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Twitter goes big league, launches streaming network

Twitter is leaping into streaming sports content in a big way. After testing the waters in 2016 with a handful of deals that included becoming the National Football League's exclusive streaming partner for the season, Twitter recently announced plans to launch its own 24/7 streaming video network.

The social media giant also outlined 16 new streaming initiatives that feature several significant sports programming partnerships.

Launched just over a decade ago, in 2006, as a microblogging platform where the only format for posting was the 140-character "tweet," the San Francisco-based Twitter now has approximately 328 million users around the world and offers a variety of different media formats, included embedded video as well as advertising.

Sports content already makes up more than half of the 800 hours of live content that Twitter streamed in the first quarter of 2017, offering a combination of live competition and fan commentary on one screen.

Social media industry watchers say Twitter's big push to stream live sports events and other content is a bid to help shore up its flagging finances by broadening its appeal to consumers and video advertisers alike. It's also being characterized as a move to capitalize on the "cord cutter" trend as consumers are increasingly leaving cable television for more customized and affordable options.

Twitter hasn't been streaming live sports events for long, but the social media platform has quickly become a force in the area. Possibly its biggest sports-related coup so far was beating Amazon, Yahoo and Verizon in a

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 co-chair of the firm's intellectual property protection group and 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.

bidding war in 2016 for the right to stream "Thursday Night Football" NFL games.

Last year also saw Twitter make deals to stream live, weekly games for MLB and the NHL as well as live programming produced by the NBA. It also teamed up with the digital platform Campus Insiders to offer live and on-demand coverage of college sports including football, basketball, lacrosse, soccer, baseball, volleyball, field hockey and swimming.

Nontraditional sports are also in the mix, like the professional e-sports organization ELeague, which authorized Twitter to live stream its inaugural semifinals and championship video gaming matches.

Now Twitter is making an even bigger commitment to sports. On May 1, Twitter unveiled plans to launch a 24/7 streaming video network in its first-ever appearance at the NewFronts, an annual marketing conference in New York that previews upcoming online programming for advertisers.

Twitter outlined 16 new deals to stream sports, news and entertainment content, noting that

of the 800 hours of live content streamed in the first three months of 2017, more than half was sports related, with the majority of viewers under age 25 and living outside the United States.

Anchoring the new Twitter network will be Bloomberg Media's 24/7 global breaking news network with other news and entertainment content from online players including BuzzFeed and Vox.

On the sports front, Twitter will be streaming WNBA regular-season games for 2017 to 2019. In addition to streaming weekly live MLB games, Twitter is introducing a new three-hour weekly program featuring baseball highlights and live "look-ins" — brief views of in-progress games. It's also built on its existing partnership with the PGA Tour that offers more than 70 hours of live golf competition coverage by live-streaming 360-degree video of the renowned island 17th hole at the TPC Sawgrass course in Ponte Vedra Beach, Fla., during The Players Championship in May.

Other new programming takes advantage of Twitter's unique

ability to give fans a voice in the sports conversation and connect them with athletes and others. It's launching Stadium, a 24/7 stream that will offer exclusive live collegiate sporting events, event highlights, classic games and daily live studio programming.

The social media giant is also partnering with The Players' Tribune to present #Verified, a live show featuring athletes answering fan questions and sharing their insights on issues on and off the field.

Twitter's new network and expanded roster of sports programming is seen as a calculated move to boost its number of users and increase advertising revenue. Although Twitter has become an integral part of the sports experience, from must-follow Twitter accounts belonging to athletes, coaches and teams to fans tweeting second-screen reactions and commentary during events, the social media platform is struggling financially.

As of the end of March, Twitter has approximately 328 million average monthly active users. Average daily active usage for the first quarter of this year grew 11 percent since the end of last year, according to Twitter's 2017 first quarter report filed with the Securities and Exchange Commission.

But revenue is down, with Twitter posting a net loss of \$61.6 million in the first quarter. Specifically, the filing reported the social media platform's revenue fell 8 percent in the first quarter with advertising revenue down 11 percent compared to the first quarter of last year.

While launching a streaming network could be game-changing for Twitter, it faces intense competition from other streamers.

Earlier this year, Amazon Inc. swooped in and outbid Twitter for the rights to stream the

NFL's "Thursday Night Football." Twitter paid \$10 million for the 2016 rights; Amazon reportedly shelled out \$50 million for the 2017 rights.

In May, Hulu, a subscription video on demand service formed by a joint venture of media heavyweights 21st Century Fox, The Walt Disney Co., Comcast and Time Warner, unveiled its own streaming live television service.

Hulu's service offers a substantial lineup of sports networks, including ESPN and NBCSN. Competition also comes from sports-specific "over the top" (OTT) streaming services being offered by MLB.TV, WWE Network and NFL Game Pass, all of which are among the top 10

streaming services with the most U.S. subscribers. Gaming console makers are also appealing to sports fans by offering programming on their streaming services, like Sony's PlayStation Vue.

Despite the competition, a robust lineup of streamed sports programming could be a good bet to help Twitter turn its fortunes around for a number of reasons.

Live sports events are a huge draw, no matter how they are broadcast. Nielsen reported that in 2016, nine out of the top ten single telecasts on traditional broadcast TV were sports events. The top three biggest audiences watched the Super Bowl (nearly 112.6 million viewers), its post-game show (more than 70 million viewers) and Game 7 of

the World Series (more than 40 million viewers).

The list also included prime time Summer Olympics programming, an NFL playoff game, an AFC wildcard playoff game and Game 7 of the NBA finals. The Oscars ceremony was the only televised nonsports event in the top 10.

Twitter could also benefit from the current cord-cutting trend that's gaining momentum from the proliferation of streaming options. At least one major sports cable network is hurting as more consumers cut back on their cable service or drop it altogether. ESPN laid off 100 anchors, reporters and staff members in April, but the sports network has been floundering for

some time and has lost approximately 7 million subscribers in the last two years.

In the past, one of ESPN's strengths was being able to secure exclusive licenses to major live sports events that are now being snapped up by relative newcomers like Twitter.

Twitter has already proven that when it comes to sports programming, it won't hesitate to make bold moves, pursue innovative partnerships and take advantage of consumer trends. It's uncertain whether these strategies will put Twitter's finances back on track but the company's new streaming initiatives are a clear sign that it plans to stay competitive against old and new rivals.