

# THE STREAMING REVOLUTION

Unleashing the  
new era of long-tail  
OTT content



# IT'S TIME FOR ALL SPORTS TO GRAB A PIECE OF THE OTT ACTION



(Lachlan Cunningham/Getty Image)

Like every other significant business sector, sport is being driven and shaped by technology.

Historically it had been a largely linear business, effectively controlled by major media organisations with the deep pockets required to buy-up rights to must-see properties. They made money either because they had a mass audience attractive to advertisers or a subscriber base willing to pay to watch sport.

The inevitable result was that the media companies became the gatekeepers to opportunity in sports. Because they decided what content was available to the public, they effectively limited the ability of sports property owners and governing bodies to maximise revenues and grow their sport through re-investing.

Now that's changing and changing fast.

While the old models may not be broken, they are certainly under pressure and the business of sport is being transformed by tech, creating a new era of commercial opportunity.

Leading the change are the OTT

platforms, whose technology allows sports to bypass traditional media outlets to stream directly to fans, offering a far wider range of content at more flexible price points. And because, unlike traditional broadcasters, they have a genuine two-way relationship with viewers, they accumulate commercially and strategically valuable data about fans.

Of course the tech giants like Facebook and Amazon are already dipping their toes into the waters of sports, bidding for rights to properties including the Premier League and NFL and fuelling competition in those rarefied markets.

But perhaps the most exciting disruption is occurring elsewhere, where innovative OTT players are creating exposure and opportunity for properties further down sport's traditional food chain. The result is a massive increase in the volume of content – often considered niche – available and the ability for rights-holders to access, identify and monetise fans who were previously disenfranchised. The impact is truly liberating.

The key to all this is the ability for rights-holders to create, manage and control their own video

content and technological developments over recent years have sparked a continuing revolution in this area. Smartphones, digital connectivity and artificial intelligence are combining to make what was previously a dream a reality. Costs of production, management and distribution of video content are tumbling, providing a platform and a commercial lifeline to properties which were previously virtually invisible beyond the live audience.

The result is that – regardless of their size, audience, existing tech or digital infrastructure – leagues can develop monetisable OTT strategies that were unimaginable just a few years ago.

The potent combination of automated production, new video inventory both live and on-demand and untapped advertising opportunities make this a pivotal time for the development of long-tail sport. The revolution is well and truly under way and this time, sports at every level are in control.

By drawing on the expertise of technology and streaming specialists Genius Sports, this special supplement looks at the opportunities and challenges for sports launching their first OTT platforms. Genius Sports provides leagues and federations at every level with automated streaming, production and OTT solutions and is uniquely positioned to present the previous barriers to entry, the rapid technological shifts and the key questions leagues must ask in a democratised video landscape.



*Introduction by  
Kevin Roberts*

*Editorial Director,  
SportBusiness*

# BREAKING DOWN OTT BARRIERS

Streaming live sports is not a new phenomenon. As far back as September 1995 with live radio coverage of the Seattle Mariners against the New York Yankees, sports have been using the internet to go over the top.

And yet sports streaming and OTT still resembles an immature sector. Rapid advancements have been made in the last five years, with many experts prematurely predicting the end of TV's dominance of live sports consumption. But even for the largest leagues and federations, creating, growing and marketing a successful OTT product is a largely untested area and the long-term potential has yet to be unearthed.

For those rights-holders beyond the top tier, meanwhile, streaming represents an almighty step into the unknown. Historically, most have

had to reluctantly accept TV's ironclad grip over sport, determining which competitions are showcased to the world and which aren't.

For those sports within the inner circle, TV's impact has been transformational, providing increased sponsorship, exposure and investment. While for the broadcasters themselves, the largest sports have been the jewel in their crown for decades, attracting the biggest audiences and billions of dollars in advertising spend.

The chasm to the top tier of sports has grown wider. The vast rights, production and distribution costs involved for the broadcasters have dictated that only the largest sports globally with commercially lucrative audiences have been able to benefit from an increasingly imbalanced model.

This has forced many sports to rely on social media, digital marketing and other channels to grow and engage their audience. All are valuable tools but video, whether by highlights, live streams or broadcast, is simply the most powerful means of attracting any fan's attention.

## COSTS OF GOING IT ALONE

Every league, federation and club wants to be able to provide its fans with high-quality video content. But to truly go over the top of television and directly engage their fans, sports have historically had to cover the costs of hardware, specialist personnel and most significantly, production.

More than 5,800 credentialed media professionals were required to cover Super Bowl LIII in Atlanta and while this clearly isn't comparable for long-tail sports, it demonstrates the scale and quality of TV production that the majority of fans expect.

Even fans of less commercial sports competitions will expect a reliable, high-quality stream with integrated live scores and some more advanced team and player statistics, providing essential context to the live action.

And this content has to be delivered to them on-the-go, across multiple devices in an engaging format that can be quickly consumed.

Having a video strategy is essential for every modern sports organisation. In an increasingly competitive entertainment landscape, sports at all levels need to produce large volumes of content that will compete for eyeballs across inboxes, digital advertising space and in particular, social media. Where once, different social tools specialised in varying forms of content (e.g. Twitter for text, Instagram for pictures) they are all increasingly dominated by video, both live and on-demand to attract millennials.

All sports have to recognise and adapt to this trend but many have been priced out of launching their first OTT platform, unable to cover the implementation, maintenance and production costs of first-to-market streaming solutions. OTT though is, by nature, a prime example of digital disruption and several market changes have democratised the streaming landscape in recent years, opening the door for sports, of all sizes, to showcase their video content to the world.



# RISE OF AUTOMATED PRODUCTION

The most important development in enabling all levels of sport to stream their content has been the emergence of automated production systems. Being able to automatically track the live action, identify highlights, embed statistics and insert adverts and sponsorship opportunities was far beyond even the most advanced streaming solutions five years ago.

But both in and out of sport, the intervening period has seen huge progress in the field of artificial intelligence and computer vision. Whether by embedded chips in players' shoes and the ball or advanced motion sensors to track the flow of play, democratised tracking technology has changed the game in sports streaming.

Sports of all sizes now have tools at their disposal that can automatically track, pan and zoom with every play while cutting between multiple cameras positioned around the pitch or court. These solutions weren't immediately perfect: differentiating between major crowd movements, stitching a high-quality picture together with multiple angles and ensuring reliable, low latency streams have all been significant challenges in the emergence of automated solutions.

But by eliminating the need for in-venue directors, cameramen and other production staff, automated production removes a once insurmountable barrier to entry. Powered by cloud-based technology which simplifies how sports manage and distribute their content while processing billions of data points, these solutions are transforming the production of live sports.

*“Because producing and distributing content in the cloud is simpler and less expensive, it lowers the barriers for smaller sports organisations.”*

As Mehul Padaia, vice-president of global marketing at Tata Communications, told Raconteur last year: “The cloud is levelling the playing field between sports giants like F1 and smaller local series like the F4 British Championship. You only need a few cameras to capture the action; the rest of the production can be done easily and inexpensively in the cloud.

This opens up a global market for local sports leagues ... Also, because producing and distributing content in the cloud is simpler and less expensive, it lowers the barriers for smaller sports organisations.”

Long-tail sports launching their first OTT platform shouldn't immediately expect a TV-level of production. But automated solutions have opened an unprecedented window of opportunity, enabling them to showcase their games for the first time while controlling when their events are played, how their video content is delivered across multiple platforms and the tools they want to use to enhance every stream and highlight.

## STREAMING: SMARTPHONES' NEXT FRONTIER

On top of the onerous production and resource costs, to go over the top sports would historically have to cover the significant hardware expenditure of cameras in multiple different venues.

Smartphones, however, have had a transformative effect on modern sport, making every league, federation, club and fan an instant content producer. Fans rely on their mobile phone to capture live streams and photos at a game and quickly consume everything from odds to scores, highlights, statistics, news and interviews when they are on-the-go.

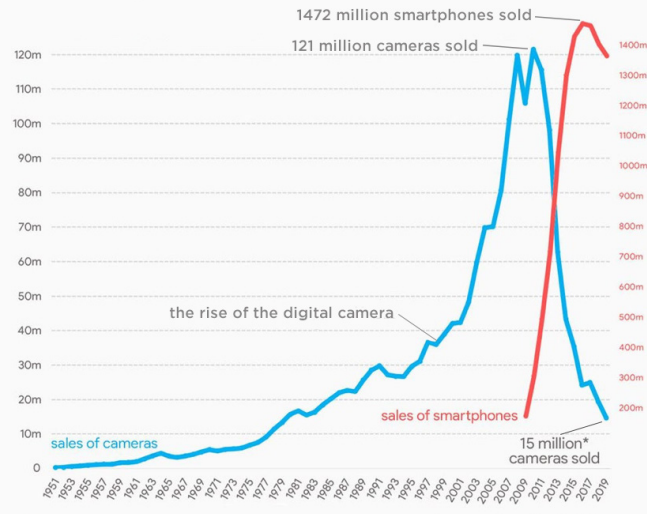


Streaming is the next frontier for smartphones' increasing impact on modern sport. Across post-match interviews by journalists, clubs filming behind-the-scenes content and coaches analysing performance, their video content is already relied upon every day.

Smartphones are providing all sports with an affordable and accessible streaming solution that replaces expensive hardware, driven by their increased camera quality, computing power and instant distribution capabilities via the cloud.

Rights-holders entering the OTT market can be sceptical of the quality and reliability of mobile solutions to deliver low-latency streams that capture the excitement of live sport.

## THE IMPACT OF SMARTPHONES ON THE CAMERA INDUSTRY



Sources: CIPA, statista.com \*Q4 2019 sales are estimated

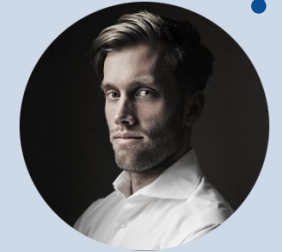
But the same reservations were expressed about smartphones' ability to replace digital cameras, which sold 121.5 million units globally in 2010. That number was just 19.4 million units in 2018, with smartphones' constantly improving CPU, picture and video quality making digital cameras increasingly obsolete.

Establishing a robust Wifi connection to support HD streaming can also often be a challenge for less technologically advanced sports. However, the majority of the more than 1.3 billion smartphones sold globally in 2018 can capture 4k streams through 4G, meaning all sports are now equipped with a high-quality solution to live stream to anyone, anywhere and at any time.

Across football, basketball, volleyball, table tennis and multiple other sports, leagues and federations are already powering their OTT platforms with smartphones. And in a move likely to spread across all levels of sport in the years to come, this summer saw the National Basketball Association join this trend by streaming its annual Summer League using 5G.

The smartphone revolution won't be televised but it has already transformed the world of OTT.

## EXPERT INSIGHT: ANTON BRAMS, STRATEGIC DIRECTOR, STREAMING & OTT, GENIUS SPORTS



### Why historically have sports been so reliant on TV partnerships to showcase their sport to the world?

Video, whether through live broadcast or highlights, is how fans want to consume sport if they're not at the actual game. High-quality video content provides every league or federation with greater visibility, sponsorship potential and numerous other revenue opportunities.

For many sports, TV's investment has been hugely advantageous with Sky Sports and the Premier League a prime example of a mutually beneficial partnership that has increased both product's value, reach and visibility.

But TV's dominance has also created an imbalanced model where only those sports with a commercially lucrative audience are given the platform, and those who don't have a global following are prevented from building one.

### How important is it for sports to integrate data and statistics into their OTT platform?

An OTT platform without any team or player statistics is effectively just a website with a video player. The quality of TV production all over the world means that fans have very high expectations for live sports. Split-second scores and performance data provide essential context to any live stream or broadcast, giving fans clear explanations of what is going on in front of them.

Across basketball and volleyball, our statistics collection tools are used by over 250 leagues and federations in over 150 countries worldwide. Every one of these partners has a unique opportunity to synchronise and unlock the value of their live video and data to automatically clip highlights, accompany every play-by-play update or social post with a video replay or create a new analysis platform for their coaches.

### Which rights-holders are leading the way in an increasingly democratised OTT landscape?

The Ligue Nationale de Volley is setting a precedent for rights-holders at all levels. Having lost their TV contract at the end of the 2017/18 season, they prioritised the creation of a premium OTT platform (LNV TV), installing between one and three cameras in 40 venues across more than 500 matches per season.

In the first month of launching LNV TV, the GeniusLive powered OTT solution had more than 800,000 page views. Others like the World Surf League, who have a non-exclusive rights deal with Facebook Live have put OTT at the heart of an enhanced digital strategy, attracting millions of views and new social media followers.



### What are the advantages of leagues launching their first OTT platform to commercialise their content for betting?

Engagement with betting provides another untapped revenue opportunity for sports entering the OTT space. Historically, those leagues that lack a global audience have been reluctant to engage with the betting industry, fearing that doing so will put their competitions at greater risk of match-fixing or corruption.

However, sports of all sizes are harnessing their official betting data to drive revenues and increase their potential audience, recognising that the transparency and cooperation provided by proactive engagement actually helps to safeguard their competitions.

The same principle is true for streaming. Bookmakers are always on the lookout for live video streams that help them to attract and retain customers and new markets that stand them out from the competition. Sports can capitalise on bookmakers' demand for 24/7 content, creating new commercialisation revenues and showcasing their games in front of highly engaged, paying sports fans right around the world.

# IMPACT ON THE BOTTOM LINE

Despite the myriad opportunities presented by an increasingly open streaming landscape, the majority of sports are still fearful of making the wrong decisions when launching their first OTT solutions.

Amidst pressure from their member clubs, concerns around the reliability of their product and how to maximise the long-term value of their video content, every league and federation faces a number of challenging questions when going direct to consumer for the first time.

Inevitably, at the top of this list is the question of how to drive media reach and revenue from the new video inventory at their disposal. Short-term, sports can immediately follow the lead of the major leagues by launching a paid subscription or league pass product.

For some sports beyond the top tier, such as the Ligue Nationale de Volley, this is a viable and effective model, creating a recurring revenue stream on a per season or match-by-match basis as well as a community of avid fans.

But this approach isn't right for all sports entering the OTT space. And it is vital they don't run before they can walk in making a positive impact on the bottom line.

The beauty of OTT for any rights-holder is that it means they are no longer dependant on TV or the size of their audience. However, if that established audience doesn't exist on a significant scale, sports can immediately undermine the benefits of OTT, shutting off possible fans before achieving initial exposure to the product.

The price is arguably the most important factor for the digital sports fan when deciding how and where to watch their content. So while attracting new fans and building a global audience is a key priority for any sport's OTT strategy, implementing a restrictive pricing policy can cut them off before they've even started.

## LOOKING TO THE LONG-TERM

Instead, sports must look at a longer-term strategy. This means initially prioritising streaming every game to provide teams with equal exposure, and subsequently driving increased advertising and sponsorship revenue.

# EXPERT INSIGHT: RAMSES BRAAKMAN, CHAIRMAN, DUTCH BASKETBALL LEAGUE



## What is the story behind the Dutch Basketball League (DBL) launching your first major streaming strategy in 2019?

As a league, we have been through a period of significant change and some instability in recent years. With limited resources compared to the largest leagues in world basketball, we couldn't provide our passionate fan base with live streams across each of our nine teams because the costs of production and hardware were simply too high.

However, amidst some major innovations including the launch of GeniusLive, we were able to join the surge in streaming long-tail sports content. We want to drive engagement amongst our fans, players, members, sponsors, partners, coaches and more. Being able to live stream every game across a season for the first time is truly a ground-breaking opportunity for the DBL.



## How does the introduction of a new streaming solution support your overall digital strategy?

Our new streaming product is a key part of a major digital transformation project that the DBL is currently undertaking. These types of initiatives are normally associated with the largest rights-holders in sport but we're excited about modernising our technology infrastructure and overall business model.

Every live stream will be showcased on our new and improved website which will also be powered, for the first time, by in-depth team and player statistics captured at courtside by FIBA LiveStats.

Across streaming, stats and digital, our aim is to create one official destination for basketball in the Netherlands in close cooperation with the Federation (NBB). We are looking to bind and engage fans in one community, creating greater recognisability and making more impactful connections with our fans. In time, we also want to expand our overall reach and create greater commercial traction as well.

## What are the benefits of leagues like the DBL of having direct control of both your live data and video content?

For us, and every league, live data and video are far more valuable together instead of individually. Live streams bring data to life while team and player statistics provide essential context to the live action for fans, coaches and media alike.

With control of both our live data and video, we can create new stories and engagement around individual players, teams, games, seasons or skills. And crucially, we can do it with content that is clear, fast and easily shareable.

We want basketball.nl (the Federation and DBL's platforms) to be both the first point of contact for Dutch Basketball fans but also the single source of truth. Controlling our data and video together is vital to making this happen.



The booming growth of the entire sports OTT sector means that with the right partner, any league or federation can now integrate multiple advertising opportunities into every stream. Across linear, non-linear and companion advertising space as well as sponsored backgrounds or landing pages on their OTT platform, every rights-holder can harness the value of new video content, maximising untapped revenue.

To accurately price this inventory, sports must focus on the uniqueness of their content, the likely market demand and the administration costs of them, or their partners, running these services. These rights-holders must also be realistic that when establishing their OTT platform, the most likely advertisers will either be local or existing partners such as their ball or kit suppliers.

But new advertising opportunities can provide all sports with a direct return on their OTT investment.

## UNDERSTANDING THE AUDIENCE

Sport is one of the few forms of entertainment which is best consumed live. Maximising this value relies on sports increasing their media reach

and audience, however, a focus on live shouldn't come at a detriment to their video on-demand.

A recent study by Two Circles predicted that the rate of growth for clips and highlights will far outstrip the value of live rights over the next five years. The report stated that in-play clip rights will grow at a rate of 76 per cent to hit \$1.7bn while short-form highlights will more than double in value to \$3.2bn.

VOD content, through team, game or individual player highlights is critical to any sport's media offering. Not every fan will have time to stream a full game and rights-holders must be able to provide short, sharp and easily shareable video content.

Many sports recognise the value of producing clipped highlights with integrated statistics, commentary and scores to increase the value of their content with media partners and sponsors.

However, few are currently looking to harness the rich first party data an OTT platform provides to deliver a personalised VOD product that puts the fan in control. Every league or federation can collect and monitor key audience data such as the total audience for live streams or highlights,

how long an individual fan watched for, device type as well as separate purchases made or abandoned on their website. With that data (ideally handled by a data management platform) and as automated clipping technology continues to develop, sports can empower fans to select highlights for a particular player such as all their three-pointers or all their spikes in a volleyball game.

If a rights-holder then knows a fan's favourite team, player or type of content they like to view, they and their advertising partners can optimise how, when and where relevant content and offers are delivered. This audience data can be invaluable to attracting new sponsorship and advertising revenue while increasing sports' conversion rates for merchandise, ticket sales or in some cases a league pass product.

Launching an OTT platform can provide any league or federation with numerous exciting revenue opportunities. But a strategic approach that builds a loyal audience, seeks to truly understand that audience and prioritises revenue through advertising can ensure every sport makes a long-term success of OTT.

# INTRODUCING GENIUSLIVE

Having established itself as one of the largest tech companies in sport with its statistics and integrity services used in over 150 countries worldwide, 2019 saw Genius Sports launch GeniusLive, an end-to-end streaming, production and OTT solution.

By automating how video content is captured, managed and distributed through AI and computer vision, GeniusLive is built for leagues and federations of all sizes.

Already, it is driving the new era of democratised video content, streaming over 7,000 games in its first season and enabling 15 leagues and federations to launch their first OTT platforms. Initially built for Genius Sports' global network of volleyball and basketball partners, GeniusLive can be easily applied and rolled out for any indoor sport.

It removes the costs of hardware, production and personnel for rights-holders, replacing dedicated cameramen with between one and four cameras around the court that automatically detect where the action is taking place to pan, switch angles and zoom in and out for each play.





## STREAMING AHEAD OF THE COMPETITION

As hardware-agnostic software that can be run off smartphones or different camera systems depending on the sport covered, GeniusLive is both easily transported and quickly installed. Leagues and federations at all levels can select from fixed or mobile cameras, producing high-quality live and on-demand video content with minimal investment and resources.

The benefits to these leagues and federations go beyond increased fan engagement. Creating game-by-game, weekly or even end-of-season highlights, raises the profile of their athletes and gives them a platform to progress to a higher level of competition, subsequently attracting valuable transfer revenues and elevating the reputation of their events.

GeniusLive can also be directly integrated with coaching and fan engagement platforms such as performance analysis or clipping tools. Through direct integration with DataVolley (right), GeniusLive enables volleyball coaches to analyse every major skill

and combination with rich data and video replays. Across in-game decision making, pre-game preparation and post-match analysis, streaming solutions can be pivotal to improving the overall quality of play.



Integrating GeniusLive also provides rights-holders with a powerful tool to generate advertising revenue from their new video content.

From calculating the inventory value to helping attract advertisers to their platforms, Genius Sports provides a truly end-to-end solution that can deliver fast and tangible benefits.

Having an advanced video strategy is no longer reserved for the world's largest sports. Every rights-holder, regardless of a previous lack of TV investment, sponsorship or global audience, has an unprecedented opportunity to showcase their sport to the world.

**GeniusLive is turning that opportunity into a reality.**

## ABOUT GENIUS SPORTS

Genius Sports is a global leader in digital sports content, technology and integrity services. Our solutions are used by over 500 sports organisations worldwide, empowering them to capture, manage and distribute their live data and video, driving their digital transformation and enhancing their relationships with fans.

We are more than a technology provider. We build long-term partnerships with sports at all levels, helping them to control and maximise the value of their content while providing technical expertise and round-the-clock support.

### Find out more:

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