

ESPN takes a shot at creating a sports streaming hub

Article

The news: ESPN sees the fractured sports livestreaming landscape and wants to offer a solution. The Disney-owned sports broadcaster has reportedly reached out to competitors and sports leagues to create a sports streaming hub that directs users to the services where games are broadcast, CNBC reports.

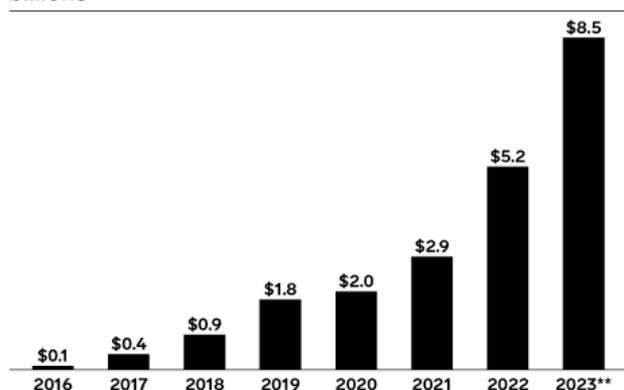
- The proposed hub is far from set in stone, but one proposed model would grant ESPN a cut of revenue for every user that signs up for a competing service via its hub. If users are already subscribed, ESPN will simply ferry them along.

A self-made problem: As streaming has risen to become the defacto entertainment medium for most consumers, so too have complaints about the miserable experience of finding out which streaming service is required to view certain content.

- In the last year, streamers have dished out billions to secure the rights to broadcast football, soccer, baseball, cricket, and more, earning valuable contracts but making the viewer experience confused and unwieldy.
- Take the **NFL**, for example, whose games are now split across cable, its own **NFL+** streaming service, **Thursday Night Football (TNF)** on **Amazon Prime Video**, and **Sunday Ticket** on **YouTube**. It’s a similar case for **Major League Baseball**, whose games are split across cable, YouTube, **Apple TV+**, **TBS**, and more.

Sports Rights Spending by Subscription OTT Services Worldwide*, 2016-2023**

billions



Note: *Australia, Brazil, Denmark, Finland, France, Germany, India, Italy, Japan, Netherlands, Norway, Poland, South Africa, Spain, Sweden, UK, US; **forecast
Source: Ampere Analysis as cited in press release, Feb 20, 2023

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- Even politicians are growing frustrated about the poor user experience: New York’s attorney general called Apple and the MLB locking a historic game behind a paywall “**wrong and unfair.**”
- While a fractured landscape is unpleasant for viewers, it’s not *that* bad for those partaking in appointment TV or watching a specific show that’s tied to a streaming brand. But for sports—

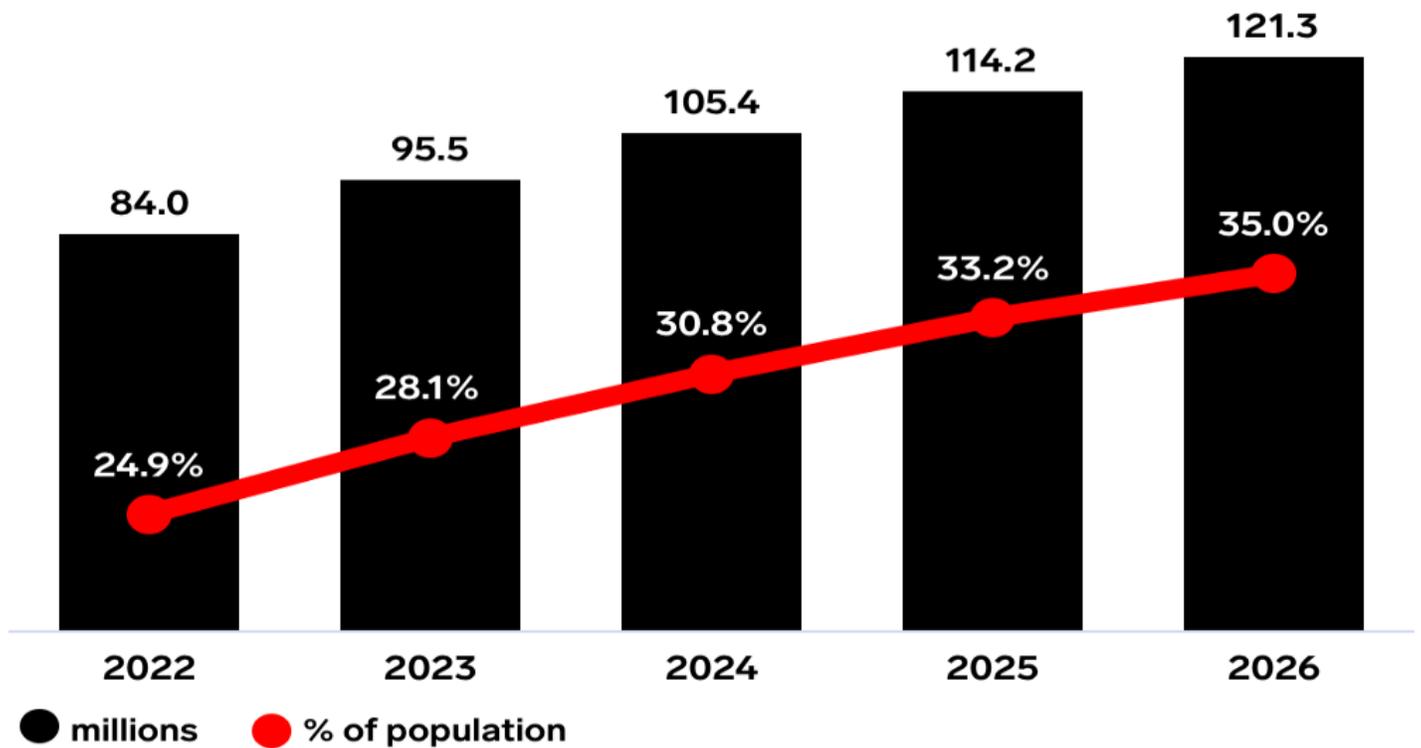
where the live aspect is key—the process of finding out where a game can be viewed can eat into the match itself. Hence, ESPN’s attempt to help viewers find games easily.

Together as one: Apart from licensing deals, the streaming space is not exactly known for collaboration among services. But with subscriptions slowing down and revenues tightening, streamers may be motivated to work together to make their hefty sports investments pay off.

- Streamers are making long-term bets on live sports broadcasting, and early impressions are key. Apple spent a reported **\$2.5 billion** on a 10-year contract with Major League Soccer, Google spent a similar amount on the Sunday Ticket, and Amazon spent over **\$1 billion** on an 11-year TNF contract.
- Early viewership for some of those broadcasts hasn’t lived up to expectations. With anywhere from 9.6 million to 11.3 million viewers, Amazon’s first bout of TNF viewership swung far below the 16.2 million viewers from the prior year and didn’t deliver on promises to advertisers.
- While Amazon said it’s proud of its initial performance, it and other streamers will no doubt be looking for ways to eke out extra viewership to get higher ROIs sooner rather than later.

Digital Live Sports Viewers

US, 2022-2026



Note: individuals of any age who watch live sports content at least once per month over the course of the season of at least one sport on digital platforms such as OTT, TV Everywhere and vMVPDs; excludes highlight viewing and viewing of nonlive content; excludes esports; excludes Olympics content

Source: eMarketer, September 2022

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