THE POLITICAL ECONOMY OF TELEVISION SPORTS RIGHTS

Tom Evens, Petros Iosifidis and Paul Smith
The Political Economy of Television Sports Rights
This innovative series examines the wider social, political, economic and technological changes arising from the globalization of the media and communications industries and assesses their impact on matters of business practice, regulation and policy. Considering media convergence, industry concentration, and new communications practices, the series makes reference to the paradigmatic shift from a system based on national decision-making and the traditions of public service in broadcast and telecommunications delivery to one that is demarcated by commercialization, privatization and monopolization. Bearing in mind this shift, and based on a multi-disciplinary approach, the series tackles three key questions: To what extent do new media developments require changes in regulatory philosophy and objectives? To what extent do new technologies and changing media consumption require changes in business practices and models? And to what extent does privatization alter the creative freedom and public accountability of media enterprises?

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The Political Economy of Television Sports Rights

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and

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To my parents, who encouraged me to practice sports, and to my brother, who used to treat me each time I got injured!

TE

To my twin boys, Haris and Yiannis, who are passionate about sport because it provides them with entertainment, a hobby, and exercise!

PI

To my sons, Matthew and Alexander. I look forward to many years of watching sport on television together!

PS
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Foreword

The study of the developing relationship between sports and the media industries continues to provide a rich environment for communication researchers and scholars. The transformation from the analogue age to digital has disrupted and reshaped many parts of the communications industry. However the focus of this book reminds us of the continuing importance and centrality of television in shaping the experience of millions through its mediation of sports. By focusing on the political economy of television sports rights, the authors make a compelling case for the importance of grounded empirical research informing our analysis and thinking with regard to the broader media industries.

What emerges from this book is that while it is important to recognise the ways in which social and digital media are reshaping aspects of the sports-media nexus, we need to remain sharply focused on the key political, cultural and economic context and framework within which television sports rights are sold and ultimately disseminated. Why? Well, despite the hype that often surrounds the impact of new media, it is television rights and their ability to generate substantial revenue that remain central to the financial underwriting of a core of elite professional sports, that, for example in the case of football, operate within and across national and global communicative spaces.

This research offers both a convincing political economy framework through which to engage with the arena of television sports rights and then augments this with a set of specific case studies that move from the EU (UK, Spain and Italy), to key non-EU territories (USA and Australia) and to key emerging television sports markets such as India, Brazil and South Africa. The area of television rights research can sometimes appear to engage at great length with the technical and legal debates and arguments around the issue of rights, while seemingly ignoring the broader cultural and social context within which the television industries operate. This book offers equal weighting to both approaches, as it guides the reader through the complex regulatory frameworks that shape television sports rights from the local, through national, to EU and international contexts.

At the heart of this research journey is recognition of the tension between the cultural and the commercial drivers of the sports rights market. This tension is often enshrined in the frameworks of, for example, the EU as it implements both competition law in this area, as well
as major events legislation. Throughout the book we see examples of policymakers and shapers seeking to balance ‘public interest’ and ‘fair competition’ issues. We also examine the very real challenges of balancing the often competing commercial and cultural goals of rights holders and a range of broadcasters from across the pay-TV sector and those operating in the public service domain.

The range of the case studies presented here gives a truly international flavour to a set of debates that find echoes across the international television and sports industries. They also serve to remind us that while we live in an increasingly interconnected media environment (exemplified by the discourses around digital media), the national dimension of policymaking remains important and has not, as some would have us believe, disappeared. To that end German football television content, for example, remains most compelling within Germany. Of course new ways of sharing and accessing content, the key characteristic of digital media, open up the potential for global markets and indeed new revenue streams, but the authors remind us of the need for some caution, as evidence to date of this process remains problematic. What the book clearly suggests is that the even in the digital age, the national political, economic and cultural context remains important in shaping the interaction between those two stalwarts of popular culture; television and sports.

This book makes an important intervention in the policy debate that surrounds media rights and the balancing of cultural and commercial concerns. While it is about a particular area of the television industry, the debates that it engages with resonate and echo beyond sports, into other areas of television content. These cultural issues and business models may play out differently of course in these other areas – indeed that is part of the argument being made here about the specific nature of the sporting industry; however, this research also deserves a wider audience than just those directly involved in the analysis of the sports rights market.

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University of Glasgow, March 2013
This volume would not have been written without the support of City University London, De Montfort University, Leicester, and Ghent University, Belgium. We would like to express our gratitude to the anonymous reviewers of the book proposal for their welcomed comments and suggestions at the beginning of this effort and also to colleagues who commented on earlier incarnations of this volume. Thanks also to Raymond Boyle and to the co-editors of the ‘Global Media Policy and Business’ Book Series at Palgrave Macmillan, who accepted this volume as part of the series. Felicity Plester and Chris Penfold at Palgrave Macmillan have provided helpful advice throughout this project and we are grateful for their enthusiasm and support. The responsibility for any remaining errors, omissions and confusions is of course entirely ours. Every effort has been made to trace all copyright holders, but if any have been inadvertently overlooked, the publisher will be pleased to make the necessary arrangements at the first opportunity.

Although this book was very much a joint effort there was inevitably some division of labour. Tom Evens concentrated on the commercial dimension of the relationship between sport and television (Chapters 1 and 2) and was also responsible for the country reports on Australia, Brazil and the USA. Petros Iosifidis focused on the social significance of sport and the value of free-to-air broadcasting (Chapters 3 and 4), as well as the country reports on Spain and Italy. Finally, Paul Smith examined the regulation of sports broadcasting (Chapters 5 and 6) and produced the country reports on India, South Africa and the United Kingdom.
Introduction

Commerce, culture and regulation

Sport is big business. In 2010, the global sports industry was estimated to be worth over $120 billion, and this figure is predicted to rise to close to $150 billion by 2015 (PricewaterhouseCoopers, 2011). The growth of sport as a global industry is largely the result of ‘a marketing mix’, which includes sponsorship, merchandising, endorsement of products and services, corporate hospitality and, most importantly of all, the sale and exploitation of broadcasting rights (Blackshaw, 2009). For instance, in 1960, total broadcast revenues from the Olympic Games held in Rome were $1.2 million. By 2008, the total paid for broadcast rights to the (Beijing) Olympics had escalated to $1.7 billion. Europe accounts for the largest proportion of the total global media rights market, followed by North America, but the fastest growth rates are projected to be in Latin America, where media rights are the largest single source of revenue at 38.8 per cent of the total (PricewaterhouseCoopers, 2011).2

The commercial significance of sport is perhaps most clearly illustrated by the importance attached to television sports rights by European pay-TV broadcasters. Facilitated by the ‘marketisation’ of broadcasting (see below), the last couple of decades or so have witnessed the rise of pay-TV broadcasters, such as British Sky Broadcasting (BSkyB) (UK), Canal+ (France) and Sky Italia (Italy), who have used exclusive sports rights – and football (or soccer) rights in particular – as a ‘battering ram’ to open up and/or attempt to dominate their respective national pay-TV markets. Furthermore, the same strategy has also been employed by pay-TV broadcasters in other parts of the world, including Fox (Australia), The Sports Network (Canada), ESPN Star Sports (India), Globo/SporTV (Brazil) and MultiChoice/SuperSport (South Africa). At least partly as
a result, many sporting leagues and/or organisations have experienced a significant increase in the commercial value of the television rights to their sport. For example, in 2012, the English Premier League agreed, by some distance, the most valuable deal in its history, with BSkyB and the telecommunications firm, British Telecom, agreeing to pay a total of £3.018 billion (€3.73 billion/$4.66 billion) for domestic television rights (seasons 2013–14 to 2015–16). A major part of this book focuses on the commercial dimension of sports broadcasting. One of the book’s key themes is the commercial relationship between television and sporting organisations and, in particular, the different strategies employed in the buying and selling of television sports rights.

Just as importantly, however, this book also highlights the social and cultural value of sport and sports broadcasting. A second major theme of the book is that sport is about more than just commerce. Sport is a social and cultural activity practised and valued by millions of people across the world. For instance, Lefèvre and Ohl (2012) have detailed how sport is a form of cultural capital that people can either actively participate in or consume (as spectators). Moreover, these findings echo those of earlier studies by MacClancy (1996), who argued that sport has a potentially unifying power that can transcend boundaries of class and gender, and Brookes (2002), who also highlighted the social element of sport and stressed the importance of accessibility to sport in order to promote participation and social cohesion. In fact, the European Commission (2007) has even gone so far as to identify a number of key roles played by sport in European society, namely: health-promotion, education, a social role, recreation and a cultural role (see Chapter 3). In a similar vein, sports broadcasting may also be seen to have the potential to bring about socio-cultural benefits, such as cultural citizenship and civic participation. It is from this general perspective that a high value is often placed on free-to-air television coverage of sport by public service broadcasters or commercial television networks. After all, to maximise the social and cultural value to be gained from sports broadcasting, coverage needs to be available and affordable to all. For example, in the UK, the opening ceremony of the London 2012 Olympic Games was watched by over 24 million viewers (an 81 per cent audience share) and marked the beginning of a shared Olympics experience for British viewers that was in no small part made possible by the availability of the Games on free-to-air television (Price, 2012).

Albeit in different ways, these contrasting perspectives on television and sport – commerce and culture – have each led to the extensive regulation of sports broadcasting by national governments, as well as
in the case of many European countries, the European Union (EU). This book provides an overview of the key issues and debates raised in relation to the regulation of sports broadcasting. The main argument made here, and the third major theme of the book, is the need for a regulatory approach that balances the commercial priorities of sports organisations and private media companies with the wider social and cultural benefits to be gained from free-to-air sports broadcasting. In this way, the book seeks to make a timely contribution to on-going policy debates about the future regulation of sports broadcasting. Perhaps most significantly, by giving equal weight to the social and cultural value of free-to-air sports broadcasting, the book offers a perspective that runs counter to the regular calls for deregulation that emanate from many of the major commercial interests that often dominate sports broadcasting. Specifically, this book urges both national governments (and the EU): first, to resist the arguments of pay-TV operators and some sports organisations to reduce or water down existing legislation designed to preserve major events for free-to-air television; and, secondly, to adopt a more rigorous approach in the application of competition law to the sports broadcasting market in order to challenge the market power of dominant pay-TV broadcasters. It is our hope that this book will help to ensure that the interests of citizens, as well as the concerns of commercial interests, will come to the fore in future debates concerning the regulation of sport on television.

The political economy of television sports rights

There is a symbiotic relationship between media and sports organisations. On the one hand, sport provides a valuable source of content for media organisations (commercial and public service). Whilst on the other, the media (mainly television broadcasters) provide an increasingly important source of revenue for sports organisations (either directly from the purchase of broadcast rights, or indirectly via exposure for sponsors). As with actual sporting contests, however, within the bounds of this relationship, all of the participants are ‘playing to win’. Broadcasters (commercial and public) compete against one another for lucrative sports rights contracts, as well as against sporting organisations in a contest to secure the ‘best’ price for the rights on offer. Sports organisations also compete to promote their sport in a contest for public attention with other sporting events and organisations. And finally, at risk of stretching the analogy, there is also an on-going contest between politicians, regulators, sporting organisations and broadcasters over the
legal and regulatory framework for sports broadcasting. This book is concerned with understanding how these contests and, in particular, the relationship between media and sports organisations has been (and is) shaped by a combination of economic, political, socio-cultural and technological forces.

Despite the obvious political and economic significance of sports broadcasting, most academic literature on sport and the media has tended to focus largely on the media’s representation of certain events, groups or individuals (for example: black athletes; celebrity athletes; sport and national identity, and so on) and/or the impact of sports coverage on the audience (for example, fandom) (see Whannel, 1992; Boyle and Haynes, 2009; Rowe, 2004; Sandvoss, 2003). By contrast, the focus here is on market and regulatory issues (rather than issues of representation and/or audience behaviour) and as a result we adopt an analytical approach focused on what is often termed the political economy of the media. Broadly speaking, the political economy approach to understanding the media is concerned with how the way that media organisations behave (and the content they provide) is shaped by the economic and political context in which they operate. More specifically, our analysis of the relationship between media and sports organisations takes place against the backdrop of two key developments. First, the last couple of decades have witnessed a period of almost constant technological change within the media industries, which has seen the development of new broadcast delivery technologies, such as satellite and digital television, as well as the growth of new-media technologies, chiefly the internet. To date at least, the former has had a more significant impact on sports broadcasting than the latter. In fact, in contrast to much of hyperbole surrounding the growth of new-media technologies, this book serves to highlight the continued primacy of television broadcasting. Whilst not seeking to underestimate the potential impact of new-media technologies on sports broadcasting markets and their regulation, the book emphasises the unrivalled capacity of live television broadcasting to provide a focal point for national and global audiences (for example, the Olympic Games; FIFA World Cup finals; the NFL Superbowl), as well as a major source of revenue for both broadcasters and sports organisations (for example, rights to English Premier League football, US Major League Baseball rights, Indian Premier League cricket). Although the internet, mobile phones and social media are increasingly the engines driving interaction, hype and interest, television broadcasting continues to generate the lion’s share of income from the sale of sports rights. For example, in 2010,
the leading new-media company, Yahoo, paid just US$7.5 million for the UK online distribution rights to English Premier League football highlights for three seasons (Connolly, 2012). By contrast, in 2009, the BBC agreed a three-season deal worth around £170 million for television highlights of Premier League matches (Sweney, 2012). In the words of a recent review of sports broadcasting in the UK, ‘the long predicted market in internet sports rights has not so far materialised’ (Davies, 2009: 11).

Secondly, just as importantly, the relationship between sports organisations has also been shaped by a general shift towards the ‘marketisation’ of broadcasting, particularly in Europe, but also in the USA and throughout much of the rest of the world (Murdock, 2000; Murdock and Wasko, 2007; Freedman, 2008: 50–2; Hesmondhalgh, 2007: 105–36). Inspired by neoliberal ideas, over the last couple of decades, marketisation has been pursued through four major policy and/or regulatory interventions, employed in various combinations:

- Privatisation (the sale of public assets to private investors). This aspect of marketisation has not been prominent in the USA for the simple reason that there were relatively few public assets to be sold in the first place. However, numerous European governments have overseen the complete or partial privatisation of publicly owned broadcasters (for example, TF1 in France) and telecommunications operators (for example, Deutsche Telekom in Germany).
- Liberalisation (opening previously restricted markets to new entrants). For example, the 1996 US Telecommunications Act allowed for cable and telecommunications companies to enter each others’ markets and relaxed restrictions on cross-media ownership. Similarly, during the late 1980s and 1990s, EU directives facilitated the opening up to competition of both European broadcasting (Television without Frontiers, renamed Audiovisual Media Services) and telecommunications markets.
- Reorienting of regulation (away from the defence of the public interest, however defined, to the promotion of ‘fair’ competition). In Europe, this trend is best illustrated by the increased influence of the European Commission’s Competition directorate over key areas of media regulation, such as mergers, the definition of ‘state aid’ with regards to public service broadcasters as well as, of course, the buying and selling of sports rights (Wheeler, 2004). In the USA, the removal of long-standing public interest regulations during the late 1980s and 1990s, such as the Fairness Doctrine and Fin-Syn rules, could also be
seen to represent the prioritisation of competition (and free speech) concerns over any wider interpretation of the public interest.

- Corporatisation (urging or obliging publicly financed organisations to seek additional sources of income and to maximise their market value). For example, successive British governments have urged the BBC to pursue commercial opportunities (mostly overseas) via its commercial arm, BBC Worldwide, and also to reduce its operating costs (Born, 2004).

Alongside new developments in broadcasting technology, such as encryption and digitalisation, these political initiatives have facilitated the growing ‘commodification’ of broadcasting. Perhaps most notably, throughout Europe the universality of broadcasting traditionally offered by public service broadcasters has been eroded by the growth of pay-TV, and even in the USA the main free-to-air commercial networks face increased competitive pressure from pay-TV services available via cable and satellite. All of which means that ‘more and more television services are offered for sale at a price and [are] available only to those who can afford to pay’ (Murdock, 2007: 43). It is against this essential backdrop that the remainder of this book considers the relationship between broadcasting and sports organisations and, in particular, the importance of the regulation of sports broadcasting.

**Objectives and structure**

In summary, the main objectives of the book are to:

- Analyse the different strategies employed in the buying and selling of sports rights.
- Highlight the main competition (collective selling) and public interest (role of free-to-air broadcasting) issues raised in relation to the television sports broadcasting market.
- Assess the impact of new-media technologies on the buying and selling of sports rights.
- Explore the social and cultural character of sport and discuss whether the market can be relied upon to deliver the benefits of engagement in culture and sport; and,
- Illustrate all the above with detailed examples from a range of national case studies, including three major European countries (UK, Spain and Italy), two significant non-EU markets (USA and Australia), and three emerging markets (India, Brazil and South Africa).
The book is divided into two main parts. Part I provides an overview of the main commercial, cultural and regulatory issues related to sports broadcasting. Part II is then dedicated to analysing these issues in more detail via eight different country reports. More specifically, the first part of the book consists of six chapters, each exploring specific themes related to the media and sport. Chapter 1 (‘The Sports–Media–Business Complex’) focuses on the commercial dimension of sport and provides an understanding of the mutual interactions between various stakeholders in the sports–media–business network. Most significantly, this chapter highlights one of the most important features of today’s global sports business, namely its high dependency on cable and broadcasting revenues. Notwithstanding the popularity of new-media services and social media outlets, television remains the leading sports medium, in both cultural and economic terms. It remains to be seen how, if at all, global technology firms, such as Google and Apple, will affect the institutionalised balance of power in the global sports market.

Chapter 2 (‘The Sports Broadcasting Market’) discusses salient issues in relation to the current and future value of sports rights. In particular, this chapter considers the economic context of the sale, purchase and exploitation of sports rights and its impact on the value of sports rights. For instance, on the one hand, as the number of media companies able (and willing) to submit bids for premium sports rights declines, reduced competition (on the demand side) is likely to depress the value of future media rights deals. This trend is exacerbated by the current economic crisis that is affecting the budgets of both commercial and public broadcasters. On the other hand, however, sports organisations have benefited from a struggle for platform leadership on the demand side. As well as traditional broadcasters, telecommunications companies and online video giants are often keen on sports rights to enhance the overall value of their platform. In order to deal with this converging multimedia business, an innovative ‘direct to consumer’ approach for sports organisations to manage and self-exploit broadcast rights is presented in this chapter, which could increase the value sports organisations derive from media rights and lessen their dependence on pay-TV operators.

Chapter 3 (‘The Social and Cultural Value of Sport’) explores the social and cultural character of sport. The concern is both for the value of a person participating in sport and for the value of the community and/or society taken as a whole. Benefits generated by individual engagement in sport include: achievement; escape; health; inspiration;
self-esteem; self-identity; skills/competency. Benefits for the community include: community cohesion; community identity; reduced crime; shared experience; social capital. National benefits include: citizenship; national pride; international reputation. This chapter therefore focuses on the potential of sport to contribute to social inclusion, fostering and developing health-enhancing physical activity, forging identity, and bringing citizens together.

Following from the above, Chapter 4 (‘The Importance of Free-to-Air Sports Broadcasting’) discusses whether the market can be relied upon to deliver the benefits of engagement in culture and sport. If not, then government intervention to increase levels of engagement may be justified. In this context, this chapter argues that a necessary precondition for the achievement of the social and cultural benefits associated with sport is for sport to be available and affordable to all. Hence the importance of free-to-air sports broadcasting. Unlike their pay-TV counterparts, free-to-air broadcasters, and especially public service broadcasters, are uniquely placed to maximise the social and cultural value to be gained from sport. Indeed, it is on this basis that the sports coverage traditionally provided by many of Europe’s public service broadcasters has proved so valuable.

The next two chapters focus on the regulation of sports broadcasting. Chapter 5 (‘Competition Law and Sports Broadcasting’) analyses the application of general competition law to the sports broadcasting market. Here, two interrelated controversial issues are addressed: i) the joint selling of sports rights by sports organisations or leagues (for example, the English Premier League); and ii) the use of sports rights by pay-TV broadcasters to dominate their respective national (or regional) sports programming market. This chapter details how political support from some national governments (and the EU within Europe) has ensured a balanced approach (between competition concerns and the particular characteristics of the sports industry) in the application of competition law to the selling of sports rights. Just as significantly, it also contends that the same level of political support is required to ensure the application of competition law to the sports programming market. In particular, this chapter highlights how competition authorities and broadcasting regulators will need to be continually watchful and proactive to ensure competition in the sports programming market.

Chapter 6 (‘The Regulation of Access to Major Sporting Events’) moves on to considering the adoption by some governments of legislation designed to ensure certain sporting or national events remain accessible
to all television viewers, commonly referred to as major events, listed events or anti-siphoning legislation. The general arguments for and against major events legislation are considered in this chapter, as well as the different legal and regulatory approaches that have been adopted both within Europe (via the EU) and between the EU and Australia, which has arguably the most comprehensive legal framework for the preservation of major sporting events on free-to-air television.

**Country reports**

This book is truly global in its scope and ambition. This is most clearly evident in the range of case studies selected for discussion in Part II. The following countries have been selected for analysis: Australia, Brazil, India, Italy, South Africa, Spain, the UK and the USA. To some extent these choices reflect the interests and expert knowledge of the authors but, more significantly, each national case has also been selected for its own intrinsic value, due to the particular political, economic and/or social/cultural issues raised. The UK, for example, is worthy of consideration due to the key role that sports rights have played in the development of pay-TV in the country and the political controversy (and intervention) that this has provoked. Other large European markets (Italy and Spain) may be justified on similar grounds, as well as to illustrate contrasting regulatory approaches to key issues, such as the collective selling of football (soccer) rights in Italy and the individual selling system in Spain. Crucially, to widen the focus of the book beyond Europe, five other major national cases are also examined: one established (and rich) market (USA); three rapidly developing markets (India, Brazil and South Africa); and one medium-sized/established market (Australia). These non-European case studies present a global outlook and allow for the discussion of very different media systems (for example, the minimal presence of public service broadcasting in the USA) and sports rights markets (for example, markets not dominated by football rights, such as India).

To ensure a broadly consistent approach within this part of the book, each national case study considers the following general areas:

- **Introduction** – outlining why the particular country adds value to the book and contributes to a better understanding of global sports broadcasting rights issues.
- **Market overview** – providing a brief overview of the history and key features of the particular national broadcasting/media market.
For example, this section examines the role (or lack thereof) of public broadcasters, the development of pay-TV, and the status of digital television and the importance of particular sports. This section also provides statistics on market shares and audiences and an evaluation of sports rights deals.

- Regulatory framework – overviewing the rules regarding the commercial and social aspects of sports (for example, listed events policy and/or competition regulation). This part discusses significant competition cases and/or regulatory controversies related to the sports rights in each case.

- Conclusion – summarising the key characteristics of each national market. Given the overall theme of the book, there is a discussion on the balance between commerce and culture, as well as on the role of regulation.

The concluding part of the book reiterates the two contrasting perspectives on sports broadcasting – commerce and culture – that have been discussed throughout and also highlights how the two main approaches to the regulation of sports broadcasting – competition law and major events regulation – can (and do) serve the public interest in different ways. However, it is also noted here that there is an enduring pressure on policymakers, chiefly from pay-TV broadcasters and some sports organisations, to relax both of these strands of regulation. To date, such pressures have often been resisted by policymakers (particularly in European countries and at the EU level). The main argument made in this book is that policymakers and regulators should continue (or need) to balance the commercial priorities of sports organisations and media companies with the wider social and cultural benefits to be gained from free-to-air sports broadcasting. By adopting a dual regulatory approach – competition law and major events regulation – policymakers can protect the social and cultural value of sport, as well as its commercial value.
Part I
Television and Sport: Commerce, Culture and Regulation
Introduction

Over the last couple of decades, one of the most significant trends in the global audiovisual market has been the growth of sports coverage. This has gone hand in hand with the general commercialisation of sport and has developed at an ever increasing pace since the worldwide liberalisation of audiovisual markets. The expansion of sports media, television in particular, has made sport omnipresent in most, if not all, countries. Just as significantly, the ever increasing demand of broadcasters for sports programming has produced a ‘sports–media–business’ nexus that is largely built upon the widespread appeal of sport. In effect, the enormous popularity of sport has become a substantial economic resource and this has driven the economy of professional sport in such a way that it is now heavily reliant upon the income generated by television, sponsoring and merchandising. Fuelled by technological developments in broadcasting and communications more generally, this repackaging of sport as a commodity has expanded into a global business that effectively functions as a specialised division of the entertainment industry. Most clearly, the economic impact of sports media on society is reflected in the substantial (mostly television) audience ratings for sports programming, the explosion of sports media outlets, and the multibillion dollar value of broadcast contracts and sponsorship deals.

This chapter focuses on the abovementioned commercial aspects of sport and analyses the dialectics between the media industry and sports organisations in advanced capitalist societies. Hence, the chapter emphasises the triadic relationship between sports, the media and corporate interests. Furthermore, it also analyses the economic context of sports media markets and the mutual interactions between multiple stakeholders.
in the sports–media–business network. The growth of sports media as a mass market has produced the global structure of the sports business and contributed to an economic dependence on broadcast revenues. Despite the arrival of new-media services and their assumed potential for sports coverage, this chapter highlights how, to date at least, television has remained the dominant force in sports media. However, the rising popularity of social media platforms operated by global technology firms such as Google, Apple and Facebook may well affect the institutionalised distribution of power in the global sports market over the long term.

**Sports media as a mass market**

Over time, sport and the media have developed a symbiotic relationship. Although this long-standing relationship was cemented with the advent of broadcasting and later digital media, the beginning of the connection between sport and the media can be traced back to (at least) the 1890s, when newspapers began covering local sports events. Against the backdrop of industrialisation, towards the end of the nineteenth century, professional sport and the popular press developed in parallel and both evolved into mass phenomena, at least in part, due to their mutual support (Helland, 2007: 108). Covering sports events in the printed media resulted in a ‘win-win’ situation for both parties and laid the foundations for the symbiotic relationship that exists between the media and sport today. Whereas sporting organisations benefited from the extra media publicity to drive up stadium attendance, sports coverage helped daily newspapers in terms of increasing circulation and targeted advertising. As soon as sports coverage proved to be a selling proposition, local newspapers devoted ever more space to their newly established sports sections. With the invention of wireless telegraphy and advancements in printing technology, national sports journalism also emerged, which made it even more interesting for publishers to launch specialised sports magazines. Some of today’s most famous sports publications were established during this initial growth period, including the Italian *Gazetta dello Sport* (1896) and the American-based *Sporting News* (commonly known as TSN, 1886).

Indirectly at least, these publications encouraged readers to attend sports events, but their own commercial strategy was to provide readers with as much information about sporting events as possible (including rankings, interviews and so on) so that the followers of the sport(s) would buy their magazine. A prime example of this ‘win-win’ relationship in
action was the origin of the Tour of France, which started as a small six-day race in 1903, but has now become one of the most watched sports events (over two billion viewers worldwide) and probably the most prestigious cycling race in the world. In an attempt to compete with its successful rival *Le Vélo*, the French sports newspaper *l’Auto* founded ‘La Grande Boucle’ to increase the sales of its floundering newspaper. The cycling event proved a success for *l’Auto* as the Tour boosted circulation from 25,000 before the Tour to 65,000 copies after it, largely to the detriment of *Le Vélo*, which ceased publication in 1904. From then on, the popularity of the Tour and *l’Auto* kept on rising with circulation spiralling from 250,000 in 1908 to 500,000 in 1923 (Dauncey and Hare, 2003).

With the development of radio during the 1920s and then television broadcasting after the Second World War, live coverage of sports events was introduced. However, the advent of the broadcast medium was not warmly welcomed by many sports organisations. Ticket sales represented by far the biggest revenue source for sporting organisations at this time and the rise of sports broadcasting was initially met with scepticism as it was feared that broadcast coverage would lead to a decline in stadium attendance and gate revenue. Whereas sports coverage by newspapers was clearly regarded as good (and mostly free) publicity, the effects of sports broadcasting were much more ambiguous, as people could potentially opt for listening to live commentary and ‘attending’ the event directly from home. To preserve the interests of sporting organisations, sports broadcasting became tightly regulated in many countries. In the UK, for example, BBC radio stations were deprived of live sports coverage before and during evening prime time until 1926 (Whannel, 1992: 13–14). As an important consequence of radio’s increasing popularity, a financial mechanism emerged allowing sports organisers to charge broadcasters ‘licence fees’ for the live coverage of their event. This early system of broadcast rights, similar to copyright payments in music broadcasts, was to compensate sports organisers for the likely decline in stadium attendance. For example, Cashmore (2000: 277) notes that the US radio rights for the 1935 heavyweight fight between Joe Louis and Max Baer cost a record $27,500. Furthermore, fears that radio coverage would depress attendance were unfounded. Not only did radio audience ratings peak (as did advertising rates), but no fewer than 88,000 spectators attended the fight. The payment of broadcast rights therefore added an extra financial dimension to the already existing commercial relationship between the sport and media industries but, at this stage, did not really revolutionise the economics of either. Although the revenues of some sports organisations clearly increased from this financial injection, for