

## **BROADCASTING RIGHTS: COMMERCIALIZATION IN SPORT**

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#### ABSTRACT

Purpose - Purpose of this paper is to offer the effect of commercialization through broadcasting rights in sport industry. This description of the topic was motivated by the policy changing of English football League and it helped them increased the revenues every season deal. Design/methodology/approach - This paper presents use secondary data taken from previous researchers which came from digital databases including journals, articles, websites, and reports. Moreover, the article uses various articles which are mostly focus on English Football top division format changed into Premier League. as there has been no collection of numerical data nor statistical experiment carried out, the method of this thesis can be classified as a qualitative research. Findings - This paper presents that sports commercialization through broadcasting rights become vital source of revenue for the sport itself. However, different sport, different league and different nations adopt different policy in order to gain benefits from commercialization. The success of Premier League form is showed by how the deals happen in every season. Practical implications - The data presented here could benefit sports club owners or sport event promotors to implement sport commercialization in the business. The research indicates the importance of key broadcasting rights for commercialization of these kinds of products.

Keywords: Sport, Commercialization, Broadcasting Rights

#### ABSTRAK

Tujuan - Tujuan dari artikel ini adalah untuk melihat dampak yang dapat diberikan dari komersialisasi dengan adanya hak siar dalam sebuah industri olahraga. Penjelasan ini dilatar belakangi oleh besarnya dampak yang diberikan dari perubahan format dan kebijakan yang terjadi pada kompetisi sepakbola di Inggris. Perubahan ini meningkatkan pendapatan terutama dari hak siar setiap dilakukannya bidding hak siar. Metodologi/Pendekatan - Tulisan ini tidak menggunakan data primer melainkan data yang tersedia dari riset- riset sebelumnya yang diunduh dan dilihat dari penyedia informasi berbasis internet termasuk di dalamnya merupakan informasi dalam bentuk jurnal, artikel popouler, situs jejaring dan laporan-laporan. Topik dari sumber informasi yang digunakan dalam tulisan ini, utamanya terfokus pada liga sepakbola Inggris kasta tertinggi yang telah berevolusi. Tidak adanya data berupa angka yang dikumpulkan serta tidak digunakanannya fungsi matematika dalam penelitian ini, sehingga dapat diklasifikasikan sebagai riset kualitatif. Temuan/Hasil - Artikel ini menunjukkan bagaimana komerisalisasi dalam olahraga melalui hak siar menjadi sumber pendapatan utama untuk olahraga tersebut. Namun, setiap olahraga, setiap liga yang berlangsung pada tiap negara mengadopsi kebijakan yang berbeda pula demi tercipatanya keuntungan dari komersialisasi. Kesuksesan Premier League dalam bertransformasi ditunjukkan dengan peningkatan pendapatan dari hak siar tiap musimnya. Implikasi Praktis - tulisan ini diharapkan dapat berguna bagi pemilik/pengelola klub ataupun promotor kegiatan olahraga dalam mengimplementasikan komersialisasi olahraga dalam pengelolaan bisnisnya. Riset ini menunjukkan bahwa hak siar merupakan bagian yang penting dalam melakukan komersialisasi olahraga

Keywords: Sport, Commercialization, Broadcasting Rights



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## INTRODUCTION

Before discussing about the sport media nexus detailly, it should be understood what is meant by the terms sport and media. Although sport seems a superficially simple concept, it can be difficult for players, policy makers, managers, marketers and media alike to define (Nicholson, 2011)

In the allied sport industry, the most powerful medium for the past fifty years has been television, especially in its live form, leading to vast expansions in audiences and capital injections into sport derived from escalating broadcast rights (Boyle and Haynes 2000; Rowe 2004b). It is for this reason that sport—a key area of nationally specific and global popular culture(s) and a pivotal media commodity (Miller et al. 2001)—is of critical importance in an evolving digital media marketplace.

The increasing popularity of televised sports events has had significant effects on the broadcasting sectors and sports league on both sides, as a result, competition authorities have shown considerable interest in the evolution broadcasting rights (Crandall and Crave, 2001). It has been more than 10 years, since English Premier League were established in 1992, this competition becomes the most popular sports entertainment almost all over the world. The changing of economic situation, the Football Association's rules that minimizing the profit and the breakthrough idea from the 5 chairman of football clubs, English Premier League were built. This new concept league became famous rapidly. Just like most sport industries in general, television helped this league more commercialized. Currently, this league's official name is Barclays Premier League because it is sponsored by Barclays Bank. In overseas, this league commonly referred to English Premier League. This League was started with 22 clubs but now, there are only 20 football clubs in it.

In term of commercialization, television's contribution for premier league becomes essential. The amount of renewal contract got bigger and it becomes the main source of the clubs' reliable revenue. However, a combination of Sky's strategy, the quality of Premier League football and the public's appetite for the game has seen the value of the Premier League's TV rights soar (Crawford, 2006).

The objective of this paper is to build an understanding about how TV rights influence the Premier League. Furthermore, this writing also describes the details about TV deals and how it is sold to the broadcaster.

## LITERATURE REVIEW

#### Sport Organisation

There are so many interpretations of sport, depending on the context, which will in turn influence whether and how it is mediated. According to Guttmann (1978) there are three core dimensions to understand about sport. First, it has a physical dimension. Second, it is competitive. Third and finally, it must be structured and rule bound. These dimensions might appear self-evident but are worth nothing because mediated sport is almost exclusively highly structured, highly competitive and very physical. In fact, sports such as football, which emphasize, if not exaggerate sport's tripartite definition, tend to dominate media coverage generally and television coverage in particular. On the other hand, sport that has low or nonexistent levels of competition, structure and physicality are typically not attractive media (Nicholson, 2011). products А sport organisation is a group of people who are working together to accomplish goal(s) related to providing some sports- related product and/or services (Byers, Slack and Parent, 2012:145).



Professional sports leagues in Europe, such as the English Football League, have been under the control of governing bodies which also administer amateur activities. Sports leagues have traditionally been controlled on a tiered basis, with promotion and relegation between higher and lower divisions at the end of each season. An industrialist or company can thus enter the business by acquiring an existing club and - if necessary - investing in promotion, rather than by acquiring new franchises. (Cave and Crandall, 2001).

In 1992, clubs in the first division of the Football League agreed to form a new competition, the Premier League, directly under the control of the FA. This enabled them to escape from the majority control of the smaller clubs in the League, and in particular to control directly the sale of broadcast rights and the distribution of associated revenues. This action was one of the strategy to commercialize the event. Seven years following the formation of the Premier League, 10 of 20 Premier League clubs have floated on the stock market.

Commercialization

Commercialization definitions within the business community are equally complex, depending on the context. Unfortunately, the scholarly literature is not much more consistent in the use of these terms than is popular use (Koebel and McCoy, 2006)

Create something into a business as same as term to commercialize. However, the word connotes corruption, meaning "to emphasize the profitable aspects of, especially by sacrificing quality or debasing inherent nature" (Random House, 1999). To be concerned with commercialization implies that absent such taint, profit-seeking news media can act in the public interest. The explanation of commercialization brings out controversial assumption that business-based journalism is possible, in fact, serve the public under certain conditions. Thus, according to WahlJorgensen and Hanitzsch (2009) it means that commercialization is any action planned to boost profit that affected with a journalist's or news company's best effort to maximize public understanding of those issues and events that shape the community they claim to serve.

Quoting from the previous research that Isabelle (2004) delivers an integrative definition of commercialization as the "process of translating research knowledge into new or improved products, processes and services, and introducing them into the market place to generate economic benefits." Cornford (2004) defines innovation as a "continuous stream of commercialization as "generation of local wealth with them" with success determined by the quality of linkages between the two.

Moreover, Commercialization models (Goldsmith, 2003) describe the sequential decision process of synchronising and enhancing all of the technical and compulsory business decisions by the successful launch of a new product or service to the marketplace.

## Media And Broadcasting

Definitions of media are likely to make people think of vastly different and distinct occupations, people, organizations, texts and artefacts. The word media meaning rises in broad understanding, in a similar fashion to sport, but in far greater complexity and breadth. According to Briggs and Burke (2005) ancient Greeks and Romans considered the study of oral and written communication important, as did scholars during the Middle Ages and the Renaissance. It was not until the 1920s, however, that people referred to the concept of 'the media'.

Nowadays, two separate related elements are typically applied in the usage of the term media. First, media states the meaning of mass communication, such as television, radio, newspapers or the Internet. Importantly, there are many different types, such as commercial, public, independent and community in one



form of media such as television. Second, media refers to those people employed within an organization such as a television station or newspaper, such as journalists and editors (Nicholson, 2011). In reference to broadcasting regulation the entire industry, which in turn might be national or global interpret the media.

Among high-income nations, the vital source of revenues in almost all professional sports comes from television broadcasting. In the largest nations, total revenue of each major sport has grown more than 50 percent, and it is derived from television. In most cases including football in Europe – this revenue growth has occurred only in the past 10-15 years. (Ascari and Gagnepain,2006; Baroncelli and Lago, 2006). Despite profitable revenue flows, skepticism exists in the way professional sports leagues see television, the possibility of low attendance effected by broadcasts in the short run and overall fan interest, through overexposure, in the long run. Reflecting conflicting views about these issues, this situation forces the leagues from each nation adjust the adoption of policy and practices regarding the sale of broadcasting rights and the revenue distribution of the revenues from right fees midst their member (Noll, 2007)

Broadcasting is part of the information technology sector, in which both technology and public policy have undergone revolutionary change in the past two decades. These changes are radically altering the structure of the broadcasting industry, which in turn is causing a substantial increase in demand for broadcasting rights. Meanwhile, team sports stress history and tradition, and pride themselves on rules that inhibit changes in technology and the organization of a sport (Noll, 2007)

The television industry is in the midst of revolutionary change that has profound consequences for sports. This revolution has two prongs: the technology for delivering broadcast signals to viewers, and communications policy (Cowie and Williams, 1997; Motta et al., 1997; Tonazzi, 2003; Van der Wurff, 2005).

For more than 30 years, technological visionaries have forecast a convergence of communications technologies Convergence has arrived, and as a result the number of services that are capable of delivering sports programming to consumers has vastly increased (Noll, 2007)

As commercial television grew and television became more competitive, three phenomena occurred: (1) a shift of sports rights from public to commercial television, (2) an increase in the fees for sports television rights, and (3) an increase in sports coverage.

Whannel and Williams (1993:2) have suggested that in recent years television has increasingly drawn other cultural and leisure pursuits, including football, into its domain. Moreover, it is evident that throughout this century in Western - if arguably not global societies, television has become an integral part of sports presentation contributing to the growth and popularity of many modern sports, including association football.

With now over 2000 hours a year of sport being broadcast on terrestrial television in Britain alone, Whannel has suggested that for many people - and for most of the time - sport is television sport (Whannel 1992:1-3). In Boyle and Haynes's (2000: 54) words: 'As a result of television becoming the driver of elite professional sport, it has come to dictate where, when and in what form sport can take place.' This fact sheet is divided into a number of short sections, each dealing with a particular aspect of the evolving relationship between football and television.

In term of exclusive broadcasting of sports, according to Evens and Lefever (2011), exclusivity of sports broadcasting rights may foreclose new media markets and deprive the public access to major sports coverage. They have argued a concise regulatory framework is required to grant fair access to mediated sports in society.



#### METHODOLOGY

This thesis utilizes literature review in discussing the topic and explanation regarding sport commercialization through broadcasting rights, as there has been no collection of numerical data nor statistical experiment carried out, the method of this thesis can be classified as а qualitative research. Furthermore, the secondary data which are used are taken from previous researchers which came from digital databases including journals, articles, websites, and reports. This thesis uses various articles which are mostly focus on English Football top division format changed into Premier League.

All of the mentioned articles and reports have been used to support as many statements as possible within the section of introduction and theory. In order to access the high-quality sources, the researcher has utilized Google scholar and many journals publisher as its main search engines and sources. Meanwhile, the writer uses fundamental research which means that this research will give recommendation in answering the research question. The writer will suggest how sport can be commercialized using media through broadcasting rights. Furthermore, in term of research design, conclusive research has been used due to the nature of the thesis which provides answer to the initial research question. Finally, linkages between all relevant information are made to construct the most possible solution towards the research question.

#### FINDING AND DISCUSSION

## Commercialization & Broadcasting

Sport organisation as an institution has change during period of time. Institutional perspectives are particularly relevant when analysing the professionalization and commercialization of sport. The commercialization through television coverage had changed the form of sport organisation.

Football club nowadays is likely a company in an industry. All football clubs which involve in English Premier League are operated like companies in sport industries. They are selling sport products, such as atmosphere, joy, excitement, etc. Fund, finance, brand image and popularity become essential concepts for these football clubs. It is necessary that football clubs have good marketing strategies to help them complete the task of these concepts. Shilbury and colleagues (2009) went into considerable detail regarding the development of sport marketing and strategy, including television and media considerations.

Football is big business and big business is heavily involved in sport. Players are marketable commodities, football teams are traded in the stock market, sponsorship rights can cost millions of dollars, large fees must be paid to broadcast games. These trends are applicable to professional football especially those clubs who play in English Premier League. As premier league has become more visible and more popular so has it become more commercialized. It is usual that clubs hired players from over the world, as this will increase to attempt more viewers.

One factor the commercialization is broadcasting especially television. Football was previously only clips in broadcaster, but now it becomes an exclusive part of broadcasting activity. Recently, to broadcast premier league games, TV channel or broadcaster need to follow an auction to get their rights.

During the time, broadcasting technology has improved significantly. It started from "traditional " analogue television until digital TV. Television programme is now delivered in 3 different ways. It can be delivered by terrestrial, cable platforms and satellite. The other ways is free-to-air which transmitted via digital and analogue. Based on Cave and Crandall (2001), 2.3 million subscribers received satellite pay-TV service in analogue



form from BSkyB and 1.3 million in digital form, also

million households received pay television service in analogue form on cable by other providers. The other form of broadcasting is Digital Terrestrial Transmission (DTT) pay services which had attracted 0.4 million subscribers (Competition Comission,2000)

There was an allegation against BSkyB by Office of Fair Trading. OFT suspected BSkyB selling method of its premium channels to broadcast retailer would effect to other Pay TV broadcaster which would lead to unfairness. Fortunately, there was no evidence that BSkyB break the anti- competitive regulation.

## English Premier League

In the late 1970's, there was changes regarding government's policies, such as major economic liberalization, privatisation of state companies, many industries that making losses in profitability were closed and reduce the budget for education and sports. In short time, thousands unemployed occurred as the effect of these policies. The most affected from this situation is labour social class and as we know that football were the most popular sports for them. In term of football, attendances were decrease rapidly, club's finances were out of control, hooliganism was a national problem and the best players in the league were starting to be concerned by foreign leagues.

On the other hand, these policies did not fully create negative effects. This situation led to the new opportunity, de-emphasized the bureaucracy and creating innovation. When people started to adapt with the economic changed, there were new idea and breakthrough arise including for football.

Restrained by the FA strict policies and the assumption of unfair profit shares, 5 biggest first division football clubs' CEO tried to create a break-away league. They hoped that this new concept of football league would bring them more profit. The lure of more money, and the arrival of Sky TV, was to change football dramatically and the 1990's would see football explode into the major entertainment business it is today. Nowadays, the break-away league is well-known as English Premier League.

## Broadcasting And Premier League

The 1920s saw the arrival of BBC radio and outside live broadcasts of sporting (Williams 1994b:7). occasions Regular television broadcasts were first launched by the BBC in 1936, and two years later on 9th April 1938 the BBC screened the world's first live television pictures of a soccer match (Barnett 1990:7). In1950s, it is the starting year that sharing information were more dominated by the television over the radio. This triggered a rise in televised sport and in 1954 the BBC launched Sportsview, the first BBC television programme to have its own full-time production team, and the seeds of a sports department within the BBC were sown (Whannel 1992:38). The arrival of floodlit football in England the 1950s increased the sport's attractiveness to viewers, as ITV began to assemble its own sports list and this alliance was encouraged by the growing interest in sport by major sponsors as a form of advertising (Sir Norman Chester Centre For Football Research, 2010). In 1964 The BBC first broadcasts Match of the Day. Suddenly it became a famous show for viewers and could attract the adult television audience.

Before 1964 Football League matches were not televised, either in live or highlight form. A Saturday evening highlights programme was then introduced. Live broadcasts began in 1983. However, the two broadcasters in a position to bid for the rights (BBC and ITV) acted collusively (Szymanski and Kuypers 1999, pp 58-9). As a result, revenues from broadcast rights continued low until 1992, when Sky Television, the fledgling satellite pay broadcaster, came in the market and won a substantial package of live broadcasting rights for GBP 37 million per year, bidding in conjunction with the **BBC** which maintained a highlights programme on free-to-air television.

The Football League resisted "live" coverage of football games up until 1983 when, due to escalating costs, coupled with declining gates, the potential of income from sponsorship and television rights became too tempting for the League's ruling body to refuse any longer (Whannel 1992:80-1)

Whannel and Williams (1993:2) have suggested that contemporary changes within British broadcasting may prove to have the greatest effects upon football's relationship with television. Relationship between television and football change dramatically in 1992, when Rupert Murdoch's TV broadcaster "Sky" signed a great deal of TV rights with FA Premier League. The deal was giving exclusive rights to broadcast the new break away league named English Premier League in "live". This £304 million deal (including highlights fees from the BBC) constituted a massive rise in the fees paid for the right to show "live" football. It was almost five times greater than any fee previously paid and it entitled Murdoch's BSkyB network to "live" coverage of 60 games a season and gave the BBC limited access to edited highlights from the Premiership.

There was starting point when relationship between television and the premier league changed. In 1996, there were auction of independent television franchises, renewal of BBC's Broadcasting Charter and Channel 4 set their independency from ITV to sell their own advertising space. It therefore seems, for better or for worse that the marriage between football and television is here to stay for at least the foreseeable future. This fact was made clear by the fact that in 1997 BSkyB/BBC together renewed its FA Premier League contract by offering a staggering £743 million for live and highlights rights for four years. In the late 1990s, then, 20 FA Premier League clubs shared around

£180 million per season for TV rights while 72 Football League clubs shared just £25 million (Sir Norman Chester Centre For Football Research, 2010)

There were changing in year 2000 when BSkyB only renewed the TV deals contract for three years. The company signed of £1.1bn for 66 matches. In addition to this, ITV bought the FA Premier League highlights rights from under the noses of the BBC for £183 million, and pay-per-view rights were sold to a variety of broadcasters for £181 million. UK Premier League soccer clubs relished an improvement in turnover between 1991/2 and 1997/8 of 250%, making the Premier League the biggest in Europe, with an income in 1997/8 three times that of the French league and 42% greater than that of Serie A in Italy. (Deloitte and Touche, 1999, p 62). UK clubs' income comes from broadcast revenue (27%), match-day revenue (36%) and commercial and other revenue (37%). (Crave and Crandall, 2001)

# Premier League British & International TV Deals

In 2001, the FA Premier League sold £178 million to the international rights for coverage of the FA Premier League to Sport+, Newscorp, TWI and Octogon CSI for. Significantly, the new deal also offered top clubs the opportunity to sell live internet coverage of their club's matches abroad via webcasting and delayed full coverage in the UK. It can be concluded that when this webcasting operation run, the club which are well known and famous (usually big club) would generate more money and the gap between clubs in the premier league would be bigger.

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Deal period	Years (games/yr)	UK live rights	UK highlights	Overseas rights		ve Prem wage, t of deal period
1992-97	5	£191m	£22.5m	£40m	£253.5m*	
	(60 in UK)	Sky	BBC	Various	£50.7m / yr	£117,000 / yr
1997-01	4	£670m	£80m	£98m	£848m*	
	(60 in UK)	Sky	BBC	Various	£212m / yr	£371,000 / yı
2001-04	3	£1.2bn	£183m	£178m	£1.561 billio	n*
	(110 in UK)	Sky	ITV	Various	£520m / yr	£859,000 / y
2004-07	3	£1.024bn	£105m	c.£325m	£1.454 billio	n*
	(138 in UK)	Sky	BBC	Various	£485m / yr	£955,000 / y
2007-10	3	£1.706bn	£171.6m	c.£650m	£2.528 billio	n*
	(138 in UK)	Sky / Setanta	BBC	Various	£843m / yr	£1.46m / yı
2010-13	3	£1.773bn	£172m	£1.437bn	£3.382 billio	n*
	(138 in UK)	Sky / ESPN	BBC	Various	£1.127 billion / y	yr E1.93m / yr
2013-16	3	£3.018bn	£179.7m	£2 billion+**	£5-£6 billion	**
	(154 in UK)	Sky / BT	BBC	Various	£1.7 - £2 billion	/yr £2m+/y

Fig 1. Premier League Broadcasting Deals

\* Excludes other 'bits and pieces' such as near live rights, mobile clips and web highlights. \*\* Estimates. Overseas rights *might* be a lot higher than this; and that would alter the total.

(Source: <u>www.sportingintelligence.com</u>, 2012)

From the table above, the breaking down about British TV deals can be listed (Guardian website, 2012):

- In 2007-2010 : Sky won packages A, B, E and F for £1.314bn total, and Setanta won packages C and D for £392m combined, for a total of £1.706bn
- In 2010-2013: FA Premier League still offering a 6 packages of broadcasting rights which can be detailed :

  Package A: 23 matches shown at 16:00 on
  Sundays, Package B: 23 matches shown at 13:30 on Sundays, Package C: Minimum of 12 matches at 20:00 on Monday, the rest either at 13:30 on Sunday or 17:15 on
  Saturday or other times, Package D: Minimum of 18 matches at 17:15 on
  Saturday, the rest either at 13:30 on
  Sunday, 20:00 on Monday or other times, Package E: 23 matches shown at 1245 on
  Saturdays and Package F: Seven to 13

matches on midweek evenings/bank holidays, 10 to 16 at 12:45 on Saturday and 16:00 on Sundays.

- In this auction BSkyB (paid £1.623bn) won all the packages except package D which is won by Setanta for the amount of £159m
- In total, the income from live British rights is £1.782bn
- There were changes for the packages in the last TV deal auction. FA Premier League created 7 package of broadcasting rights. This latest auction was won by BSkyB and BT with the detail : Sky has bought five of the seven available

packages for the seasons 2013/14 to 2015/16, totalling 116 matches per year. Sky will pay £760m a year for the five packages of live rights for each of the three years of the new Premier League



agreement. Sky will also show games on Saturday evenings. The total of 116 per season is one more than it will broadcast in 2012-13, the last year of the current deal

BT has acquired the rights for 38 matches per season but their package includes 18 of the 38 first-choice picks. But BT sprung a huge surprise by winning the rights to 38 games, including almost half the "first pick" games on offer, in exchange for £738m over three years. Richard Scudamore, Premier League chief executive, said BT's securing 18 of the 38 coveted "first pick" matches would be a "game changer".

Package	Buyer	Cost	When are	How many	2nd	3rd	4th	5th	Games in	Price per	Matches	per club
		2013-16*	the games?	"1st pick" ?	pick	pick	pick	pick	pack / season	game in pack	Max	Min
A	вт	£534m	Saturdays 12.45	13	22	-	13	-	26	£6.85m	5	1
в	sky	£465m	Mostly Saturdays 17.30	1750	•	22	- 75	4	26	£5.96m	5	1
			Some Sunday lunch							-		
С	sky	£495m	Sundays 13.30-14.05	121	13	13	8	22	26	£6.35m	5	1
D	sky	£642m	Sundays 4pm	20			6		26	£8.23m	5	1
E	sky	£480m	Mostly Mondays 20.00	323	12	1	10	4	26	£6.15m	4	1
			Others Sundays 16.00									
F	sky	£198m	Saturdays 17.30	1-11	8	*	4	×	12	£5.5m	2	0
G	вт	£204m	Mostly midweek evenings	5	5		3	2	12	£5.67m	2	0
			Two games Sat 12.45									
		£3,018m	TOTALS	38	38	35	33	10	154	Average price (	oer game:	£6.53m
Summary	of cost to	Sky	Sky will pay £2.28 billion t	otal for 5 pack	ages ('	16 gan	nes) for	3 seas	ons. So 348 gan	nes at £6,551,7	24 each.	
Summary of	of cost to	вт	BT will pay £738 million to	tal for 2 packa	ages (3	8 game	s) for 3	seasor	ns. So 114 games	s at £6,473,684	each.	

	<b>D</b> 1 <b>T</b>	<b>D</b> 1 1 D/1
Fig 9 Details	Premier League	Broadcasting Rights
I is 2. Details	remer League	Droadcasting Ingins

(Source: <u>www.sportingintelligence.com</u>, 2012)



All this TV rights were sold by auction. Based on Premier League website ('n,d'), The Premier League's live audio-visual UK broadcast rights are sold in three season packages in a heavily regulated auction process. For the purposes of that process the rights are sold in six packages of 23 matches with no single broadcaster allowed to purchase all six. The packages are labelled A-F and are distinguished by the time at which certain matches can be broadcast. For example Package A is for 23 matches per season to be broadcast on a Sunday at 16.00 and Package D is for 23 matches per season to be broadcast on a Saturday at 17.30.

The Premier League sells its television rights on a collective basis. This is in contrast to many other European Leagues, where each club sells its rights individually, leading to a much higher share of the total income going to the top few clubs. In the Premier League, domestic broadcast revenue is divided on a 50:25:25 basis; 50% is divided equally between the clubs; 25% is awarded on a merit basis determined by a club's final league position and the final 25% is distributed as a facilities fee for the number of matches shown on television involving the club. The income from overseas rights is divided equally between the 20 Premier League clubs

## Broadcasting And Premier League Case

1. Those exclusive contract or Television deals had caused a significant case. BSkyB as an exclusive broadcaster for the FA Premier league. Ms Murphy was charged under s297(1) of the Copyright, Designs and Patents Act 1988 (CDPA), in that on two occasions she: '... dishonestly received a programme included in a broadcasting service provided from a place in the United Kingdom with intent to avoid payment of any charge applicable to the reception of the programme (Press Release Court of Justice of the EU, 2011). At that time Ms Murphy as the owner of public house, installed foreign satellite television decoder to make her customers able to watch live football games. The Premier League believed that this was illegal under copyright law because that foreign satellite was unauthorised to be used. As Result, according to Press Release Court of Justice of the EU (2011), European Court of Justice gave her nonbinding opinion that any block on the use of cheaper foreign satellite TV breached EU single market rules.

2. There is potential case about exclusive TV rights. In this time, fans are willing to pay to get them closer to their favourite clubs. They want to watch it in high quality, exclusive anytime and anywhere. The last two words mean that at the moment technology has been developed and all sport shows can be broadcasted through multi-media services and that become value added services that can be provided by broadcasters. These demands create the increase number of subscription supply which leads to a raise channel quantity and choices. Otherwise, people were able to watch major sports events on free-to-air television in the past, now households could be denied access to major sports events since these extra services require а supplementary subscription payment. However, due to the acquisition of exclusive sports rights by pay-television operators and later subscription based digital platforms, coverage of major sports events is increasingly excluded from free-to-air coverage. This may lead to the so-called "siphoning effect" that occurs when subscription-based platforms carry events that previously were freely available (Noll, 2007). Consequently, households unwilling or unable to pay an extra subscription fee could be deprived access to these events. Although a proportion of households will then be eager to switch to



premium platforms due to the inelastic demand for live sports, this exclusivity of sports rights may endanger people's right to information and cultural citizenship (Jeanrenaud&Kesenne,2006)

## CONCLUSION

Commercialization has sharpened its position in the sports live. From only single clips in television, become an exclusive programme on TV. Each time the renewal TV deals contract is signed, the amount to seal the exclusive broadcast rights get higher. This situation benefits for the broadcaster suppliers, the league company and also the fans. Premier League becomes the most well-known competition because their co-operation with BSkyB as the broadcaster. BSkyB offered the league huge increase of TV rights deal and BSkyB got an exclusive contract.

Couple of years later, to get the English Premier League broadcast rights, all broadcaster or TV channel must join the auction as the rules of market competitiveness. That means broadcasters or TV channels who want to have the broadcast rights must compete and spend a good number of money. In return, the winner can ask the prospective viewer to pay for watching the games.

Technologies are developing year by year. Fans have more demand to get closer to their favourite Premier League club. As a competitive market, more demands lead to growing numbers of broadcaster suppliers. Unfortunately, these suppliers are a pay perview that means decreasing the possibility for fans to have it free-to-air.

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