



HARNESS THE POWER OF SPORTS VIDEO.

EXTEND AUDIENCE REACH AND REVENUE.

As a critical component of the pay-TV ecosystem, premium live sports remains a hugely valuable content vertical. At a time when the landscape of media is undergoing profound disruption, and when the consumption behavior of audiences across all demographics has fragmented, sports is widely accepted as one of the last bastions of appointment-to-view programming.

INTRODUCTION.

Last year, according to analysis conducted by Nielsen and MoffettNathanson, 85 of the top 100 most-watched telecasts in the United States were sporting events—up from 48 in 2011. Meanwhile, research from Parks Associates indicates that for 27 percent of US pay-TV households, sports programming is the primary reason they own a cable subscription. Research conducted in markets outside the US similarly underlines the importance of sports as a leading content category for driving live video engagement.

However, sports rights holders cannot rest on their laurels with the certainties of old being challenged all the time. Distributing live and on-demand video content through engaging, immersive over-the-top (OTT) experiences is no longer optional; it's a requirement.

Across all forms of entertainment, linear TV ratings are generally trending downwards, but not because active audience numbers are in decline. More video—from live and “near-live” programming to highlights and on-demand content—is consumed online, on mobile, and through a plethora of other connected devices than ever before, with the average number of minutes viewers watch daily rising year on year.

In response to these shifting consumption patterns, rights holders, publishers, and other media distributors recognize the need to satisfy viewers' appetites beyond linear broadcasts with additional distribution through digital channels.

The growing demand for video has fostered widespread innovation and experimentation in direct-to-consumer (D2C) content delivery, fueling a global proliferation of OTT video service providers.

Across sports, organizations now deem it essential to have some form of digital experience available to fans. According to the Center for the Digital Future at USC Annenberg and ThePostGame, 63 percent of all sports fans are interested in paying for an OTT service. And thanks to ongoing advances in video streaming technology, the business of meeting consumer demand is no longer prohibitive from a cost or resource perspective.

Produced by SportsPro in collaboration with Brightcove, the leading provider of cloud services for video, this report delves deeper into some of the most compelling innovations in sports video and examines the best-in-class products and experiences that are being created to engage, excite, and monetize audiences now and in the years to come.

GOING DIRECT: THE D2C SPORTS LANDSCAPE.

Making sense of the increasingly crowded OTT sports landscape can be a challenge. With OTT having rapidly become the norm, the global D2C streaming market has been flooded with a dizzying array of new video platforms, all of which have merits and limitations when it comes to distributing live and on-demand sports programming.

63% of all sports fans are interested in paying for an OTT service.

Going it alone has long been a popular option among the major properties. Rights holder-owned platforms like NFL Game Pass, MLB.tv, and NBA.TV have for many years offered viewers the flexibility to watch live out-of-market games away from linear TV, while a host of preeminent leagues and clubs with international followings have found success with branded video offerings that complement the coverage provided by their traditional broadcast partners.

Now, the trend has trickled down to all tiers of sports, with smaller or niche rights holders developing more sophisticated OTT distribution strategies with a view of growing exposure, better serving their core fanbases, bolstering existing content offerings, and opening new revenue opportunities.

They are certainly not alone. The changing nature of media consumption has forced every satellite and pay-TV operator to rethink their distribution models. Nowhere has this disruptive influence been more apparent than in the United States.

Declining pay-TV subscriber numbers are placing significant pressure on cable affiliate fees, and many of the major media brands have brought to market new sports streaming products in a bid to lure subscribers who are unwilling to purchase traditional multi-channel cable TV packages with costly fixed-term contracts.





Just this year, The Walt Disney Company, Turner Broadcasting System, and CBS Corporation all bolstered their digital operations with the launch of multi-sports OTT services, rolling out ESPN+, Bleacher Report Live (B/R Live), and CBS Sports HQ, respectively. Meanwhile, other US broadcasters have built tailored video offerings around specific sports or content verticals. NBC Sports Group, for example, now offers a range of single-sport “passes” as part of its NBC Sports Gold digital platform.

Simultaneously, an overall trend toward streaming video consumption among consumers and programmers is fueling the growing popularity of virtual multichannel video programming distributors (vMVPDs). As more people cut the cord with cable and satellite TV providers, these nascent OTT platforms are building sizeable customer bases by offering skinny bundles—subscription video-on-demand (SVOD) packages that offer customizable content and pricing options, attractive programming add-ons, and no fixed-term contracts.














































Sports channels now form part of every major vMVPD’s basic offering, and some have put sports front and center. One example is FuboTV, a sports-first service that provides coverage of more than 30,000 sporting events per year, with programming split across two base packages and an array of add-on channels offered at various price points.

It is no coincidence that the emergence of vMVPDs has come at a time when SVOD heavyweights like Netflix, Amazon Video, and Hulu dominate the video streaming business. Having disrupted the consumption of movies and entertainment, those services experiment with live and non-live sports programming as a means of attracting cord-cutting customers. Meanwhile, a handful of sports-only SVOD services, the so-called “Netflixes of sports”—are coming to the forefront with similar business models.

By employing an aggressive approach to acquisitions, these well-heeled OTT operators now compete with traditional media players for premium rights to major domestic competitions in key markets. Perform Group-owned DAZN, dubbed “the world’s first truly dedicated live sports streaming service”—has been arguably the most aggressive new entrant of them all, having launched in no fewer than ten major markets around the world.

Then, of course, there are the social networks. Facebook, Twitter, Instagram, Snapchat and Twitch—that have all have integrated video functionality that facilitates live streams, as well as the publication of highlight clips and other short and long-form content. For rights holders, these platforms represent another viable means to reach audiences, especially those who skew younger and are more tech-savvy.

THE OTT SPORTS MARKET: A SAMPLE SNAPSHOT.

ESPN+  MLB, NHL, MLS, college sports, Top Rank boxing, PGA Tour golf, Grand Slam tennis, cricket, rugby, Canadian Football League, UEFA Nations League, United Soccer League	 USA	\$4.99/month OR \$49.99/year
BLEACHER REPORT LIVE  UEFA Champions League, UEFA Europa League, NBA League Pass games, 65 NCAA championship events, PGA championship, National Lacrosse League, Red Bull Global Rallycross, World Arm Wrestling League	 USA	Free until summer 2018
WILLOW.TV  International Cricket Council, Board of Control for Cricket in India, Cricket Australia, Cricket South Africa, West Indies Cricket Board, Sri Lanka Cricket, Bangladesh Cricket Board, Pakistan Cricket Board, Zimbabwe Cricket	 USA & Canada	\$9.99/month
NBC SPORTS GOLD  Premier League, rugby, cycling, track and field, pro motocross	 USA	Varies by pass
FUBOTV  NBC Sports Network, NFL Network, NBA TV, Pac-12 Network, Sports Illustrated TV	 USA	\$45/month (70+ channels), \$50/month (80+), Add-on packages (\$3-15/mo)
CBS SPORTS HQ  24-hour streaming sports news network offering news, highlights, and analysis	 USA and Canada. Soon to launch in Australia.	Free
SUPERVIEW  Every Virgin Australia Supercars Championship qualifying and race session	International (outside Australia and New Zealand)	Varies by market
NBA.TV  NBA League Pass, Access to all NBA games, including playoffs and NBA finals	International	Varies by market
SPORTS ILLUSTRATED TV  Studio shows, long-form documentaries, library films	 USA	\$4.99/month
DAZN  Premier League, Serie A, NBA, NFL, F1, J.League, WTA, La Liga, Bundesliga, FIBA basketball, Bellator MMA, Matchroom boxing	 Germany, Austria, Japan, Switzerland, Canada. Soon to launch in USA & Italy	Varies by market
ELEVEN SPORTS NETWORK  NBA, Premier League, Serie A, La Liga, Bundesliga, F1, UEFA Champions League, FA Cup, Singapore Premier League, NBA G League, Ultimate Disc League	 Belgium, Italy, Luxembourg, Poland, Singapore, Taiwan, USA. Soon in UK, Ireland, & Portugal.	Varies by market
EUROSPORT PLAYER  Olympic Games, Grand Slam Tennis, cycling tours, winter sports, snooker, athletics, motor racing, and more	52 European markets	Varies by market
RUGBYPASS  The Six Nations, The Rugby Championship, June & November Internationals, Super Rugby, European Champions Cup, Gallagher Premiership, Mitre10 Cup, Currie Cup, selected Pro14, and Top14 matches	Asia	US\$7.99 weekly; US\$19.99 monthly; US\$159.99 yearly
FLOSPORTS  20+ sport-specific sites, including basketball, wrestling, track and field, gymnastics, softball, rugby, and volleyball	 USA & Canada	\$20/month OR \$150/year
LEGEND SERVICE NAME Key rights & programming  Baseball  Football  Golf  Disc  Hockey  Soccer  Basketball  Rugby  Fighting  Track & Field  Shows  Gymnastics  Volleyball  Olympics  Cycling  Winter Sports  Racing  Motocross  News  Cricket  Tennis		
Markets		Pricing (USD)

SUPPLY ON DEMAND: GROW AUDIENCE REACH & REVENUE THROUGH BETTER DISTRIBUTION.

If OTT content delivery is all about creating a supplemental digital experience alongside the linear broadcast, differentiation is key. Content is king, of course, but the beauty of OTT is that it mitigates the constraints of traditional television, enabling rights holders to create compelling digital destinations even when their most coveted media assets—namely their premium live rights—have been sold to third party distributors on an exclusive basis.

Clipping live footage to create on-demand assets allows rights holders to extract greater value from event content. English soccer's Premier League, for example, operates a dedicated online platform that houses a wealth of non live content, such as goals of the day, iconic moments, player interviews, and coverage of the league's various community initiatives. Manchester City, the reigning Premier League champion, is also capitalizing on its ability to distribute an array of auxiliary content by building its own branded media channels to sit alongside the live coverage of matches.

Away from soccer, [Tennis Australia](#) has succeeded in driving additional viewership and engagement by

creating a bespoke OTT channel for streaming live broadcasts, as well as supplementary content. During the 2018 Australian Open, the body streamed up to 16 courts and a wealth of additional content such as replays, post-match speeches, behind-the-scenes moments, and press conferences, garnering some two million live streams and more than 4.5 million video views.

Elsewhere, the NFL has recently stepped up efforts to produce novel forms of shoulder programming, specifically for digital. Its new Live Content Correspondent (LCC) initiative, launched in 2017, sees photographers and videographers in the league's 32 markets create pre-, in-, and post game content for distribution across its own media channels, including its live show on Twitter, #NFLBlitz, as well as team and player social accounts. Hired on a part-time, seasonal basis, the LCCs are tasked with capturing high-quality images and videos at all NFL home games and occasional non-game day events in their respective markets, such as tailgate parties, player warm-ups, team training camps, and charity functions.



CAPTURE SOCIAL AUDIENCES.

Tapping into passionate communities and engaged audiences around sporting events is critical for fostering awareness, driving conversation, and extending audience reach. Publishing clips to social channels while an event is taking place is an effective way to reach casual viewers and channel that audience toward the primary broadcast.

The NBA, to name one prominent example, has long been active in producing, distributing, and actively promoting video via social media. Rather than clamping down on copyright infringements, the world's preeminent basketball brand has taken a non-restrictive approach to the distribution of its content online, permitting fans to share game highlights and other user-generated content on platforms like YouTube and Twitter in near real-time.

100M+

NBA-RELATED TWEETS HEADING INTO JUNE 2018'S NBA FINALS.

The NBA's social video policy is intended to draw viewers to the main event. NBA commissioner Adam Silver has analogized the league's strategy as delivering highlight "snacks" to encourage fans to watch the "meal" of an NBA game.

It is an approach that is certainly driving enviable engagement. According to Twitter, the NBA is the most tweeted-about sports league in 2018, with more than 100 million NBA-related tweets heading into June's NBA Finals.

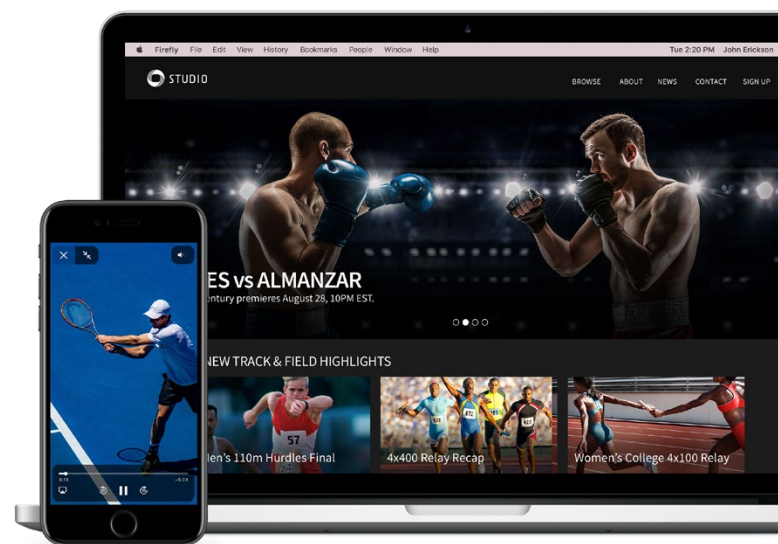
CONVERT REACH INTO REVENUE.

Besides extending audience reach, OTT is an effective means of unlocking revenue from both live and on-demand video. Online video platforms generally deploy one of three business models: subscription-based (SVOD), advertising-supported (AVOD), or transactional (TVOD), which includes pay-per-view (PPV) access or some combination of all three.

For rights holders drawing larger audiences, AVOD can be a lucrative method of monetization. With the ability to capture and own each user's personal and behavioral data, OTT video providers can easily segment audiences based on geographical location, viewer profile, and other parameters.

Advertising can then be served with targeted messaging, which is something that is not possible with linear TV. And with technology like server-side ad insertion (SSAI), video distributors can take broadcast content that contains commercials and replace those breaks with digital ads while maintaining broadcast quality.

By delivering more personalized content and catering to the individual tastes and viewing preferences of large numbers of users at once, OTT platforms appeal to fans who want an experience beyond broadcast TV.



50%

**LIFT IN USA TODAY'S OLYMPIC
COVERAGE STREAMS USING IRIS.
TV'S PERSONALIZATION TECH.**

Many consumers will return to a service that provides personalization, and use those services longer. An example would be the 50 percent lift in streams and the 13 percent lift in user retention that *USA Today* saw for its Olympics coverage upon applying IRIS.TV's personalization technology. Additionally, AVOD service providers can draw on that enhanced engagement to upsell pay-per-view or subscription products, thereby driving greater revenue.

Under SVOD and TVOD models, consumers are required to pay directly for content they want to watch, with payment functions integrated within the services themselves. Both models are popular ways of generating revenue while maximizing reach and accessibility.

One recent example saw Australian broadcaster Foxtel live stream last August's highly anticipated boxing bout between Floyd Mayweather and Conor McGregor. All Australian viewers were able to stream the fight online by way of a one-off purchase, whereas previously, the content would have only been available to Foxtel customers.

In response to market demand and changing consumption habits, some operators are taking TVOD one step further with microtransaction trials, whereby viewers can purchase a small portion of games that are in progress for a minimal fee.

B/R Live, the recently launched streaming service operated by Turner Sports, has already announced plans to offer access to the closing moments of live NBA games, perhaps for as little as a dollar.

Revenue sharing is another commonly used method of monetization. While online video platforms often license third-party content outright, many compensate rights holders based on viewership rates and income from advertising tied to their streams. Most free-to-use social networks employ this model, incentivizing publishers to distribute live events or create original branded content specifically for their platforms.

BRIGHTCOVE STORIES.

A global leader in the online video platform (OVP) space, Brightcove powers digital sports video experiences for content owners across the globe with its industry-leading portfolio of products. Brightcove Video Cloud provides a complete video hosting and publishing platform for delivering and monetizing content across all devices, formats, and platforms. Brightcove Live is an innovative solution for scalable and cost-effective streaming of live events and 24/7 channels. OTT Flow enables rights holders to quickly and affordably build and deploy OTT services across all mobile and TV platforms with an easy-to-use application management system.

Sports organizations around the world employ each of these products to create innovative, broadcast-like live and on demand viewing experiences across multiple devices, platforms, and operating systems. Here, some of Brightcove's sports video customers share their success stories.



BARSTOOL SPORTS®



SEVEN WEST MEDIA



HOW BARSTOOL SPORTS UPPED ITS VIDEO GAME USING BRIGHTCOVE

Barstool Sports is an online media company that employs a satirical, irreverent and predominantly male-focused approach to covering sports. Since partnering with Brightcove in June 2015, Barstool has seen remarkable growth for its video content.

In its first year working with Brightcove, Barstool Sports' video content averaged around 1.2 million views per month. A year later, around the time the company opened its New York office and set about increasing production, video views more than doubled to three million per month. That figure has since climbed to four million for the first half of 2018, with a peak month of five million views and a large percentage of users accessing content through the Barstool Sports app.

“Video is a major part of our business. We started out as a blog, and it was something that we got into years ago. Now, a lot of our top talent use it to drive engagement on the site.”

Jeff Hunter
Chief Technology Officer,
Barstool Sports

Barstool relies on Brightcove Social to upload, manage, and distribute video to multiple social platforms simultaneously, while Brightcove Video Cloud enables the company to scale its output as it drives more and more engagement each year.

“It’s been a great relationship,” says Hunter. “The ease-of-use of the tools, the cloud platform, customer service, everything top to bottom, has really allowed us to grow our O&O business.”



“I think the broad array of products [Brightcove] offer[s] has been very beneficial to us in terms of managing the VOD, being able to branch out and do live, to be able to work with some of their partners to enhance that, whether it’s for pay-per-view or things like that. And then on the back-end, staying on the cutting edge of technology.”

Pete Overmyer
Head of Media Technology,
Barstool Sports

Looking ahead, Barstool Sports plans to advance its video ambitions by further broadening distribution to more platforms and devices, enabling the company to reach viewers wherever they are. “We want to have the ability to have our users consume the media and the content on all platforms,” he continues. “Right now you can consume it on desktop. We have the ability to do Airplay and Chromecast and everything else, but OTT is an obvious next step, where you end up having almost a linear channel and mix it with all the content that we create. That’s the direction, and I know we’re going to be working with Brightcove very closely on it.”



MEETING SUPERCARS' NEED FOR SPEED IN VIDEO DISTRIBUTION

The Supercars Championship, also known as the Virgin Australia Supercars Championship, is the premier motorsport in Australasia. With a growing international audience, it is becoming globally recognized as the best touring car category in the world.

Supercars uses video to engage its dedicated and loyal fanbase with content and stories across the entire racing season. From breaking news, behind-the-scenes interviews, highlights, and more, fans can get their racing fix with VOD content available at [Supercars.com](https://www.supercars.com). In addition, fans outside of Australia who are unable to watch Supercars races via traditional broadcast can watch live races via Supercars' SVOD service, [SuperView](#), which delivers live streams of every race to fans outside of the Australia region.

Supercars relies on Brightcove's complete hosting and publishing platform to power these premium on-demand and live video experiences. Critical to Supercars' success is Brightcove's superior HTML5 player technology and flexibility.

Partnering with Brightcove also means Supercars can provide video content to its audience fast. Supercars can post up to 10 videos a day on race days, so the ability to share these videos with its fans in a timely way is important. In addition, the efficiencies that Supercars has experienced from working with Brightcove have made significant impact on its lean production team.

“

Video is a vital part of our business, but we're not a technology company. We have a strong, small team and we rely on products and services that work without fail. That's where Brightcove comes in. We know the experience will be perfect every time, regardless of the device. In many ways, we think of Brightcove as another member of our team.”

Sam Barker
Digital Manager, Supercars

52% Year-over-year video growth since partnering with Brightcove

27% Increase in video minutes viewed after partnering with Brightcove

**Supercars video growth metrics are from FY16 to FY17.*

BRIGHTCOVE'S SEAMLESS STREAMING DELIVERS SUCCESS FOR SEVEN

[Seven West Media](#) is one of Australia's leading integrated media companies with a market-leading presence in broadcast, publishing, and online video. The company has doubled down on its video strategy, and its clear leadership in sports has played a key role.

Seven partnered with Brightcove to deliver premium live and on-demand video experiences to Australians for some of the biggest sporting events of the year, including The Australian Open, The Winter Olympics, and The Commonwealth Games. Leveraging Brightcove Live, the company was able to clip full-length matches from the Australian Open from running live streams and publish online to audiences in less than half the time it would previously take.

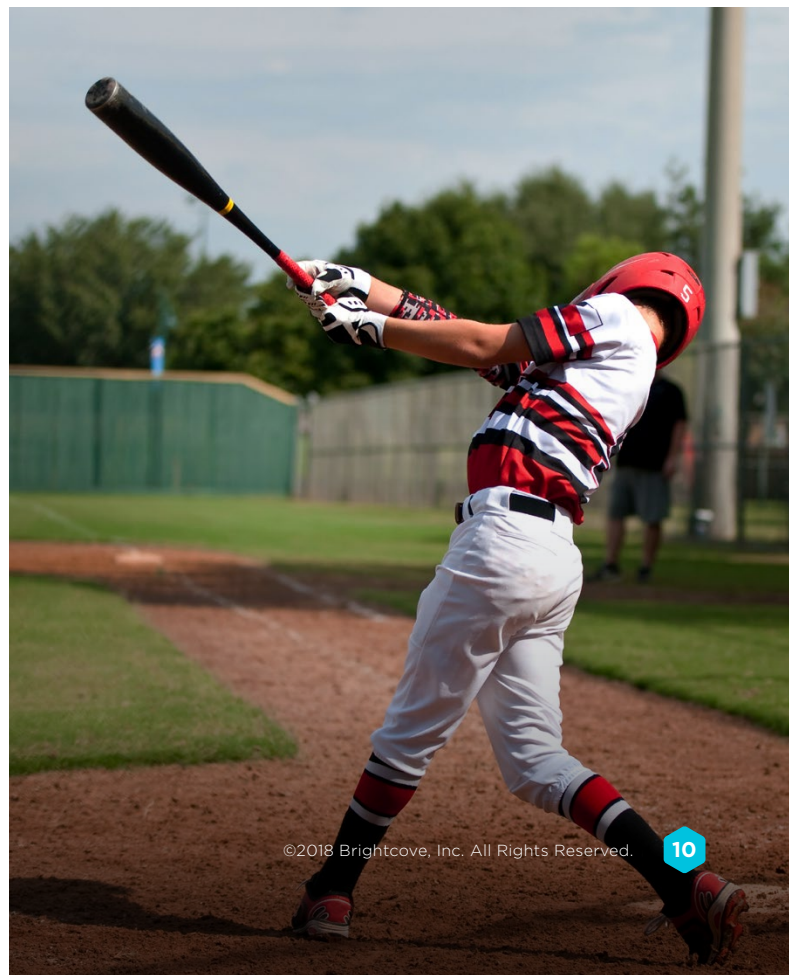
As a result, tennis fans could catch up on their favorite moments sooner, and Seven reduced production hours and the need for on-site production facilities, which drastically simplified workflow, reduced overall cost, and improved time-to-live.

In addition, Seven provided broadcast and online coverage for the 2018 Winter Olympics in Korea and the 2018 Commonwealth Games. Also known as Gold Coast 2018, the Commonwealth Games is an international multi-sport event in Australia. Through its 7CommGames app, underpinned by Brightcove, Seven delivered access to broadcast coverage of the Commonwealth Games, from every medal event to on-demand highlights and interviews. Seven has seen a 66 percent growth annually in its streaming numbers, and its first-rate sports coverage is no doubt contributing to that growth.

ASAHI'S AMATEUR BASEBALL GETS A PROFESSIONAL OTT EXPERIENCE

Asahi Shimbun and Asahi Television Broadcasting Corporation partnered with Brightcove to deliver live and on-demand coverage of the All-Japan High School Baseball Championships via the Virtual High School Baseball portal site, jointly operated by the two Asahi companies.

With the support of terrestrial broadcasters, the Virtual High School Baseball site offered live streaming of the All-Japan High School Baseball Championships and parts of the regional games. The companies selected Brightcove for its ability to power a premium on-demand streaming experience across desktop, mobile, and tablet devices, customize the player to enable mid-roll ad insertion for both live and on-demand video, and provide robust analytics to measure performance.



DELIVERING BROADCAST-LIKE STREAMS FOR TV TOKYO

The Liebherr 2017 World Table Tennis Championships is one of the largest indoor sporting events in the world, featuring 700 players from over 130 countries. TV TOKYO Corporation, one of Japan's leading broadcast networks, broadcasted matches featuring Japan's major athletes, such as Miu Hirano and Jun Mizutani.

The event attracts a lot of attention in Japan based on the large fanbase for these athletes and the sport within the region. TV TOKYO has exclusive rights to both the broadcast and live stream of the event and used Brightcove Live to deliver a premium, monetized live streaming experience for this incredibly popular event. Brightcove Live's support of server side ad insertion (SSAI) was critical to TV TOKYO to enable the organization to deliver a TV-like viewing experience to its viewers.

OTT AT 300MPH: HOW NHRA PUT ITS BEST RACE EFFORTS ON THE TRACK

The National Hot Rod Association, better known as NHRA, is the governing organization of North America's drag racing community. NHRA offers a video service called NHRA All Access that provides access to not only the current season's live races and on-demand assets, which can be viewed post-race, but it also offers thousands of videos dating back to the 1960s.

To learn more about how the company decreased the cost and resources of converting their live stream content to VOD, read this [blog post](#).



CONCLUSION.

When it comes to distributing and monetizing video, the options for rights holders large and small have never been so varied. Audiences for every sport exist somewhere in the world, and the proliferation of OTT streaming providers, coupled with the flexibility and capabilities of the internet, have opened new opportunities to extend audience reach and serve fans on their terms.

As a high-demand, advertiser-friendly content vertical, sports lends itself well to live and on-demand streaming. But as consumer appetite for video increases, and more fans gravitate towards OTT services, the onus is on rights holders to create an ecosystem of content around events by incorporating social media, original shoulder programming, and other interactive elements into multi-platform distribution strategies.

Commercially speaking, OTT is an effective tool for generating revenue beyond traditional broadcast rights contracts. The challenge remains in identifying monetization models that work in a multi-device, increasingly fragmented environment; but if distributed effectively, sports video content can be a route to enhanced engagement and a source of untapped revenue for every organization.

ABOUT BRIGHTCOVE.

Brightcove, Inc. is the leading global provider of powerful cloud solutions for delivering and monetizing video across connected devices.

The company offers a full suite of products and services that reduce the cost and complexity associated with publishing, distributing, measuring, and monetizing video across devices.

Brightcove has thousands of customers in over 70 countries that rely on the company's cloud solutions to successfully publish high-quality video experiences to audiences everywhere.

To learn more, visit www.brightcove.com.