

# Sky darkens for broadcasters after Amazon online assault

June 8 2018, by Pirate Irwin

---



Amazon acquired two rounds of live Premier League matches for three years from the 2019/2020 season, the league announced

Amazon's acquisition of live Premier League matches may signal the start of an online assault that could upend the dominance of established

broadcasters Sky and BT Sport, according to analysts.

The global online retail group acquired two rounds of live Premier League matches for three years from the 2019/2020 season, the league announced.

They will exclusively livestream all 10 matches over a bank holiday period and another 10 during a midweek fixture programme in December, according to reports.

It's a first for the online sector in the lucrative rights market, but certainly not the last, according to some experts.

"Amazon wanted to lay down a marker for the future and wanted to be the first mover," said an expert close to the deal who asked not to be named.

"I am not shocked by the awarding of the rights to Amazon but it is an underwhelming feeling as it is the first time this package was on the market."

Sky and BT will still show the vast majority of live matches, with 128 and 52 respectively—with BT having been awarded the other package up for grabs on Thursday of 20 games at a reported cost of £90 million.

More online operators are expected to follow suit and enter the bidding war for Premier League rights for the next bidding cycle after Amazon tests the waters.

Amazon—who have in recent times acquired the rights to show the US Open tennis grand slam and ATP World Tennis tournaments—will livestream the games to their Amazon Prime UK subscribers, which is the online seller's premium service available for a fee. Memberships

costs £79 (90 euros or \$106) a year or £7.99 a month.

This will be of interest to companies such as Google and Apple who may be drawn to tabling bids next time round, said Kieran Maguire, senior lecturer in Accountancy at Liverpool University,

## **Slice of the pie**

"They see that they can charge people £10 a month for Apple music and get a large number of subscribers, then they might take the view that if they offer something similar for football, it can work the same," he told AFP.

"But in my view, there's only going to be one or two winners among the tech companies.

"So one way to increase market penetration and shares is to have a product which is very addictive, and there's nothing more addictive than football."

For Maguire it is a great deal for Amazon as it gives them the opportunity to test the water with their subscribers and see if it pays off. This will be decisive if they are to aim bigger in the next cycle of bidding, challenging the traditional broadcasters for a bigger slice of the pie.

No figures were disclosed and the fact that the negotiations were prolonged suggests the price for the package Amazon bought did not meet Premier League bosses expectations, one expert told AFP.

"I think it is intriguing the Premier League is not giving the price for those rights, they are going to be substantially lower than for existing broadcasters, so Amazon are getting a bargain," said Maguire.

"It gives them an opportunity to see if people would buy in to football rights in a different way to traditional broadcasting."

Rob Wilson, financial football analyst at Sheffield University, says Amazon dipping its toe into the water is the precursor to real pressure being put on Sky and BT to step up financially when the next three year cycle comes up.

"This move will now open the floodgates for those online providers to start to command the market in the next three year cycle," he told AFP.

"I would expect more of them to bid for packages in the next round, which will put more pressure on Sky and BT Sport."

Maguire, though, believes Amazon's eyes will be turning to the European continent.

"I think we could see new bids for rights in France or Germany, because Amazon knows the Premier League is the most popular in the world, so if it can be successful, and they have got a low price entry point, then they would transfer that model to other European markets in the next few years."

© 2018 AFP

Citation: Sky darkens for broadcasters afters Amazon online assault (2018, June 8) retrieved 23 May 2024 from <https://phys.org/news/2018-06-sky-darkens-afters-amazon-online.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--