Chicago Daily Law Bulletin®

Betting on the growing global appetite for sports data

In the span of just two months — from mid-August to early October — sports data and digital content provider Sportradar US concluded three new deals with three of the four major sports leagues in the U.S., either launching or expanding on partnerships to collect, analyze and distribute player, team and league data.

In early October, the Minneapolis-based company, a subsidiary of Swiss company, Sportradar AG, announced the launch of radar360, a "hyperpotent" web-based data research application that will be made available to all 32 teams in the NFL as well as league media outlets NFL.com and the NFL Network staff.

The announcement describes the launch of radar360 as a continuation of the exclusive data partnership the company has with the NFL since April 2015.

In September, the NBA announced that it had entered a multiyear deal with Sportradar US and Second Spectrum, the manufacturer of optical-tracking data and analytics already used by more than a dozen NBA teams. The deal provides that, over the course of the next two seasons, Second Spectrum will install and implement a new, leaguewide player-tracking system to collect granular player and team stats — "speed, distance, drives, paint touches and defensive impact."

Under the deal, reportedly valued at $250 million, Sportradar will expand the scope and global distribution of statistical information for the NBA, WNBA and NBA Development League. Beginning this season, the company will distribute NBA data and audio-visual game feeds to gaming operations outside of the U.S., in countries where sports betting gaming is legal and will augment the league's integrity protection measures with Sportradar's services that monitor global sports betting activity.

Under the new contract,

SPORTS MARKETING PLAYBOOK

DOUGLAS N. MASTERS AND SETH A. ROSE

Douglas N. Masters is a partner at Loeb & Loeb LLP, where he litigates and counsels clients primarily in intellectual property, advertising and unfair competition. He is deputy chairman of the firm's advanced media and technology department and co-chair of the firm's intellectual property protection group. He can be reached at dmasters@loeb.com. Seth A. Rose is a partner at the firm, where he counsels clients on programs and initiatives in advertising, marketing, promotions, media, sponsorships, entertainment, branded and integrated marketing, and social media. He can be reached at srose@loeb.com.

Sportradar will become the league's Official Provider of Real-time NBA League Statistics, beginning next season and will begin distributing statistical information for the NBA, WNBA and NBA Development League to globally fans, teams, media and technology platforms and other data users.

In addition to the NFL and the NBA, Sportradar is also the official third-party real-time data provider for the NHL. In August, the NHL added Sportradar's fraud-detection and integrity services to the existing partnership with the company.

It goes without saying that sports data has become big business. The collection of player data is no longer a new phenomenon. The NBA, for example, has been using player-tracking technology since 2009, and was the first U.S. professional sports league to use player tracking for every game, starting in 2013.

The worldwide appetite for both real-time and historical sports data is enormous and growing exponentially, and teams and leagues in the U.S. are continuously seeking new ways to create — and monetize — new data streams. And the development of new technology and applications for collecting, analyzing, packaging and disseminating data by companies like Sportradar and others is both

driving the demand and responding to the market's hunger for more, better and deeper granular data.

MLB Advanced Media, a digital media company owned jointly by all 30 baseball teams in the league, partners with the sports data and content company STATS LLC to distribute real-time and post-game stats on MLB games to broadcast, print and digital media outlets.

More headline grabbing, however, is that MLBAM launched a new player performance-tracking initiative before the 2015 season to capture data on the movements of every player — not only the batters and pitchers, but defensive players in the field. The program — called Statcast — uses the radar system that records pitch locations in combination with two groups of three high-definition cameras located around every major league ballpark.

Together, the technologies produce three-dimensional snapshots of every movement of every player on the on the baseball field, reportedly some 40,000 frames per second that is then converted into digital data — for every single player's actions on every single play. That's a massive amount of data over a regular nine-inning game.

Where is all this data going and how is it being used?

Let us count (some of) the present and (potentially) future ways.

While the mountains of MLB Statcast data are not available to teams, fans or media outlets in real time, data is accessible to MLB teams immediately after the end of every game. MLBAM also uses Statcast data — or at least a very narrow subset of it — to directly engage fans on MLB.com with leaderboards ranking batters using stats like "exit velocity," distance and "launch angle" in degrees for hit of all kinds and pitchers using stats that include pitch speed, "perceived speed" (how fast a pitch looks to a batter), "spin rate" and "extension" (a measure of the point at which the pitcher releases the ball).

MLBAM also has a dedicated Statcast podcast and uses Statcast data to enhance fan engagement in other ways, by distilling and providing fan-friendly stats on Twitter and other social media and supplying announcers on MLB.TV with broadcast-enhancing on with Statcast-generated information and talking points.

Media and technology companies are clearly hungry consumers of sports data. Both Sportradar US and STATS LLC offer a variety of technology based products, platforms and services to these willing purchasers of their data, including data feeds through an API (Application Programming Interface) and a vast array of sliced, diced and packaged editorial content.

In June 2016, Sportradar announced it will be delivering sports data and content to The Associated Press, including scores, stats, box scores, leaderboards, schedules and standings for a variety of professional and college sports. Sportsdata LLC, the Minneapolis company that Sportradar AG acquired in 2013 to form its U.S. subsidiary, claimed Google, Bleacher Report, Facebook, Twitter and the Pac-12 Conference as its clients.

STATS LLC claims "800 global organizations trust STATS to power their sports data and technology platforms" and lists companies like Google, Apple, Microsoft, Yahoo, Facebook and SnapChat as clients as well as media outlets including Fox Sports, ESPN, Sports Illustrated and The Washington Post.

And then there is sports gaming — both legal and illegal. Part of the NBA deal allows Sportradar to provide NBA data and real-time game feeds to gaming operators outside of the U.S. where gaming is legal — a potentially huge market. In the U.S., betting on sports is currently illegal in 46 states under the Professional and Amateur Sports Protection Act, enacted in 1992, which bars states from authorizing sports betting (except for Delaware, Montana, Nevada and Oregon, which met the law's grandfathering requirements by demonstrating a history of legal gambling).

There is a market for sports data in those states, but it pales by comparison to the market outside the U.S. In addition, illegal sports betting in the U.S. is a thriving underground industry with an estimated nearly $400 billion in wagers placed every year. Sportradar's integrity and fraud prevention services, which use data from more than worldwide gaming operators, capitalizes on the potential risks to teams and leagues from these activities.

In recent years, operators of fantasy sports sites (including seasonal and daily fantasy sites) have also gobbled up player data and, despite the bumpy legal ride that daily fantasy sites like FanDuel and DraftKings have experienced of late, their appetite for more and better data shows no signs of decreasing.

Both companies claim client relationships with FanDuel. STATS offers an entire suite of services to fantasy gaming operators and runs the industry's high-stakes fantasy event, the National Fantasy Championships.

Some commentators have suggested that the prospect of changes to sports gaming laws in the U.S. was part of the rationale behind the NBA deal with Sportradar.

It's no secret that Adam Silver, NBA commissioner, is in favor of legalizing sports betting. "I believe that sports betting should be brought out of the underground and into the sunlight where it can be appropriately monitored and regulated," Silver wrote in an op-ed for The New York Times in 2014. Silver has gone on record as saying that he believes legalized betting on sports in the U.S. is inevitable.

It's a clever play for the Sportradar and the NBA. If legalized, sports betting in the U.S. could become a multibillion-dollar business and a huge new market for sports data.

And while the prospects for legitimizing sports betting in the U.S. remain unclear at best, there is no doubt that the appetite for sports data — both real-time and historical sports data — will continue to grow.