

The global media sector continues to adapt slowly to digital disruption. Paywalls are yet to make up for the loss of print advertising revenue, and experiments continue with sponsored content and micropayments. In this [media business models](#) series we explore the green shoots in media models – what's working, and what's yet to be proven.

As media businesses the world over struggle to identify successful new business models, sponsored content has been pounced on as one potential solution. The model – where brands pay media organisations to produce content related to their product – is increasingly being applied to sports broadcasting.

Sport is an expensive media product. A recent estimate of the market found media organisations were paying \$US28 billion, per year, for sports rights. Except that figure was based solely on professional sports, and therefore does not factor in deals like the [US\\$7.65 billion that American network NBC paid](#) the International Olympic Committee for Olympic rights until 2032.

Add in the costs of dozens of expert staff, high-priced commentators, expensive broadcast equipment and new technology, the production of sport is a pricey endeavour.

But it had seemed sports value to broadcasters – [that it is a product best watched live and delivering a large, diverse audience](#) – would protect it from the problems that have plagued other media content in the 21st century.

The declining value of sport

However, the once infallible attraction of sport may be faltering. In the United States live sport hasn't prevented falling pay television subscriber numbers, and some have suggested the ballooning cost of sports broadcast rights is to blame.

While the advertising rates for the NFL's annual Superbowl continue to climb, there is anecdotal

evidence that sport is not the advertising bonanza it once was for free-to-air television.

In Australia last year, Nine Melbourne chief Ian Paterson told a conference it was unlikely the advertising sold for sports timeslots would cover the price spent on the rights. Instead, sport was recast as a promotional vehicle. Paterson [told Crikey](#) :

“Through sport broadcasts, we attract advertisers and people, and are able to present to them the rest of what we do.”

The sports broadcasting media business model is not shattered, but there may be cracks. Which is why sports organisations are increasingly working with sports broadcasters, and sometimes instead of them, to deliver their product to the people.

Sports organisations as media providers

It's a requirement of most major sports events that there is a [host broadcast feed](#) , with unbiased commentary, pushed out to television stations globally. While existing broadcasters used to produce these feeds, more sports organisations are taking control.

Tennis Australia started producing the Australian Open's world feed in 2014 and its chief executive Craig Tiley [told The Australian Financial Review](#):

“Having control over the production of the broadcast is atypical in terms of Australian sports. But it has allowed us to package the broadcast for particular markets and move quickly to provide different feeds to markets overseas.”

However, this isn't usual practice for regular, professional sports leagues.

In 2015, the Australian and New Zealand netball competition changed that. Unable to secure a broadcast deal, [the ANZ Championship instead paid for its league to be shown on free-to-air television in Australia](#). By controlling the broadcast, netball also gained greater power to direct the narrative. Which is where questions of ethics enter.

Ethics in sports broadcasting

The defining ethical issue with sponsored content in news is that it butts up against one of the defining values of journalism, that journalists act as the fourth estate. In this role they keep institutions honest and tell the public what it needs to know.

Sponsored content is in conflict with these fundamental elements of journalism, as it means the journalist is no longer unbiased and independent. When considering sports organisations as content providers the key question then becomes, do sports consumers actually expect sports broadcasts to be acts of journalism? Do they mind that the telecast is produced by a sports organisation with a vested interest in the wellbeing of that code?

It's a tricky question to answer because consumers of sports broadcasts may be unaware that these subtle changes have been made, that they are watching a feed paid for by a sports organisation.

However, [academic research](#) concludes there are multiple reasons fans watch sport, but mostly they are based on the emotional reward, the entertainment value, the sense of companionship and an ability to escape.

Generally, consumers do not watch sports broadcasts to be informed. They watch to be entertained. If this is the case, the sponsored content model may attract less backlash in sports broadcasting than it has in other media products.

The future: sports organisations as rights-holders

But perhaps the most important point to consider is not whether sports broadcasters will continue to publish content created by sports organisations, but whether sports organisations will continue to sell their rights.

Why sports broadcasting could change the rules on sponsored content

Written by The Conversation USA

Many professional sports organisations globally have realised the economic potential in creating and broadcasting their own content. Examples include Major League Baseball's MLB TV, Manchester United's pay television channel MUTV, and the Australian Football League's AFL Media. All these organisations deliver premium content directly to consumers, often for a price.

Broadcasting rights continue to be the major revenue stream for professional sports organisations and the audience mainstream media provide is still useful, so it is unlikely sports organisations will become the sole broadcasters of their own product. But if it makes business sense for sports organisations to become their own producers, get ready for a whole new ball game.

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Read more <http://theconversation.com/why-sports-broadcasting-could-change-the-rules-on-sponsored-content-54329>