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## Sports streaming quickly becoming the way to watch your team

Just about everyone knows Netflix, Amazon Video and Hulu, the Big Three of "over the top" (OTT) streaming services that offer a wide variety of entertainment programming. And for good reason — they dominate the list of top 10 OTT streaming services with the most U.S. subscribers, according to a recent survey.

Most people think of OTT streaming services in terms of the delivery of film and television content, whether its original content or access to existing movies and episodes of shows. But what many people don't know — yet — is that several sports-specific OTT streamers are gaining serious traction on the list of top OTT providers.

Not all that long ago, cable and satellite television were the go-to media for in-depth sports coverage. The rapid rise of OTT streaming has pushed cable and satellite TV providers to break the old-school mold and pursue OTT partnerships of their own with sports organizations.

OTT streaming services deliver subscription-based content to consumers through Internet-connected devices, enabling consumers to cut down on — or forego altogether — paying for traditional television providers including cable and satellite television.

OTT services allow consumers to take advantage of increased and more flexible viewing options, and lower fees. Not surprisingly, OTT streaming services have gained a considerable audience over the past two years, especially when it comes to sports programming.

Three sports OTT services make the list of top 10 OTTs with the most U.S. subscribers. Netflix, Amazon Video and Hulu claim the top three slots,

followed by sports networks MLB.TV and WWE Network in fourth and fifth place, respectively, according to a survey released by Parks Associates in November 2015.

NFL Game Pass is further down the list in eighth place. (Rounding out the list are HBO Now and Crunchyroll in sixth and seventh place, with The Blaze and Sling TV taking ninth and 10th place.)

Just how big is the OTT subscriber base? Netflix launched its streaming service in 2007 and is closing in on 70 million subscribers worldwide, including more than 42 million U.S. subscribers. In early January, the streaming juggernaut launched its service in 130 new countries around the world, for a total of 190 countries.

With nearly 9 million subscribers, Hulu is a distant second to Netflix. Hulu, launched in 2008, streams original content and programming from more than 500 content partners.

Subscribers to Amazon Video can stream movies and TV shows, and eligible members of the popular Amazon Prime service can stream selected programming for free or at a discount. A recent report on Fortune.com estimates Amazon Video has approximately 3 million subscribers.

By comparison, the three sports OTT services don't have anywhere near the numbers or reach of the top three, but they commandeer OTT programming for some of the most popular sports in the U.S. and up-and-coming markets around the world.

MLB.TV, now in its 13th year, offers subscribers out-of-market baseball games and reportedly will begin offering single-team, out-of-market streams this year. Subscriber numbers are hard to

### SPORTS MARKETING PLAYBOOK



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come by, but Forbes.com estimated MLBTV and the At Bat mobile app had more than 3.5 million subscribers in 2014.

The WWE Network, which has approximately 1.15 million subscribers, offers both archived wrestling content and live pay-per-view events. The WWE Network announced on Jan. 5 that it is expanding into Germany, Switzerland, Austria and Japan.

NFL Game Pass, launched in mid-2015, lets viewers watch every regular-season football game and listen to live home radio feeds.

To stay competitive, satellite TV and cable providers jumped into streaming sports in 2015. AT&T Co. acquired satellite TV company DirecTV and its more than 20 million customers in mid-2015, making it the largest pay TV provider in the U.S. and the world, according to DirecTV.

In terms of OTT sports programming, DirecTV's crown jewel arguably is its NFL Sunday Ticket package, which provides access to every out-of-market Sunday afternoon NFL game on any Internet-connected device.

Just prior to the acquisition by AT&T, DirecTV ramped up its gridiron star power by adding Dallas Cowboys quarterback Tony Romo and Indianapolis Colts quarterback Andrew Luck to longtime spokesmen Peyton and Eli Manning on the NFL Sunday Ticket spokesmen team.

DirecTV also recently announced the expansion of its live streaming service, NFLSundayTicket.tv, to residents of apartments, condominiums and town homes who are not receiving DirecTV service, or current customers who were unable to install a DirecTV dish to their residence because of an obstruction or other restriction.

DirecTV also said it would offer the streaming service to students at four-year universities for a special price. The company also seems to be making streaming major sports events and creating exclusive programming packages a priority. For example, DirecTV offered golf fans comprehensive coverage of the 2015 Masters Tournament in April through its multichannel

“Masters Mosaic” programming, including the main CBS Sports/ESPN telecasts.

DirectTV competitor Dish Network introduced Sling TV, its own streaming service, in early 2015. At the start, Sling TV included access to cable sports staples

ESPN and ESPN2 and, in January, Dish announced the addition of ESPN3 to its lineup.

This is the first time that ESPN3, which offers access to live and on-demand events, including college football and college basketball, will be integrated directly into a pay-TV provider’s channel guide, according to Dish. Dish also

recently began offering the add-on package called “Sports Extra,” including ESPNU, ESPNNews and international soccer coverage on beIN SPORTS.

Cable TV companies like Comcast and Verizon have to contend with consumer “cord cutters” who are taking advantage of the increasing number of streaming services to escape the cost of cable TV and lack of control over bundled channel packages.

Significantly, ESPN’s deal with Sling TV made the cable sports network accessible to consumers without a cable subscription and helped spotlight the advantages

of unbundling (or at least smaller bundles of channels).

Premium cable channels like HBO and Showtime have introduced their own standalone streaming options. HBO Go and Showtime Anytime both offer live and on-demand sports events as well as original programming.

And the market for OTT sports streaming is only getting more crowded. Gaming console makers are streaming sports, with Microsoft offering MLB and NBA packages featuring regular season and out-of-market games live or on-demand through its Xbox 360 and Xbox One as of mid-2015.

Sony says its PlayStation Vue TV service, which streams live TV, movies and sports, will soon let subscribers customize their channel packages. Meanwhile, Yahoo.com appeared to be testing the waters of OTT sports streaming when it bought the global rights to one 2015 midseason NFL game between the Buffalo Bills and Jacksonville Jaguars. The one-time NFL-Yahoo partnership raises further speculation about the future of OTT sports streaming.

As OTT sports streaming continues to evolve rapidly, programming providers will be closely watching every streaming innovation.