The Future of Sportscasting

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The Future of Sportscasting

Invention Date

1832

1911
1st live telegraph coverage

college football

1895

1921
1st US live radio coverage

boxing match

1922

1936
1st world live TV coverage

Berlin Olympics

1948

1979
1st sports cable TV channel

ESPN

Today
Point-of-View Live Streaming

Immerse yourself in the game with point-of-view (POV) live streaming
We are all used to seeing what Fernando Alonso sees
Market exists for point-of-view (POV) sports

- Wearable action camera
- Integrated helmet/uniform
- Wireless HD video streaming

Opportunity & Market Players
Market Enablers and Challenges

• Enablers

- High speed internet, 4G
- HD wearable action camera technology
- Growing worldwide sports-viewing market

• Challenges

- Integration of POV into complete game broadcast
- Must partner with sports organizations, owner of broadcast rights
- Subject to broadcast regulations
- Athlete and team privacy concerns (need blackout)
Readiness: Wearable Action Cameras

• Strong forecast market growth
  – 23.1% CAGR
  – Revenue of $1B by 2019

• Crowded market space: > 9 companies offering products
  – Drives unit cost down

• Reducing form factor for uniform/helmet integration
  – GoPro Hero4 3.1oz – 5.4 oz (with housing)
  – Battery lifetime of 55 – 100 min.
Readiness: Wearables are ready

- Camera integration: Wearables
  - Helmet Cam: GoPro Hero®
    - Small lens (integrated into a helmet)
    - 4k video at 30 fps
    - 1080p video at 120 fps
    - Wide angle video (170°)
    - WiFi / Bluetooth Capable
  - Jersey: First V1sion
    - Centrally integrated camera into a vest
    - Flexcircuits w/ integrated sensors
      - Heart rate, accelerometer, speed sensor
    - Integrates Intel’s new Edison chip
      » Data collector / processor / transmitter
      » Dual core + single core microprocessor
      » WiFi capable
Readiness: Wearables are ready (cont.)

- Camera integration: Wearables
  - Helmet Cam: described in patent as early as 2000
  - Jersey: First V1sion
New Usage Model: Social Live-streaming

- Twitch
  - Online social video game viewing and content platform
  - Pays gamers based on content viewed

- Live streaming technology is mature
  - Twitch
  - Vislink (partnered with GoPro)
  - Livestream
  - HTC

- 2014 March Madness surpassed 51M live video streams, up by 40% over 2013 – Turner Sport data

- 2014 Soccer World Cup ESPN’s line streams logged 30M hour of viewing. For comparison, 2012 summer Olympics generated 13.6M hours – CNN
New Usage Model: Twitch - video
New Usage Model: Customized Viewing

- Customization is growing
- Currently at level of channels and shows
- Sports viewing drives customization
- Trend can continue to POV..

![Graph showing preferences for TV packages and programming channels.](image)
NASCAR: business model not developed

<table>
<thead>
<tr>
<th>Year</th>
<th>Event/Change</th>
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| 2007 | • DirectTV “Hot Pass”  
      • Pay-per-view $10 per race  
      • Switched to free in 2008  
      • Canceled in 2013 |
| 2011 | • ESPN includes onboard camera views |
| 2013 | • NASCAR offers RaceView mobile app  
      • $39  
      • Includes limited onboard camera views |
| 2015 | • Fox Sports offers RaceBuddy platform  
      • Onboard camera and audio  
      • $70 per season or $10 per month |
Summary/QA

- Technology is available
- Large market exists
- Customization is becoming the norm
- TV/Sports over the Internet is mainstream
- Business model is not yet clear

*Athletes’ point-of-view is the future of sportscasting*
BACKUP AFTER THIS
Media Rights

- Media rights is by far the fastest growing segment in sports market
  - Overall North America Sports market growth is projected at 4.5% CAGR, from $56.9B in 2013 to $70.7B in 2018
  - Media rights segment projected to grow at 9.1% CAGR, from $12.5B in 2013 to $19.3B in 2018
  - Global media revenue growing as well
- More than 40% contracts expire over next 5 years
- Potential for creative expansion of this growing market
Internet TV Disruption

“Sports is one of those last things that makes people still want to watch TV in a linear fashion,”

Tony Emerson, Microsoft managing director

⇒ Unlike almost everything else on TV, sports happen in the moment

“Live events –sports and others, mainly sports– are certainly an impediment to cord-cutting,”

Scott Beck, internet TV consulting firm cg42

⇒ In March 2015 Sony announced an internet TV service with 50 channels including all big American sports broadcasters (except ESPN and its sister network ABC)

⇒ Also in March 2015, Apple announced a similar internet TV service including WatchESPN, MLB.TV, NFL Now, MLS, NBA, NHL, WWE Network, UFC TV, ACC Sports, and Tennis Channel
### North America sports market by segment

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<tr>
<td>Gate revenues</td>
<td>2.5%</td>
<td>-0.4%</td>
<td>-2.2%</td>
<td>10.0%</td>
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<td>2.8%</td>
<td>2.4%</td>
<td>2.5%</td>
<td>3.3%</td>
<td>2.1%</td>
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<tr>
<td>Media rights</td>
<td>7.6%</td>
<td>15.3%</td>
<td>8.1%</td>
<td>5.8%</td>
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<td>18.7%</td>
<td>11.8%</td>
<td>4.0%</td>
<td>8.2%</td>
<td>3.6%</td>
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<tr>
<td>Sponsorship</td>
<td>2.7%</td>
<td>6.7%</td>
<td>5.1%</td>
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<td>Merchandising</td>
<td>-0.5%</td>
<td>-0.7%</td>
<td>2.3%</td>
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<td>1.3%</td>
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<tr>
<td><strong>Total</strong></td>
<td>2.7%</td>
<td>4.2%</td>
<td>2.8%</td>
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<td>6.5%</td>
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<td>3.5%</td>
<td>4.3%</td>
<td>2.9%</td>
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CAGR: Compound annual growth rate  
Source: PwC Sports Outlook (October 2014)
Global sports market - total revenue from 2005 to 2017 (in billion U.S. dollars)

The statistic depicts the revenue generated in the global sports market from 2005 to 2017. In 2013, the global sports market generated revenue of around 76 billion U.S. dollars.
Global revenue earned from sports broadcast media rights by region from 2009 to 2013 (in billion U.S. dollars)*

This graph depicts the total revenue generated worldwide from sports broadcast media rights by region in 2009 and corresponding revenue forecasts for the years 2010 to 2013. In 2011, total revenues from media rights were projected to be 3.73 billion U.S. dollars in the Asia Pacific region.
Global revenue earned from sports media rights from 2006 to 2015 (in billion U.S. dollars)*

This graph depicts the total revenue generated worldwide from sports media rights from 2006 to 2010 and corresponding revenue forecasts for the years 2011 to 2015. In 2006, total revenues from media rights were 21.81 billion U.S. dollars.