

# Amazon ends \$7.7B quest to purchase cricket rights

## Article

**The news:** Amazon is withdrawing from the bidding war over exclusive cricket streaming rights for the **Indian Premier League (IPL)**, handing one of the planet's biggest sporting events to rivals including **Disney, Sony, and Reliance Industries**.

- According to those familiar with the situation, the commerce and media giant decided to walk away from the auction rather than engage in competitive bidding.
- The rights were expected to bring in as much as a record-breaking **\$7.7 billion**.

**How we got here:** Streaming services have competed intensely for sports streaming rights around the world, of which cricket has become the most expensive.

- Current bids are far above initial estimates of **\$5.3 billion** from when the news first broke in February.
- That increase is proof of how important India is to streaming services, which have turned to the country of nearly 1.4 billion to make up for slowing subscription growth at home.

**Amazon's ambitions:** While Amazon is in a strong position financially, it would have been hard to justify paying so much.

- Amazon was quite interested in the IPL but has its eyes on other global sports franchises. It has **spent hundreds of millions of dollars on European soccer rights**, as well as a **\$1 billion-per-season agreement to broadcast Thursday Night Football** in the US until 2033. Prime also broadcasts Major League Baseball games.
- Even without cricket, Amazon has established a stronger presence in Indian media than competitors like **Netflix** (which has struggled there), but still lags behind **Disney+Hotstar**, the leading service in the country.
- Amazon has already **invested more than \$6 billion in India**, and it recently announced that it's doubling down on its content investments in the country across multiple languages.
- Other bidding contests could provide Amazon with an opportunity to test and further flesh out sports broadcasting at a less prohibitive cost. **US Formula One** rights are up for grabs at \$100 million, and Amazon has expressed interest.

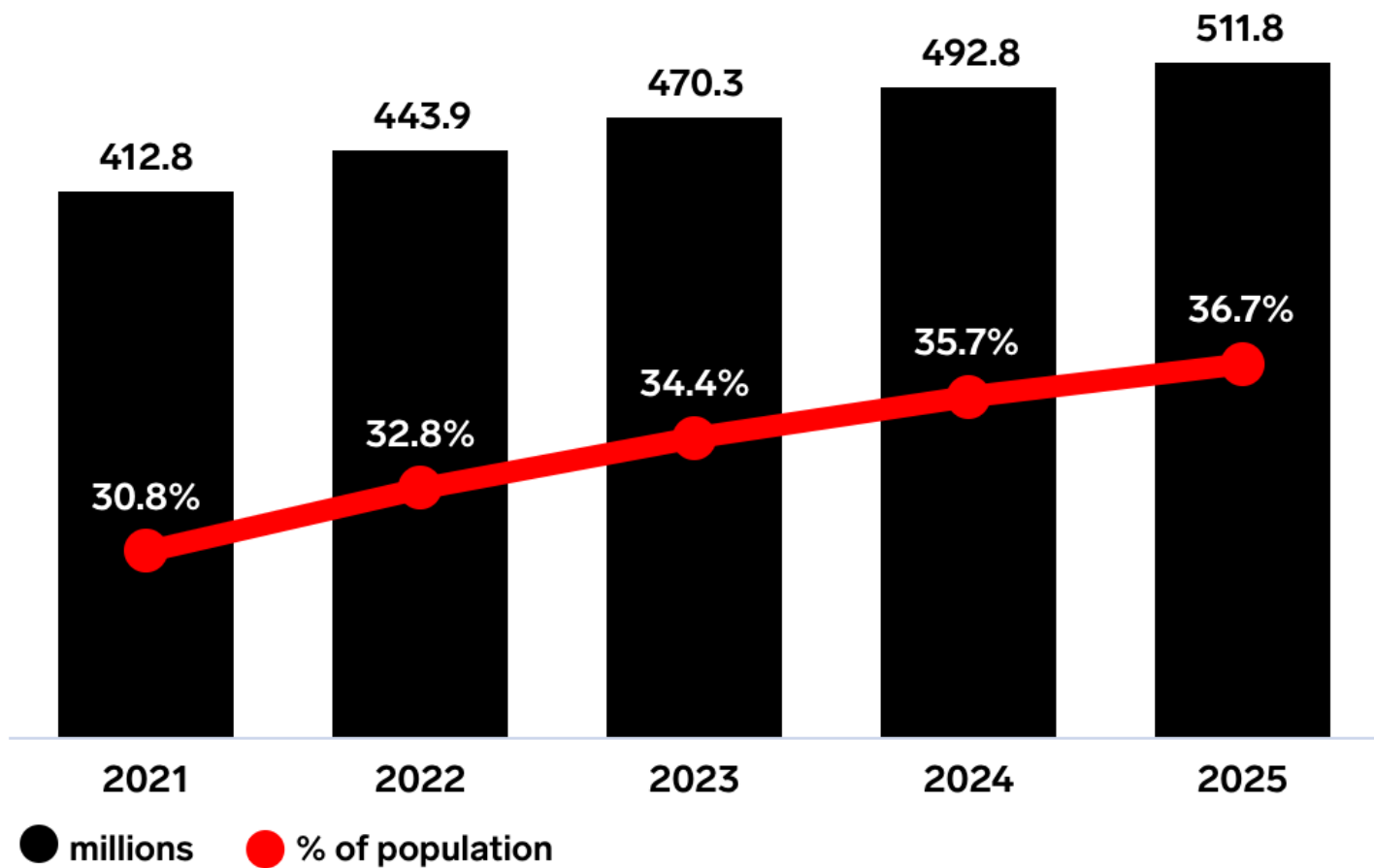
**Economic crunch:** Although cricket rights represent a critical opportunity for streaming services in the prized Indian market, the extraordinary cost comes as tech companies and streaming services carefully reconsider spending.

**Why it matters:** Bidders are counting on the rights to help them dominate an increasingly online Indian consumer market.

- More services could follow Amazon in pulling out, lowering the price point for IPL rights for its eventual purchaser.
- The winning bidder will strengthen its ability to make significant inroads into a growing region where cricket has massive appeal.

# Digital Video Viewers

India, 2021-2025



Source: eMarketer, February 2022

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