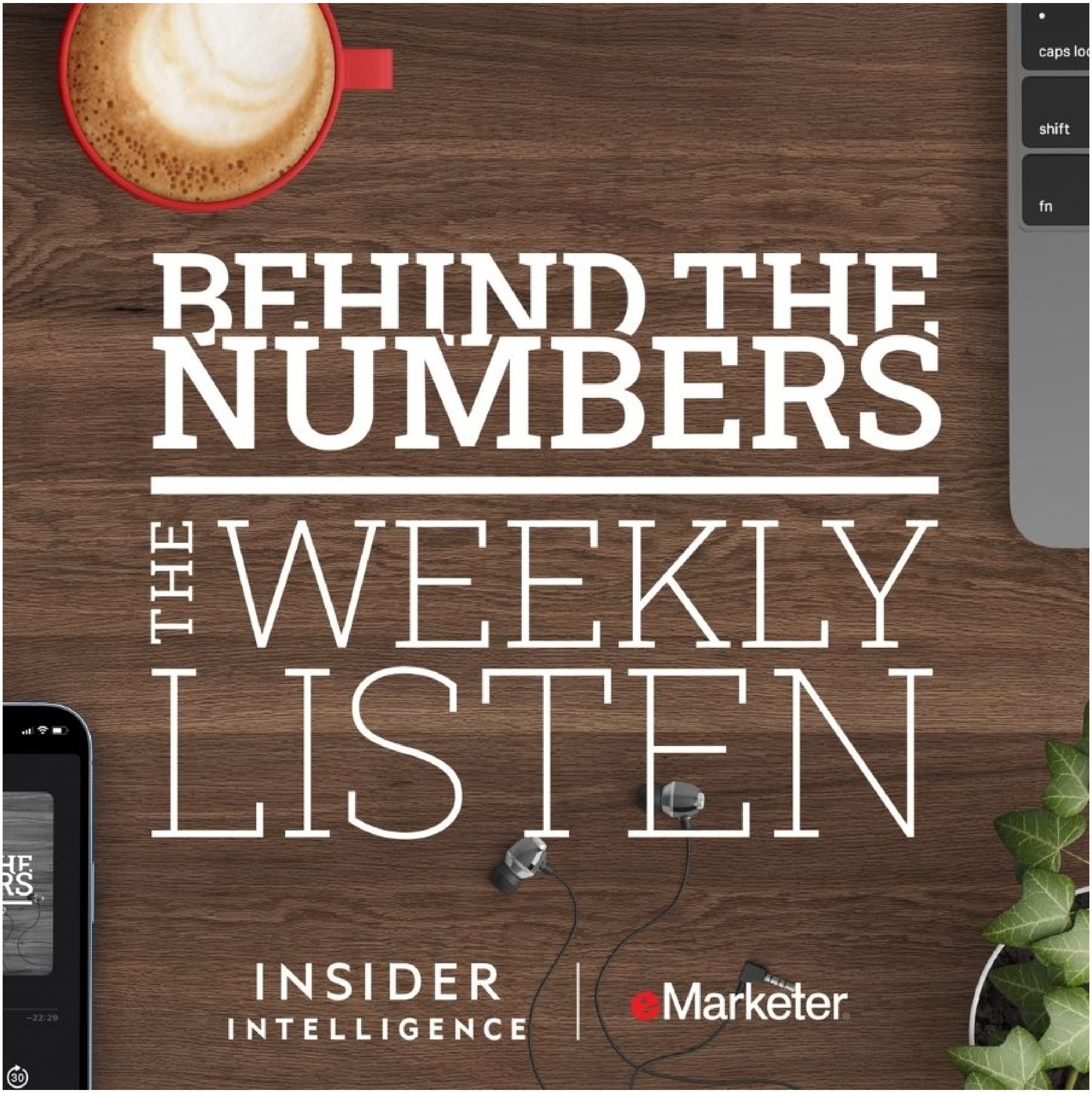

Episode Transcript:

Marcus Johnson:

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Visit awin.com/emarketer to learn more and get started today. Hello everyone and thanks for hanging out with us for the Behind the Numbers weekly listen and eMarketer podcast made possible by Awin. This is the Friday show that might not be inviting Bill back because he cut me off whilst we were doing the prep. He just started talking over me, didn't you, Bill?

Bill Fisher:

Sorry.

Max Willens:

Not good enough. He's not Sorry.

Marcus Johnson:

My mic died and he didn't realize this is how it really happened, but still, Bill, you're on thin ice for no reason at all. I'm your host, Marcus Johnson. In today's show has the way people watch sports changed?

Bill Fisher:

I still watch sports on TV. My Gen Z kids still watch sports on TV, but it's the other stuff around it which is changing.

Marcus Johnson:

Can Uber and Lyft ever make real money?

Max Willens:

With the two of them locked in a, not a race to the bottom, but a race to keep things very low, it's just not going to be a profitable business.

Marcus Johnson:

Can Peacock keep its head above water?

Ethan Cramer-Flood:

I don't know whether or not Peacock itself is going to ultimately turn into a profit engine for Comcast, but the more interesting question for me is the larger one about streaming services in general. And the question is to whether any of them are going to figure this out.

Marcus Johnson:

What happens to the TikTok ban? What should Disney do with ESPN? And who's not on the internet? Join me for this episode. We have three people. Let's meet them. We start with our principal forecasting writer based out of New York, it's Ethan Cramer-Flood.

Ethan Cramer-Flood:

That's me.

Marcus Johnson:

Hello. We're also joined by our principal analyst based out of the UK, covering the UK is Mr. Bill.

Bill Fisher:

Can I speak? Yeah.

Marcus Johnson:

Yeah, go on then.

Bill Fisher:

Hi.

Marcus Johnson:

Keep it brief.

Bill Fisher:

Thanks for having me.

Marcus Johnson:

That's enough. Thank you. His last name's Fisher. We're also joined by one of our senior analysts on the media and advertising team based out of Philadelphia. It's Max Willens, ladies and gentlemen.

Max Willens:

Yo.

Marcus Johnson:

There he is. What do we have in store for you? We start with the story of the week, talking about whether the way people watch sports has changed. We then move to the game of the week and our contestants will go head-to-head-to-head to give us the best takeaways they can from each of the four stories we have for you to win the championship belt and then dinner party data. We talk a little bit of random trivia. But we start of course with the story of the week. Has the way people watch sports changed?

The recent Deloitte survey that investigated the current state of sports fandom prompted this question. In the survey they asked, are young fans engaged? How are their behaviors different from fans in older generations? How much are fans using streaming services, and what do they want from their streaming providers experience? How are social media and sports betting impacting a fan's experience and expectations, et cetera? So lots of thought-provoking questions on the changing nature of sports viewership. Gents, what do we think? It seems as though generations, younger people, older people are watching sports differently, but are they really?

Max Willens:

I think the big change happened about a decade ago when it became possible to sort of have a second screen going while you watched the game. And you could argue that that started even earlier with text messaging. It just became more public thanks to things like Twitter. But if you look at the research done by places like Deloitte and Nielsen, there's definitely on the bleeding edges. Interest in things like VR viewing and things like that. But the fundamental bedrock of how people watch and have watched for the past 10 years I think hasn't changed very much.

And I think it's going to be hard to really invest in a lot of innovation because of the fact that most of that innovation is going to be controlled by the sports leagues themselves. And the sports leagues right now are motivated by their media rights deals, which have become this incredibly pivotal piece of not just sports leagues, but also the cable bundle and general media consumption habits. And so as long as those can deliver billions of dollars of money to these leagues every year, I don't think we're going to see a real focus on innovation for the foreseeable future, if that makes sense.

Bill Fisher:

It's still event viewing. It's one of the few things that is still, everyone wants to see it at the same time. I'm going to have to mention it. I'm going to have to mention it, Marcus. It was the World Cup final for the ladies at the weekend.

Marcus Johnson:

Oh, for the love of God. I knew I shouldn't have invited you on.

Bill Fisher:

I know. I thought that's why you did. Anyway.

Marcus Johnson:

For some emotional support.

Bill Fisher:

I had to watch it live. It's a World Cup final, it's a huge event and millions of people tuned in. It was a women's game. That's a change. Women's sports are becoming more popular. They're getting more coverage, which is maybe being driven outside of TV perhaps, it's the other stuff that is raising the profile, but it's still event viewing. I still watch the sports on TV. My Gen Z kids still watch sports on TV, but it's the other stuff around it which is changing.

Marcus Johnson:

So just for context, England played Spain in the Women's World Cup final last weekend and we lost because we always bloody lose World Cup anything. Congratulations to Spain though. You were the better team and you deserved it, but my goodness, so annoying. All right.

Bill Fisher:

They were very good, Spain were.

Marcus Johnson:

They were very good. Congratulations to them. Yeah, the World Cup thing's interesting and women's sports thing more broadly, there was some research Nielsen pointing out that women's sports viewership is on the rise. They pointed to a few things. One of them was the World Cup, 41% of folks worldwide were excited for the Women's World Cup. That's up from 34% in 2019. I remember reading somewhere that 2 billion people tune in worldwide to the Women's World Cup, or at least did to the last one. And there's some other numbers from some other sports. So 2023 NCAA tournament for women drew 10 million viewers for the finals Iowa versus LSU.

That's up over 100%. The WNBA draft audience grew 42% in 2023 and was up 89% with female viewers. And then the interest in the Women's Super League, which is the UK soccer league for women, grew 81% in 2023 as well. What's fascinating, gents, is why are these numbers going up? One of the things they pointed to was the fact that broadcasters just started showing more games. They used to show a couple, they now show more. And because they're on TV, people are like, "Oh, okay. It is easier for me to watch this and so I will." It's not as though people have just suddenly become massively interested. A lot of the problem here is access.

Max Willens:

Yeah, I think that's exactly right. What's interesting to me is I said before that the way we watch sports isn't changing, but who watches is definitely changing. And I think that the leagues and the broadcasters and the sponsors are all going to have to pay attention to it. Especially when you think about over the long-term, when you look at sports participation among young people, that's actually starting to decline, but it's holding steady among girls. So while there are fewer boys participating, participation among girls remain strong. And so having that pipeline of girls playing, whether it's soccer or basketball or hockey or whatever it happens to be, having that pipeline is what ensures interest in the sport over the decades that follow in their adult lives. So I think they do well to keep cultivating it.

Ethan Cramer-Flood:

Yeah, this entire topic is an intriguing noodle of a problem because I can't recall any other scenario where the news is almost entirely positive. The survey results are almost entirely positive. The ratings are good, everybody is happy, things are going up, up, up. And yet it's entirely unclear as to where this is all going to lead. And the media conglomerates whose job is to deliver sports content and broadcasting to all of us are extraordinarily vexed as to how they're going to actually make money doing this going forward and the leagues themselves aren't sure what to do either despite the fact that we see the kind of results that we're talking about.

Now, this isn't just about women's sports going up, up, up. All sports are in good shape and there used to be a lot of hand wringing about whether or not Gen Z was going to be as into sports as previous generations because there's so many other things to do. There's so much content. They could be playing video games, they're online, they're on social media, et cetera. That doesn't seem to be a problem. A lot of these results show that young people are just as into sports as ever.

It's all going well all across the board and yet we still have to have these conversations about how this is all going to look 5 or 10 years from now because there is such a struggle to figure out how to make the numbers work with cord cutting and with advertising and with the previous existing models obviously aren't going to be sustainable despite the fact that everybody loves sports and everybody loves it more than ever. This is interesting stuff. So the question is, is the way people watching sports, has it changed? Maybe it hasn't changed all that much yet, but it seems like it's going to change and it's going to have to change, even though it all just seems like from a distance, like a big win-win win.

Bill Fisher:

But if I can just pick up on something you said there, Ethan, about these Gen Zs who are gaming online and on social media, a lot of that adjacent stuff is what's feeding a lot of this sporting interest. So I have two sons who like football and they like gaming. I don't know if you folks have all heard of FIFA, it's a console game, a soccer game, the biggest in the world. And FIFA includes the women's teams now. And so they know before the Women's World Cup they know women's players and so they are following them actively because they've played as them in a game, which I think is really interesting.

Marcus Johnson:

That is really interesting. A few other things on the World Cup quickly, I thought these were interesting. According to Nielsen 7 in 10 Women's World Cup fans think that companies who sponsor the tournament are showing their commitment to the advancement of gender equality in women's sports. And then also this year was the first cycle where the Women's World Cup broadcasting and sponsorship rights have been sold separately from the men's at a large scale as well. Ethan, you mentioned young people and are they not going to be engaged in sports, are they going to be was a big question. And yeah, according to this Deloitte study, 46% of Gen Z folks have watched a live sporting event from home.

I think about half of Americans are sports viewers, so it is pretty high. About over 30% have attended a live sporting event in person and about 25% have played a video game related to sports. Really quickly, they just want things in a refreshed way. They don't want to watch the conventional broadcast. And this Deloitte survey really got at that. There were three things that stood out to me, highlight that one, nearly half of Gen Z fans and millennials actually want real-time stats and analysis. So nearly half of Americans say that they will look up a player, that's all Americans, will look up a player or team stats.

Going back, Max, to your point about the second screening thing, also 30% to 40% of all generations said they wanted different camera angles, that's all generations. And then finally, 30% of Gen Z folks want to see things from the athlete's point of view. 35% of younger generations said doing so from the point of view from the athlete would be pretty cool. And so I think that's why it's something that's sports adjacent. That's during the event, but also some of the sports adjacent content that Netflix is working on, Quarterback, Drive to Survive is going so well because people do want to get into the lives of some of these sports professionals.

Ethan Cramer-Flood:

That sounds like absolute chaos to watch the game live from the perspective of the player.

Marcus Johnson:

Yeah, a driver.

Ethan Cramer-Flood:

That's the kind of thing that sounds good in your head until you actually watch it.

Marcus Johnson:

Maybe the quarterback.

Ethan Cramer-Flood:

... Then you're like, "Oh my god, what is happening?"

Marcus Johnson:

I'll take a quarterback cam for sure. Anyone else? No, thank you. Final thing here as well. I think Ethan, you talked about this. Part of the problem here is people are cutting the cords and then scrambling to figure out, where can I watch my favorite sports teams? And so folks, 46% of US households have cable. And after you cut the call, you've got to find out where your favorite teams live in the streaming world. And I think it would be cool if you had a JustWatch, but for sports. Have you guys heard of the site, JustWatch? You basically go to it, you can type in... There's a US, there's a UK version, there's probably others as well.

You type in a movie, any movie, and it will tell you where you can stream it. It tells you where it's streaming for free, where it's streaming to rent, where it's streaming to buy. And I think that'd be great if you could put in Lakers or Mets or whoever and Chiefs, and it just was like, "Okay, these are the streaming services you're going to need to get to be able to watch all the home games or the away games, both." Because people are cutting the cord. Broadcasting cable networks made up less than half of all TV use in July for the first time. So the first time linear TV viewing has fallen below 50% according to Nielsen.

Max Willens:

But I think a lot of people are going to be shocked if they haven't already done this homework when they discover how much those unbundled services would cost. So I am a Knicks fan living outside of the New York TV market, so for the last several years I have sucked it up and paid for NBA League Pass, which is a product which is slowly inching its way toward becoming acceptable and it still crashes all the time. It still doesn't remember what I tell it over and over and over again about the teams I like.

It's, to my mind, a pretty horrendous product given the price, but it is slowly getting better every year and I keep casting about for something else to do. And MSG, the cable network owned by the Knicks owner, James Dolan, announced over the spring that they would offer something called MSG+ which would offer you access to Knicks games and it's $30 a month. And that's, to me, just gargantuan price and I was galled at the prospect of it, but if you think about imagine ESPN... We'll talk about ESPN a little bit later, but the price it would cost to have ESPN as a standalone streaming service would probably close in on $100 a month and everyone says, "Oh, I'd like to pay more to just have it direct." But how much? And how much is a big question, right?

Marcus Johnson:

This NBA League pass is like $100, depending what you get.

Max Willens:

$100 for the season.

Marcus Johnson:

Yeah, it's $100 for the season. Exactly. All right folks, we'll see. We'll leave it there for now, so we've got time for the story of the week. It's time now for the game of the week. Today's game, what's the point? I read out four stories and have contestants, Bill, Max, and Ethan tell us what they think is the main takeaway of the story. Okay answers get one point, good answers get two, and answers that leave you with the same feeling as when it's warm and you flip your pillow and you get the cold side.

Max Willens:

RIP Stuart Scott.

Marcus Johnson:

Huh?

Max Willens:

Stuart Scott, the ESPN guy.

Ethan Cramer-Flood:

Cooler than the other side of the pillow.

Max Willens:

That's exactly right.

Marcus Johnson:

Oh, is that his line?

Max Willens:

Yeah.

Ethan Cramer-Flood:

Yeah. You're stealing somebody else's [inaudible] right now, Marcus.

Marcus Johnson:

Cut that out, Victoria. Pretend it's me. Answers leave you with that feeling, they get you three points. You get 20 seconds to answer before you hear... Oh, I got excited, before you hear this. It's the bell. If you say too many words, you get a delay of game warning and minus two points. You do it again and you can pack your bags people, because we don't play that. Most points wins. Guess the last word. Let's play. We start with Max for round one. Can Uber and Lyft ever make real money?

Because ride hailing seems a long way from generating riches for investors suggests a recent piece from the Economist. It notes that it has been a bumpy journey for investors in Uber, the world's largest ride hailing company since it was listed in 2019. It's now a few bucks up on where it started after a real roller coaster. Uber just reported an operating profit though of over $300 million in Q2. It's the first time in the black. Lyft, however, reported another loss of nearly $200 million with its market value down 85% from when it started trading in 2019 shortly before Uber. But Max, can Uber and Lyft ever make real money? What's the point?

Max Willens:

I think that they can, if the vision of self-driving cars becomes a reality, but for the time being with the costs that they incur in paying their drivers or rather giving a cut of the rides to the drivers, this is going to be a tough sledding for the foreseeable future. Lyft is basically not going to allow Uber to jack its prices up to the point that it can drive a healthy margin. And similarly, Uber is not going to allow Lyft to drive its prices up to generate serious profit. And with the two of them locked in, not a race to the bottom, but a race to keep things very low, it's just not going to be a profitable business or heavily profitable business until self-driving cars come out.

Marcus Johnson:

Ethan.

Ethan Cramer-Flood:

So I'm going to take this opportunity to not answer the question directly, but to point folks to our brilliant and wonderful forecasting team because although I don't know whether or not either of these two companies are ever going to be meaningfully profitable, we do expect them to continue to grow at a relatively healthy clip this year and next year for Uber, we have their ride-sharing sales increasing at a plus 20% clip still for the next two years.

For Lyft, the growth is similarly strong, at least on the sales side, on the usership side, both of them still growing in the mid single digits in terms of the number of people that are using them. And then of course for Uber, they've got the grocery and the restaurant delivery business, and particularly on the grocery side, we've got continued very strong growth for them. But to Max's point, that's not the whole story. That's just top line growth, they need to control cost, they need to figure out how to be profitable. Maybe Uber is getting close to cracking that code and Lyft apparently is not yet. But we do have some strong growth figures to report

Marcus Johnson:

Bill.

Bill Fisher:

Interesting fact. They're not going to make any money out of me because I've never got an Uber or a Lyft in my life.

Marcus Johnson:

What?

Bill Fisher:

Can you believe that?

Marcus Johnson:

Is that legal?

Max Willens:

Well, you're the problem.

Marcus Johnson:

How-

Bill Fisher:

I don't know.

Ethan Cramer-Flood:

Is that a principled stand or you just bike everywhere or can you fly?

Bill Fisher:

I like to walk and the public transport in London is so good, I don't see the need for it. Anyway, they're not making any money out of me, but as the guys have said, they're making growing revenue. It's all about the operating costs and expense undertakings. They've had a lot of legal issues to pay for the two of them. And as Max alluded to, there's this cost of the employees or contractors and whether they... I think there's a legal case going on now as to whether they call them employees or contractors and that will depend how much they have to pay them, but get all those ducks in the line. Uber in particular is penetrated enough, diverse enough with this Uber Eats and the like to become profitable. Sure.

Marcus Johnson:

Two things for me. One, it's lost a lot of money. Now it's in the black a little bit, but it doesn't mean that it's been a good investment for folks overall. Uber's racked up over 30 billion in net losses since its first available results in 2014. And then second point here, in the past five years, over 60% of the company's revenue, most of it growth has come from businesses other than ride hailing as well. Round two. We start with Ethan, can Peacock keep its head above water?

Comcast, which owns Peacock had a strong Q2 in part thanks to theatrical hits like Super Mario movie. Despite widening losses for streaming service, Peacock, writes Insider Intelligence's briefings analyst Daniel Konstantinovic. Peacock losses widened to $650 million up from $470 the same period a year ago, so it's losing more. However, subscribers nearly doubled year-on-year, now at $24 million revenues also nearly doubled on their way to a billion dollars. But Ethan, can Peacock keep its head above water? What's the point?

Ethan Cramer-Flood:

Well, self-evidently, based on what you just said, no it cannot because its head is not above water, never has been. And the outlook is not great over the near term. I don't know whether or not Peacock itself is going to ultimately turn into a profit engine for Comcast. But the more interesting question for me is the larger one about streaming services in general.

And the question as to whether any of them are going to figure this out, it seems to me like the answer is yes, but what will be interesting to see is which ones make it and which ones don't because it doesn't seem very likely that all of these very, very high profile competitors from all of these major, major media conglomerates are all going to be able to make it. Once we get through this round of price increases and shaking out user bases.

Some like Netflix has figured it out, the rest of them are losing money by the bucket loads. Some of them will come through and some of them won't. And Peacock right now is not looking like a strong one, but Comcast has a lot of ways to make money in the meantime. All of these companies have a lot of ways to make money in the meantime while they try to figure it out. But it'll be interesting to see which ones fail.

Marcus Johnson:

Bill.

Bill Fisher:

Yeah, this is interesting and Ethan, and I'll be covering this in a little bit more depth in Monday's Around the World show actually. About peacock's shift away from free ad supported streaming TV or fast towards this subscriber model. It's clearly trying to make the digital portion of its business look as profitable as possible, but in Europe we're beginning to see fast services gain an ever larger foothold.

Certainly as consumers are still struggling with the economic uncertainty. So I can see why Peacock is headed in the direction it's headed, but as Ethan says, it's an incredibly competitive space. So I don't know, could there be a shift back to that fast model in future? Maybe. But I do understand its current strategy, even if it's maybe doomed to fail, it seems.

Marcus Johnson:

Max.

Max Willens:

Yeah, I think to tie back to an earlier point of conversation, I think a lot of the things that have driven Peacock's growth have been related to sports and I think it's medium to long-term prospects may hinge on sports. There's been some scuttlebutt for some time that NBC, which is part of the same corporate behemoth under Comcast may bid on NBA rights.

And if they can get the NBA, the Olympics maybe a little bit of soccer too, that's a pretty nice base and a reason for a lot of people to subscribe. But to Ethan's point, it does look like the path toward real sustainability is by going global and it's not clear that Peacock has a strong angle to achieve success on a global scale. So to be continued.

Marcus Johnson:

It's putting itself out there more. Apparently Insider Intelligence and senior director of briefings, Jeremy Goldman, noting that Peacock is expanding its reach to bars and restaurants to boost visibility through a multi-year licensing agreement with Everpass media. So people watching the channel in sports bars, maybe they'll go home and subscribe. At the halfway mark, Max has five, Ethan and Bill are tied with four a piece. We moved to round three. We start with Bill. What happened to the TikTok ban.

Meghan Bobrowsky and Stu Woo of the Wall Street Journal notes that on January 1st, 2024, a Montana law will ban TikTok from the state outright. When this law was passed earlier this year, TikTok immediately asked for a preliminary injunction to prevent the law from going into effect. A hearing in Missoula, Montana is slated for October 12th with TikTok claiming that the law violates the first Amendment among other things. But Bill, what happens to the TikTok ban? What's the point?

Bill Fisher:

Yeah, given the seemingly hostility in the US, I'm going to look at this from a European perspective, and it's interesting to see what's going on in Europe. First of all, TikTok is a huge market for advertising here, worth nearly $3 billion. That's about half the size of the US, but it's growing, but the company's trying to stay on the right side of the regulators over here.

So it's soon going to offer the opportunity for users to switch off the algorithm, which is really interesting. This is going to allow the platform to adhere to the DSA, the Digital Services Act, and all the issues around privacy. So TikTok sees, it seems the European market as pretty important and based on the hostility it seems to be facing in the US, looks to be doubling down on the region and trying hard to avoid a ban here.

Marcus Johnson:

Max.

Max Willens:

Yeah, I think the best way to look at it for all intents and purposes is that when I talk to people at agencies whose job it is to allocate media dollars for their clients, they seem a lot less concerned about this than they were maybe a year ago. Even though in a lot of respects, the conditions that made the possibility of a ban haven't changed. Reuters came out with a story earlier this week suggesting that nearly half of Americans are in favor of banning it, and a sizable percentage, 17% are undecided.

So it could well creep over 50% if things break a certain way. But I think to points like the ones Bill made, TikTok and ByteDance are going to be committed to doing what needs to be done to avoid getting booted out of these critical markets, especially with ByteDance being under pressure to drive growth outside of China.

Marcus Johnson:

Ethan.

Ethan Cramer-Flood:

The reason that we haven't been talking about a TikTok ban recently is because it has been several months since a Chinese spy satellite has floated over the middle of the country, which means that everyone in Washington, DC and everyone on the national cable news networks has had something else to talk about for a long time now. So this all just fades to the background, particularly given that right around the time that everyone was in a tizzy about banning TikTok, we all decided to instead start talking about how AI was going to destroy the world.

So really there's just been a lot of distractions. I'm being facetious, but not really because the message in that is like, do you really think that the US-China relationship is likely to stay quiet? All it's going to take is another big moment, another big tension raising incident for this to come right back onto the front pages, and for TikTok to once again be in danger. So although I'm kind of joking, I'm also not joking, I wouldn't have any faith that this story is actually going away. It's just that the cycle hasn't come back yet.

Marcus Johnson:

Max, those numbers you cited I thought were interesting. So Reuters [inaudible] study, yeah, 47% of American adults supporting a ban on TikTok because of it's ties to China. 36%, so less, oppose a ban and 17% on the fence. When you look at young people though, they disagree, unsurprisingly perhaps. An April Wall Street Journal poll found half, 48% of voters 18 to 34 opposed a TikTok ban. How many users are we talking about here? Currently, a 100 million folks use TikTok in America according to our forecasts. All right folks, thus takes us to round four, double points round four. And Max still out in front by a point.

So to play for, but we go with Max to kick off round four, what should Disney do with ESPN? Kevin Draper and Brooks Barnes of the New York Times write, the ESPN was Disney's financial engine for nearly 30 years as the sports juggernaut continues to earn billions of dollars for Disney. But profits are down and opportunities for growth have dwindled. They explained that Disney is now exploring a once unthinkable sale of a stake in ESPN. So just part of it, not the whole thing, as they look for "strategic partners that could either help with distribution or contents." But Max, what should Disney do with ESPN? What's the point?

Max Willens:

This is a very, very difficult question to answer.

Marcus Johnson:

In 20 seconds? Quick.

Max Willens:

I think the cleanest answer is for they should just sell it outright at the highest dollar value it could command. ESPN is not getting more valuable as an asset because of all the cord cutting we've been alluding to throughout this episode. And I think that the prospect of finding a strategic partner is pretty difficult. You think about the types of companies that would most logically stand into help with distribution and tech, and those are companies like Apple and Amazon.

And Apple and Amazon, colossus as they are, are not going to say, "Oh sure, we'll come in for 15%." They're going to want the whole pie, and that's probably not something ESPN is too interested in. The information reported that Verizon has had conversations with Disney about this, but tying themselves up with a telco is potentially difficult as well. So I think they should sell it outright. I think Iger may not want to make move that drastic, but I think that if you're viewing this dispassionately, that's probably the right answer.

Marcus Johnson:

Ethan.

Ethan Cramer-Flood:

Selling it outright is probably the way to go from an investor perspective, but I think that they should probably hold onto it until the bitter end because it is still this tremendous cash cow. And as we've been discussing this whole podcast, as we start off on this sports question of how all of these media conglomerates trying to figure out how to make sports work, even though they're so incredibly valuable and they're so in demand and they're obviously going to continue to be so they just haven't figured it out yet.

And while Disney tries to figure it out, they can leverage the ESPN family of networks to pay for this very difficult, painful, and long-running process to figure it out under the assumption that eventually they will figure it out because the source itself, the content is so incredibly valuable. Use this, squeeze every last drop out of it until you figure out how to solve the streaming issue.

Marcus Johnson:

Bill.

Bill Fisher:

Yeah, I'm coming at this from a slightly different angle. I was interested to hear about Disney's and ESPNs delving into the sports betting, which I think is interesting from UK perspective because the sports betting market over here is quite mature and it's massive. There's huge potential in the US, I think we have some numbers on that, I don't have them to hand. But the US market has massive potential-

Marcus Johnson:

Sports betting?

Bill Fisher:

Yeah.

Marcus Johnson:

I think the handle by 2025 I think is over $200 billion and the revenue to be made, I think it's $10 billion this year, $15 billion next year.

Bill Fisher:

There you go. Big, big numbers. So there's a lot of potential there, but you've got to be very careful. And a company like Disney has to be careful because obviously it's tried to distance itself from the deal. It's not involved in the betting itself, but there's always lots of negative stories when it comes to sports gambling. In the UK, there's a current Premier League soccer player who is banned from playing because he made bets on the outcomes of games he was playing in. Premier League is going to introduce a league ban on any clubs carrying betting firms sponsorship on their shirts. That's coming in at the beginning of 2026. So it's potentially lucrative, but it needs to tread carefully because any negative news story will lead with the phrase, "Disney owned ESPN," et cetera.

Marcus Johnson:

Yeah, there's a really interesting piece by Amanda Mull in the Atlantic talking about the conflict of interest potentially because ESPN, they have rights to broadcast games. They also write about the games in terms of sports news, and now also being able to set betting lines on the games. Have to be a little bit careful there. But yeah, here's the problem outlined in the New York Times article. So a decade ago, over 100 million households received ESPN, so 30 million fewer get ESPN today than they did in 2013. At the same time, costs are way up. ESPN will pay close to $3 billion a year for the next 10 years for the right to show the NFL. That's 42% increase from what it used to pay. And then a potentially very expensive NBA rights renewal coming up as well.

Ethan Cramer-Flood:

They should partner with the NBA. NBA should be the strategic investor and they should just become the exclusive-

Marcus Johnson:

We solved it.

Ethan Cramer-Flood:

... National partner for the NBA.

Marcus Johnson:

You're welcome, Disney. Good game folks. Let's count the scores. The drum roll happens now. Max is this week's winner of the game of the week. 11 points to Ethan, and Bill's 10. A piece well played. Max, you win the championship belt and the last word. Go.

Max Willens:

I enjoyed the conversation with you all very much-

Marcus Johnson:

Gracious.

Max Willens:

... And I'm excited to see what happens with all of this as long as it doesn't turn into me paying $200 a month for the sports ball streaming package, which I refuse to get rid of so I can watch basketball, much to my wife and child's dismay.

Marcus Johnson:

NBA game pass, if they could not put the result up as the banner to when you go... If you go into the website, if the Lakers played against the Atlanta Hawkes, if the Lakers won, they'll have an image of LeBron James just dunking on someone so you know who's won. Or they'll be like, "Oh, the Lakers played a brilliant game against the Hawkes," like don't tell me who won before I've gotten into the game to watch the game to see who won.

Max Willens:

Leave us in suspense.

Marcus Johnson:

Please. I still subscribe. All right folks, let's move to dinner party data. This is the part of the show where we tell you about the most interesting thing we've learned this week. Max, you won game of the week, so you go first.

Max Willens:

So I am a recent transplant to the Philadelphia area from New York City, and after a few years of hunkering down and hiding, I decided to figure out what the local natives do for fun. And so, one of the things I did was go to Knoebels, which is this family owned amusement park that's in the middle of nowhere here. It's been family owned and operated for nearly 100 years. And while I was there, one of their big rides, which is called the Phoenix, had this big banner in front of it which said 2022 Golden Ticket Award. And I thought, "What the hell are the Golden Ticket Awards?"

It turns out they are awards given by Amusement Today, which is the definitive trade publication for the amusement park industry. And so I have some facts for you from the Golden Ticket Awards. The best amusement park in the world according to amusement today is in Rust, Germany, it's called Europa-Park. The best water park in the world is not in Germany, but it has an extremely German name. It is called the Schlitterbahn, and it's in Texas of all places. The best wooden coaster and the best food in the world, incidentally, were found at Knoebels, where I went. So next time you're deciding to go to an amusement park, check the Golden Ticket Award winners. See where is worth your time.

Marcus Johnson:

Huh, the best food. One of the lesser known reasons why people-

Max Willens:

It's a low bar apparently.

Marcus Johnson:

I bet. Do you [inaudible]-

Max Willens:

That's not really fair.

Marcus Johnson:

... Great food.

Max Willens:

I had a breakfast and a lunch there because one cool thing about Knoebels, it's free. There's no admission price, you just pay per ride.

Marcus Johnson:

Oh, hello.

Max Willens:

It's surrounded by campground. So I took my family and we camped outside and then just shuffled in there in the morning, had some breakfast, they had a giant pool. Knoebles is awesome, I don't know how into amusement parks or camping anybody is. But if you're in the general tri-state area, you should look it up. But only go when I'm not there because if it's too crowded, it probably gets a lot less pleasant.

Marcus Johnson:

Bill, you're up.

Bill Fisher:

I want to talk about a favorite topic of mine. Chocolate.

Marcus Johnson:

Yes, finally.

Bill Fisher:

I have a few questions for you all, although the first one isn't for you, Marcus, because you'll know the answer. So chocolate and peanuts makes perfect sense to me. Add caramel and nougat and you've got Snickers, great chocolate bar. First question though, and this is just for Max and Ethan, do you know what Snickers was called in the UK before 1990?

Ethan Cramer-Flood:

I do not.

Max Willens:

No idea.

Bill Fisher:

Tell him Marcus.

Marcus Johnson:

I haven't got a clue.

Bill Fisher:

You don't know? Come on man. It was called a Marathon.

Marcus Johnson:

Oh, I didn't know that.

Max Willens:

A Marathon?

Bill Fisher:

Yeah, a Marathon. And do you know why it had a different name?

Max Willens:

[inaudible].

Marcus Johnson:

You said before 1990, how old do you think I am, Bill? Plus I spent my early years in the States. That's my excuse.

Ethan Cramer-Flood:

Was Snickers already taken?

Bill Fisher:

No. So I didn't know this, but apparently Mars executives in the UK thought it sounded too much like the word knickers, which is the British word of panties. But my final question, do you know where the name Snickers comes from?

Max Willens:

No.

Bill Fisher:

I really didn't know this one. Apparently it was named after a horse that belonged to Ethel Mars, who was one of the co-founders of the Moro Bar Company, which is now known as Mars. Apparently Snickers, the horse died just before this new chocolate bar went into production. So the family decided to honor the animal by naming the new chocolate bar after him. That puts me off it a little bit though. A chocolate bar named after a horse. There you go.

Marcus Johnson:

Very nice. Ethan, you're up.

Ethan Cramer-Flood:

First of all, I didn't know that we were allowed to just bring random candy bar trivia. I thought we had to go get data related.

Marcus Johnson:

No, no.

Ethan Cramer-Flood:

This is enlightening.

Marcus Johnson:

No rules at the end.

Ethan Cramer-Flood:

This is all good. Well that's good because I have a short and simple one that isn't going to involve any sophisticated data. So as you gentlemen know, and probably most of our listeners know, a guy called Lionel Messi has taken his services to the United States to Miami as a soccer playing superstar. I, as an American sports fan, was not deeply engaged in this story as it was playing out. Soccer is the one where they run around for 90 minutes and not much happens, except if Messi is involved, in which case a whole heck of a lot happens. And I have come to learn that. And one of the other things that happens is that his games go through the roof in terms of ratings and demand.

And so my dinner party data is about the ticket prices for Messi's first game in New York, which is coming up this weekend. So this weekend Messi will play the New York Red Bulls on Saturday, and this is also his first official game of Major League Soccer because the torrent of victories and goals so far have been in a mid-season tournament. And as of last night, the cheapest available ticket for Messi's game, which is actually going to be played in New Jersey because a lot of New York sports teams they like to play in New Jersey, is $555 and the best available seat is $18,000.

Max Willens:

Damn.

Ethan Cramer-Flood:

The next Red Bulls game, if you would like to go to the one without Messi, you can get a ticket for $26. And their next home game, you can get a ticket for $22. But if you want to go on Saturday and you want to sit in the back row in the worst available seat, it's going to be $555. And if you want to sit down front, it's going to be $18,000.

Marcus Johnson:

Wow.

Ethan Cramer-Flood:

Just to watch Messi score.

Marcus Johnson:

He is the goat, but I'm not paying that.

Bill Fisher:

I've seen him play live and he's not worth that.

Marcus Johnson:

Where'd you see him?

Bill Fisher:

I saw him at Wembley.

Marcus Johnson:

Was he playing club or National?

Bill Fisher:

It was a preseason friendly against Tottenham Hot Spur. I don't support Tottenham Hot Spur. I don't support Barcelona. I just wanted to see Messi. It didn't cost me $18,000 or whatever.

Marcus Johnson:

Bill's broke now, he had to sell his home. He's doing this from the streets. Geez. Yeah, that's too much. All right, I got one for you real quick. Who's not on the internet? Five numbers here. One, 7% of all Americans are not on the internet, 7%. 10 years ago, 24% of Americans weren't online. Number two, it's mainly older folks, 25% of folks over 65 years old say they've never gone online. One in 4 65 year olds have never gone online, according to Pew Research, 2021. Lower income folks, 14% of people who make less than $30,000 a year according to Pew.

14% of those folks have never been online. And so if you think not a lot of people in America make that amount of money, you'd be wrong. I was shocked to learn that 50%, half of the US workforce earned less than $35,000 in 2019. This is according to the Social Security Administration. So this less than $30,000 cohort, 14% of those folks haven't been online, but a lot of America make around that amount of money. Number four, rural people, 10% of people who live in rural America have never been online. And the final stat, worldwide, 40% of people in the world have never been online. They're not on the internet. So a lot of folks.

Ethan Cramer-Flood:

Lucky ducks.

Marcus Johnson:

Yeah, I know.

Ethan Cramer-Flood:

They're not missing much.

Marcus Johnson:

That's also a good way of putting it. Stay away, for the love of God. That's all. We've got time for this episode. Thank you so much to my guests, thank you to Bill.

Bill Fisher:

Great to be here.

Marcus Johnson:

Thank you very much. Thank you to Ethan.

Ethan Cramer-Flood:

Yeah, yeah, yeah.

Marcus Johnson:

Thank you to Max, this week's winner of the game of the week.

Max Willens:

Always a pleasure, Marcus.

Marcus Johnson:

And thank you to Victoria who edits the show. James, who copy edits it. And Stuart who runs the team. Thanks to everyone for listening in. You can head to Behind The Numbers [inaudible] podcast on Instagram if you want. You don't have to. Bill, we'll see you on Monday for the Behind the Numbers Around the World Show. [inaudible] podcast made possible by Awin. Bill, who are you speaking with, what about?

Bill Fisher:

I am speaking with Ethan and Paul Briggs, our Canadian principal analyst, and we're going to be talking a little bit more about one of the issues that we touched upon today, the fast or free ad supported streaming TV platforms around the world.

Marcus Johnson:

Very nice. They'll see you then. Happy weekends.