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5. Valuation and Negotiation of Sport Broadcast Rights

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Overview: This chapter presents two competing perspectives on how sport broadcast valuations are determined. The first is the economic perspective, with the chapter identifying classical factors considered to determine the value of rights. The second is the management perspective, identifying the significant role of relationships and networks in influencing rights values.

Introduction

Given the importance of sport broadcast rights in recent times, it may surprise the reader that there were times when broadcasting live sports events was not welcome. Yet, past examples show that it was the case, for example in USA and Europe. Quirk and Fort (1997) reveal two examples of unsuccessful deals between American football teams (Los Angeles Rams and Philadelphia Eagles) and local television in the late 1940s, with more money lost due to drops in attendance than money earned thanks to the new deals. In the UK, in 1960-1961, ITV (Independent Television) agreed to a deal worth £142,000 with the English Football League (EFL) to screen 26 matches (The Guardian, 2014). However, the first live match Blackpool-Bolton Wanderers on the 10th of September 1960 was played in front of a half-empty stadium (Imlach, 2005). In addition, the football club Tottenham refused ITV permission to film its match against Aston Villa two weeks later - and the EFL demanded a dramatic increase in player appearance payments - leading ITV to withdraw from the deal (Williams, 2007). A few years later in France (1964-1965) the first televised live football matches occurred. However, on the 8th of November 1969, Lyon versus Rennes which was televised live took place in front of only 894 attendees (Constant, 2017). This poor crowd led to the end of televised live matches in French football for the next 15 years.

Since these early unsuccessful examples, sport broadcast rights have been accepted by the main stakeholders and have increased significantly over time to become the main source of finance for professional sports. This chapter aims to investigate the determinants of the amounts for sport broadcast rights and the consequences for different stakeholder groups such as broadcasters, leagues and consumers. To do so, the content relies mainly on the cases of English and French professional football. The first section explores the determinants of the valuation for sport broadcast rights both from the broadcaster and league perspectives. Then, the second section examines how the ‘traditional’ negotiation process affects the final valuation

and may lead to a winner's curse. The third section illustrates this with the recent example of the broadcaster Mediapro, unable to pay for the television rights of the French men's football Ligue 1 after having won access to the most expensive packages. The fourth section takes stock of the historical success of television rights in sports and how it started to be threatened by the evolution in the ways of consumption, before tackling the recent trends in negotiation, highlighting the benefits of coopetition strategies between broadcasters. The last section concludes the chapter.

Determinants of Valuation: the Broadcaster and League Perspectives

The determinants of the valuation of television rights have been addressed in research monographs by Bolotny and Bourg (2006) as well as by Gratton and Solberg (2007) and Gratton, Liu, Ramchandani and Wilson (2012). In particular, Bolotny and Bourg (2006) provide a useful representation of the two markets of sport and television and the independent variables of the amount for broadcasting rights. The two markets are the broadcasting rights market where holders of rights (supply) and television channels (demand) meet, and the sports programmes market where television channels (supply) and viewers or consumers (demand) meet. A set of independent variables is given, among which four are of particular interest for this chapter: the characteristics of the sporting event, the structure of the television market, the financial situation of subscription channels and the penetration of the sport in society (both playing and watching). The representation provided by Bolotny and Bourg (2006) had arguably a domestic focus. An additional dimension of interest is the rest of the world since international television rights can be of prime importance for a league as exemplified by the English Premier League (Gratton *et al.*, 2012). This means that the two markets of sport and television and their three stakeholders can be reproduced for different countries, with the same holders of rights as initially but other television channels (except for those that are in different countries) and viewers. At the same time, domestic television channels and viewers can be interested in

foreign leagues. As such, different holders of football rights (football leagues) are in competition for television rights, even if television viewers have preferences for watching competitors and clubs from their own countries (Gratton & Solberg, 2007).

In their article on the drivers of television rights applied to English and French men's football over the 1980-2020 period, Scelles, Dermit-Richard and Haynes (2020) suggest a framework based on the perspectives of a domestic television channel and a domestic league. This framework is derived from logical connections and previous literature, including the references evoked above. Sixteen determinants of television rights valuation are identified (eight for each of the two perspectives), they are numbered and emphasised in bold below.

For the broadcaster perspective, and in order to simplify their demonstration, Scelles, Dermit-Richard *et al.* (2020) initially consider that the domestic television channel is alone or in a highly dominant position in the domestic market. However, it is in indirect competition with foreign channels to enable the domestic league to attract the best players. Its starting point is to meet the demand from domestic television viewers, i.e. its objective is to broadcast the best possible matches thus **(1) the best clubs and players in the world** (Buraimo & Simmons, 2015), including **(2) the best domestic players** (Gratton & Solberg, 2007). This means that the domestic clubs have to have the capacity to pay high salaries to players so to earn high revenues, including from television rights. The television channel will be ready to spend a large amount of money under the following conditions: it has **(3) the financial ability** to do so; the football domestic league is **(4) a core product** for it; and this allows domestic clubs to attract the best players in the world. The latter condition implies **(5) large investments and revenue beyond domestic television rights** for domestic clubs, e.g. thanks to **(6) large stadium attendance**. The large revenue and spending derived from the elements developed previously should lead to **(7) continental competitiveness** for the television channel's domestic league. In turn, this should increase its perceived quality by television viewers thus be beneficial for

the television channel. In the end, Scelles, Dermit-Richard *et al.* (2020) reintroduce competition between television channels, meaning that a television channel also needs to offer more money than **(8) its domestic competitors** to get the television rights. It must be acknowledged that the broadcaster perspective developed by the authors in the European men's football context can be criticized. First, the existence of an indirect competition with foreign channels to enable the domestic league to attract the best players may be less relevant in other contexts, e.g. for the North American major leagues or sports like Australian Rules football. Second, continental competitiveness is not a concern for the latter.

For the league perspective, Scelles, Dermit-Richard *et al.* (2020) consider that its objectives are to have the best possible matches and competitive clubs in continental competitions, consistent with the television channel and viewers' expectations. These objectives may require a few clubs – or even only one club being **(9) the driving force** for continental competitiveness – with the best players, in opposition with the necessity of outcome uncertainty (Andreff & Scelles, 2015; Scelles, Durand, Bonnal, Goyeau & Andreff, 2013a, 2013b), e.g. **(10) uncertainty for the title** (Scelles, 2017; Scelles *et al.*, 2016). This suggests the need to optimise **(11) the number of clubs** in the league to ensure the best clubs earn enough money from television rights and / or there are not too many clubs with a limited sporting strength lowering the overall level and attractiveness of the league. At the same time, the league needs to optimise its television rights to be able to have both competitive and relatively equal clubs (at least for its best clubs), both at the domestic and international levels. This suggests that attracting players from **(12) markets with high potential for television rights** may be a relevant strategy (Gratton *et al.*, 2012), even if these players are not among the best in the world. A league can also generate more competition between television channels with **(13) an appropriate packaging** (Bolotny & Bourg, 2006) and by optimising **(14) the number of live games**, while **(15) the timing** of the negotiation is important too. Scelles,

Dermitt-Richard *et al.* (2020) also note that the league needs to be able to allocate as many television rights as possible to its clubs (no or limited need to allocate a part of them to clubs in other divisions / sports), which is related to **(16) its independence**. As for the broadcaster perspective, the league perspective developed by the authors in the European men's football context can be criticized. For example, the idea that a driving force is needed may not be relevant in other contexts, e.g. in North American major leagues.

Based on the framework developed above and its application to the English Premier League and French Ligue 1 over the 1980-2020 period, Scelles, Dermitt-Richard *et al.* (2020) suggest the existence of a virtuous circle for the English Premier League. The authors simplify it as follows: independence and competition between television channels (initially for domestic rights) => more money => better clubs => more potential live games => more competition between television channels (including for international rights) => more money. However, it is unsure that such virtuous circle is relevant in contexts other than European men's football, e.g. is more money leading to better clubs in North American major leagues or in Australian Rules football given that they attract the best players worldwide anyway? Besides, the framework does not provide a comparison of the valuations by both the broadcasters and the league, taking into account the influence of the bidding system. Yet, the bidding system between leagues and broadcasters impacts the negotiation, final value for leagues and potential return on investment for the different broadcasters.

‘Traditional’ Negotiation and Winner’s Curse

This section introduces the ‘traditional’ negotiation between leagues and broadcasters. Following Feuillet, Scelles and Durand (2019), it underlines the importance of the bidding system and the risk of a winner’s curse in this process. The ‘traditional’ negotiation between leagues and broadcasters is indeed influenced by the ‘traditional’ bidding process. Solberg (2006) and Andreff (2014) specify that the most common procedures are the English (ascending) auction and the sealed-first bid (the highest offer takes it and pays what it has offered), or combinations of them. For example, the sealed-first bid is the method of allocation used for the broadcasting rights in the French Ligue 1. As noted by Feuillet *et al.* (2019), this league relies on the modalities of sequential bids used by some professional sports leagues offering several packages for auction. Sequential bids are different from simultaneous bids since after each package is won by a bidder, every competitor is informed about who won and the amount that was paid. However, during the bidding process the auction is blind. These modalities are supposed to optimise the overall amount generated by the league. At the same time, they may increase the risk of spending more than the actual value of a package for (some) broadcasters.

In their article, Feuillet *et al.* (2019) rely on the concept of winner’s curse applied to the bidding process for television rights to assess their impact on television channels. The winner’s curse is a well-known phenomenon in economics. Andreff (2012, p. 120) has described what the curse explains: “*the underlying causes of the winner’s disappointment in the bid, due to costs higher than initially planned*” and considers the winner’s curse as a major concept in sports economics (Andreff, 2014).

Regarding the market for sport broadcasting rights, Andreff (2014) identifies six indices of a winner’s curse:

1. A very swift increase in television rights fees.

2. **A financial loss** endured by a television company on a broadcast deal.
3. **A post-bid bankruptcy**, which exhibits ex post that a television channel could not afford the bid.
4. **Too many unknown and uncertain details** about the date, the place and the participants.
5. **Outbidding newcomers** increasing aggressive competition on the demand side.
6. **Television rights re-packaging.**

For the latter index, Andreff's (2014) rationale was that it reduces the number of products on sale in the face of a given number of television channels and, as such, leads to increased competition that triggers television rights fees inflation and thus a greater likelihood of the winner's curse. However, Feuillet *et al.* (2019) consider that this might be questioned. Indeed, the authors underline that supposing both fewer packages and the same number of bidders might be not realistic because some television channels might be discouraged to bid due to their insufficient financial resources. As such, Feuillet *et al.* (2019) suggest that re-packaging might not trigger television rights fees inflation due to fewer television channels interested and not lead to a greater probability of the winner's curse. Instead, more packages might attract more television channels so more competition, with a risk of winner's curse for some packages. Besides, a seventh index not listed by Andreff (2014) is relative to disappointment, which is a central element in the definition of the winner's curse (Thaler, 1988).

Feuillet *et al.* (2019) studied the French and English men's football leagues in their respective domestic markets over the period 1980-2020 to 'test' the existence or not of the winner's curse. The results support four indices provided by Andreff (2014) and disappointment, but not television rights re-packaging leading to increased competition, and unknown and uncertain details leading to revenues lower than expected and financial losses. A number of cases support the existence of a winner's curse for some football broadcasters that

went bankrupt, e.g. ITV Digital in 2002 (English lower divisions) and Setanta UK in 2009 (English Premier League). These ‘cursed’ broadcasters were not the ‘historical’ pay television domestic broadcasters Sky (England) and Canal + (France) that always won the best packages (at least until 2018 and the arrival of Mediapro in France). This was consistent with Feuillet *et al.* (2019) finding that broadcasters suffering from the winner’s curse were not those winning the best packages but instead the secondary packages. The authors also stressed that consumers were cursed too when more than one broadcaster won packages.

Nonetheless, broadcasters winning the best packages can also be cursed. Mediapro’s major failure in 2020 illustrates this and is the perfect example to demonstrate the importance when considering management issues in relation to economics approaches. Indeed, Mediapro won the best packages in French men’s football but stopped their payments as early as three months after the start of their contract, being unable to generate the revenues they initially expected and the cash needed to pay the French football league. Mediapro were not only considered to be a victim of a winner’s curse but it also appeared that it was responsible for an unrealistic strategic model from the very beginning of their involvement in the French market for football television rights. The extent to which Mediapro has been cursed and developed an unsound strategy is developed in the next section.

Mediapro in French Football: Both a Winner's Curse and an Unsound Strategy

Mediapro's recent fiasco in French football might be the most spectacular illustration of a winner's curse within the market for sport broadcasting rights. This case deserves a specific focus due its economic and managerial implications. Mediapro ticks the boxes for the following indices of the winner's curse:

- A very swift increase in television rights fees: an investment of €780m per year from 2020 to 2024, leading to a 70% increase of the overall television rights for the French Ligue 1.
- Financial loss: Mediapro had an already suspicious financial rating by Moody's at the start of 2020, i.e. before any payments, with a B1 grade (highly speculative). This was followed by a swift degradation leading to a CAA1 grade (substantial risks) after the refusal by Mediapro to pay for the second deadline of the payment schedule to Ligue 1 clubs in October 2020.
- Too many unknown and uncertain details: the COVID-19 crisis can be considered as having generated a number of unknown and uncertain details that accelerated the financial meltdown of Mediapro. In particular, the Ligue 1 definitely stopped its 2019/20 season in March 2020, contrary to the other major football leagues in Europe. This led to a substantial loss of exposure for the competition just before Mediapro's entry in the French broadcasting landscape.
- Outbidding newcomers: Mediapro was a new entrant in the French television rights market. They started their own channel from scratch, with a massive investment outside of their domestic market in Spain. The nationality of a broadcaster might be another indication of a winner's curse, especially in the case of a newcomer. This is accentuated by the fact that Mediapro is the property at a majority stake (53.5%) of Orient Hontai Capital, a Chinese investment fund. This led to a difficulty for the French professional league (LFP) to take

action against the shareholders in the sense that there was not a joint surety for Mediapro. Indeed, the surety was the responsibility of Joye Media only, i.e. the Spanish holding of Mediapro.

These elements are related to auction theory. In that it can explain through economic variables the negative externalities that can be produced by this type of commercialisation. Nonetheless, it is not enough to understand the complexity of the sport broadcasting market investments. In that regard, a strategic approach is useful to understand the underlying causes of mismanagement and the irrationality of actors. Therefore, two important strategic dimensions can explain Mediapro's failure in France: one regarding the gap between their intended and realised strategy (Mintzberg, Ahlstrand & Lampel, 1999); and the other related to their business model (Demil & Lecocq, 2010).

The first strategic dimension is represented in Figure 1. The representation shows that the intended strategy of Mediapro, which was to stay on their domestic market in Spain, was not the realised one due to the loss of La Liga domestic rights. This was the start of a succession of emerging strategies, putting Mediapro in an uncomfortable situation that led them to invest outside their core market. Mediapro ended in direct competition with companies that are financially more powerful such as Canal+, BeIN Sport or Altice (RMC Sport). The combination of intended and emerging strategies is considered as the real description of a visionary firm (Aurégan *et al.*, 2008). However, this suggests that emerging strategies are successful. Mediapro's failure can therefore be interpreted through the disequilibrium between their intended and realised strategy, as well as unsuccessful emerging strategies. With regards to the behaviour of Mediapro towards the LFP in France, some would more simply suggest to consider the strategy of this firm through the lens of the pirate organisation approach (Leeson, 2007).

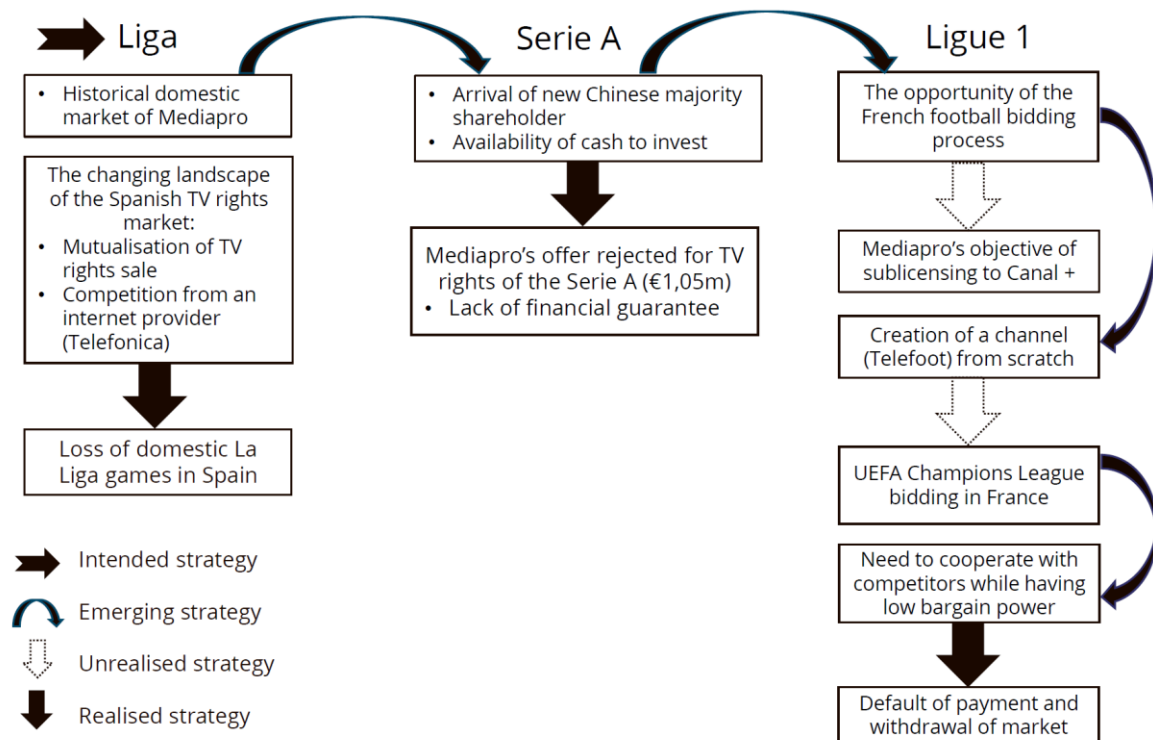


Figure 1: Mediapro's Strategy in European Football (based on Mintzberg *et al.*, 1999)

The second strategic dimension relates to Mediapro's projected business model, which was to say the least utopic. Their objective was to obtain premium rights in France to quickly sublicense them to their competitors. However, Mediapro faced, post-bid, a market becoming progressively less competitive than at the date of the auction in spring 2018. Thus, Altice (RMC Sport) gradually disengaged from the sport television rights market, followed by BeIN sport (Al Jazeera) which concluded an exclusive distribution deal with their rival Canal +. Therefore, the opportunity for Mediapro to sublicense their rights in order to be profitable disappeared. Moreover, Canal + is known to be an aggressive competitor when they faced a new entrant for football broadcasting rights (Feuillet *et al.*, 2019). This led several actors to: quit the market over the years (Orange, RMC Sport); be acquired by Canal + (TPS); cooperate with Canal + (BeIN).

Without the opportunity to sell their rights, Mediapro was forced to create a channel. This aspect of Mediapro's strategy can be analysed with the RCOV (Resources-Competences-Organization-Value) model proposed by Demil and Lecocq (2010).

In that regard, it appears that it was impossible for Mediapro to have a sustainable business model in France:

- Resources and competences: no guarantee to be supported by the stakeholder Orient Hontai Capital.
- Value propositions: an unrealistic business plan based on a subscription fee of €25 per month for one single channel focused on football only, with a target of 3.5 million subscribers. By way of comparison, BeIN and its multisport offer twice as cheap compared then to Mediapro and needed six years to reach the target of subscribers (Capital, 2019). BeIN was never profitable in France and faced major losses over the years, estimated at €1.6b since 2012 (Mediasportif, 2020).
- Internal and external organisation: Mediapro is mostly organised as a media rights agency that buys and sells sport television rights. They also organise the production of sports or entertainment (movies). The creation of a channel is not the core of their organisation, even if they have their own channel in Spain (Gol Television). The marketing agency market was in decline even before the investment of Mediapro in France, with the bankruptcy of MP Silva being the emblematic example of this.

Mediapro's case study is not only interesting within the French context but the international television rights market as a whole. Indeed, the bargaining power between supply and demand seems to reshape the market in a drastic way. With the arrival of new 'digital native' generations of consumers (Millenials and Generation Z) combined with new ways of consumptions across new tools – either legal (smartphones, streaming) or illegal (pirate sites, Internet Protocol television or IPTV) – there is a need to rethink the product in order to fit with consumers' expectations and rebuild the strategy for the distribution of sport media rights.

From the Historical Success of Television Rights and How it Became Threatened to the Recent Trends in Negotiation

Since the beginning of pay television, the amount of money invested by media for sport premium rights has been driven by a logic of exclusivity. The rationale behind this was that the exclusivity of a premium product would convince sports fans to subscribe to a channel, due to sports being one if not the most appealing product to attract consumers. The historical success of sports, especially football, as a drawing card to attract subscribers is undeniable (Feuillet *et al.*, 2019). This led to more and more channels interested in sports broadcasting, creating a fierce competition between channels to acquire rights (Hammervold & Solberg, 2006). Indeed, competition in pay television developed after the success of first movers such as Canal + in France, BskyB in England, Mediaset in Italy, Foxtel in Australia, JSkyB in Japan, Zee Television in India, Sky in New Zealand, or Star Television in Asia (Andrews, 2003). The concept of first mover advantage: “predicts that a firm which is first to enter a new market (early entrant) will accumulate so many advantages that later entrants will have difficulties to compete on equal terms” (Benzoni, 2007, p. 23). These advantages can include: not to be impacted by entry barriers; benefit of a monopoly position (price maker); build an image of precursor (earn loyalty from consumers). First mover advantage use to be an important factor for the success of pay televisions channels in sports, i.e. in an industry with high fixed costs and growing demand. These market conditions imply inherent disadvantages for later entrants, meaning that they are more exposed to a winner’s curse (Feuillet *et al.*, 2019). This was confirmed in the case of Mediapro, which suffered from its late arrival in France. As described above, these later entrants’ inherent disadvantages did not prevent competition. The latter (together with the size of the market and channels’ purchasing power) was one of the main factors for what could be seen as the ever-increasing market for sport broadcasting rights (Scelles, Dermit-Richard *et al.*, 2020).

Based on the idea that it can actually not be ever increasing, the market for sport broadcasting rights is often described as a bubble ready to burst anytime soon. However, the reality of the market is way more complex, as shown by Richau *et al.* (2020). Due to most television rights contracts being on the short term (three to four years in football for most major league contracts), it is quite easy for sports rights holders to make corrections from one contract to another or to leave the market if they are disappointed. The major risk used to come from unreliable and/or weak investors (as presented in the case of Mediapro) that do not have the financial strength to support the important fixed costs of a business that is not directly profitable for most premium rights. However, the context changed over time with the emergence of new platforms (Brousseau & Penard, 2007). Many consumers, especially younger generations, have been accustomed to having access to a large panel of entertainment content via illegal downloading and streaming. New platforms such as Netflix, Disney+ for movies and television shows or Spotify, Deezer in the music industry have gained market share with the distribution of vast content at low subscription prices. These new ways of consumption combined with the phenomenon of subscription fatigue created high level of churn and a decline in subscribers for pay television. Also, with a certain degree of maturity attained in most domestic markets (in terms of rights fees and market cap) and the technological progress bringing new means of entertainment (such as esports), the gap between the money spent to obtain television rights and the potential return on investment seems to never have been so important.

In an era of rising platform economy (Kenney & Zysman, 2016), traditional pay television networks are constrained to be innovative in their business model to fit the evolution of consumers' behaviour and expectations. Considering the unsustainable level of costs associated with a fierce competition for acquiring television rights (and retaining them on the long term), whether it is for a new entrant or an historical broadcaster, exclusivity is no longer a strategy to accommodate consumers. Therefore, content aggregation seems to be more

relevant in order to offer a larger content that could satisfy most potential subscribers. This strategy requires cooperation between rivals, hence the need to focus on the relationships and networks that shape the value perceived by consumers for sport broadcasting rights. In this regard, coopetition is a relevant concept to describe the recent pattern in the strategies for sport broadcasting rights.

Coopetition is defined as “the dyadic and paradoxical relationship that emerges when two firms cooperate in some activities ... and at the same time compete with each other in other activities” (Bengtsson & Kock, 2000, p. 412). In the sport broadcasting market, coopetition can be linked to several types of cooperation between media such as:

- Distribution deals: they can be exclusive (e.g. the distribution of BeIN Sport by Canal + in France since 2020) or selective, with several distributors selected (e.g. Netflix distributed by Canal +, Mediapro and internet providers such as Orange, SFR, Bouygues Telecom or Free in France). In England, Sky and BT have mutual distribution deals.
- Sublicense deals: they correspond to the post-bid sale of rights to another broadcaster with the objective to make a profit on the resale. This was the strategy by Mediapro that failed in France. The outcome is not necessarily a profit, as exemplified by BeIN concluding a deal with Canal + to sublicense their rights at the cost price.

The coopetition patterns between media in and outside sport (entertainment) demonstrate the value of networks in the sport broadcasting industry. Coopetition is becoming vital to ensure a value proposition to consumers that is sufficient to convince them to maintain their subscription. Even large USA based ‘new media’ companies are prone to cooperate with direct competitors because of the competitive intensity in place in European domestic markets (e.g. distribution deals between Canal+ and Netflix or Disney+ in France). This shows that the market for television rights and the relationships between its actors are transformed by the technological evolution or digital revolution of the early 21st century (Feuillet, 2019). These

structural trends will certainly be reinforced and accelerated by the consequences of the COVID-19 crisis, with the big technology companies representing one of the rare sectors enhancing its development. Indeed, big USA based technology companies like Google, Apple, Facebook, Amazon or Netflix, or media conglomerates such as Disney, Comcast, AT&T or ViacomCBS, have the financial resources to easily outbid traditional television broadcasters. The COVID-19 crisis could be an opportunity for them to invest at a reduced price in sports and to be seen as saviours of the sector. Beyond these US companies, there are also Chinese companies known as BATX (Baidu, Alibaba, Tencent and Xiaomi) or media conglomerates like Suning, although investment from Chinese companies seems in decline outside of their domestic market. These digital giants are able to use their OTT¹ platforms to broadcast games. Recently, Amazon invested in the television rights for the English Premier League (boxing day) with success (The Guardian, 2019).

Until now, big technology companies – especially Amazon through its Amazon Prime service – test the interest they would have to make strong investments in sport television rights by acquiring targeted secondary packages at reasonable prices. Over the long term, it seems that there is a synergy of interests between the main European men's football leagues and new platforms. Men's football ensures large and regular audience while new media enables the reach to a younger public. Nevertheless, rights holders must be careful, considering that these large USA technology companies are not the drivers for a new cycle of growing revenue, as some leagues might have expected. They are rather complementary to traditional actors in an industry in transition. Even the ever-suspected creation of a European men's football Super League might not convince large technology companies to invest billions in the process, their limited investments in USA leagues suggesting they have taken a cautious approach. Besides,

¹ Over-the-top, initially named in references to devices that go “over” a cable box to give the user access to television content (Pixalate, 2018).

some OTT platforms have started to develop in Europe with Eleven Sports and especially DAZN (DAZoNe) having acquired many Serie A games in Italy, as well as German Bundesliga games. Nonetheless, these new actors are quite limited in terms of capacity of investment compared to historical broadcasters and new giants of media in North America and China.

Moreover, we can add a new type of investor starting to sign deals directly with leagues to obtain a part in the management of media rights. These are for the most part private equity funds. Some of them have already concluded deals with the Italian Serie A, with a team of investors led by CVC Partners and also comprising Advent International and FSI Fondo Strategico. The deal was worth \$1.88b (Forbes, 2020). Such a fresh injection of capital seems to be necessary to maintain the level of expenses by clubs, develop infrastructure and commercial investments, and on the short term to survive the loss of earnings that resulted from the COVID-19 pandemic. Other private equity funds were in competition with the CVC Partners consortium, suggesting potential investments in other professional sports leagues. Formerly an investor in Formula 1, CVC Partners in 2021 are owner of stakes in rugby competitions such as the English Premiership and the Pro 14 which is an international league composed of teams from Wales, Scotland, Ireland, Italy and South Africa. They are also in advanced talks to acquire the commercial rights of the Six Nations Rugby tournament.

Conclusion

Based on the cases of English and French men's football, this chapter investigated the valuation and negotiation of sport broadcast rights. The valuation was initially tackled through the separate perspectives of a broadcaster and a league, leading to the identification of 16 economic determinants. However, it was acknowledged that the negotiation between the league and potential broadcasters is key, leading to a description of the 'traditional' negotiation through the 'traditional' bidding process. It was explained that this use to generate, and still leads to a winner's curse, as illustrated by the recent example of Mediapro in French men's

football. This example was explored in depth, showing the need to rely on management and strategic approaches beyond economics. This was confirmed by an examination of the recent trends in negotiation, highlighting in particular the importance of coopetition. The focus on the recent trends also emphasised the arrival of new actors (e.g. large technology companies and private equity funds), suggesting a renewed market for television rights in European men's football that probably also applies to other territories and sports worldwide. It remains to be seen how this will influence future valuations and negotiations of sport broadcast rights.

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