

*Championing  
excellence and diversity  
in broadcasting*



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## **VLV RESPONSE TO DCMS REVIEW OF BROADCAST RULES AROUND MAJOR SPORTING EVENTS**

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## INFORMATION ABOUT THE VLV

- 1 The Voice of the Listener & Viewer (VLV) is an independent, not for profit membership-based charity, free from political and sectarian affiliations. VLV supports high quality broadcasting which maintains the democratic and cultural traditions of the UK. We support the independence and integrity of the BBC and encourage work which demonstrates commitment to the principles of Public Service Broadcasting (PSB). VLV is a charitable company limited by guarantee (registered in England and Wales No 4407712 - Charity No 1152136).

## INTRODUCTION

- 2 VLV works to represent the interests of citizens in broadcasting policy and it agrees with the government that the objective of the Listed Events regime – to ensure that key sporting events of national interest are widely available and free-to-air for all audiences – is a policy intervention which is beneficial for citizens.
- 3 As acknowledged in the Terms of Reference for this Review, the existing regime was designed when audience consumption habits were very different and only 4% of households had access to the internet. VLV considers that the Listed Events regime is now out of date because it only covers linear broadcasting and audiences are increasingly viewing content on digital platforms. This trend means that the original objective of the existing Listed Events regime is no longer being fully achieved. Therefore VLV considers that digital rights should be made in scope of the Listed Events regime.
- 4 VLV notes the recommendation of the DCMS Select Committee in its March 2022 report *Major cultural and sporting events*, namely ‘The Government should review extending the protections currently offered under the listed events regime to digital and on demand content’<sup>1</sup>.
- 5 VLV welcomes the government’s statement in the Media White Paper that in recognition of the significant contribution of the public service broadcasters, it will consider making qualification for the listed events regime a benefit specific to our public service broadcasters<sup>2</sup>. VLV supports this proposal. The PSBs play an important role in UK society. In order to maintain their reach and impact among audiences of all ages it is important that they are able to provide sports content across all the platforms audiences want to use. Audiences now have an expectation to be able to view content on both broadcast and on demand platforms.
- 6 While VLV understands that the list of events included in the Listed Events regime is not in scope for this consultation, we would like to take this opportunity to highlight how valuable it is for citizens of all the nations of the

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<sup>1</sup> *Major Cultural and sporting events*, House of Commons Digital, Culture, Media and Sport Committee, 16 March 2022, paragraph 51

<sup>2</sup> *Up Next: The Government’s vision for the broadcasting sector*, April 2022, Page 8

UK that sporting events which include national teams should be included in the Listed Events regime.

- 7 VLV agrees that it is important that the regime continues to strike the right balance between accessibility and the ability of sporting organisations to generate revenues to invest in their sports.

### Questions:

**Question 1: Do you think the way audiences watch listed events will change over the next 5 years? Do you have any data which shows current or future trends of audience habits moving towards accessing sport through digital means? What does this mean for audiences' feeling engaged in events, and their potential to choose to participate in sport themselves?**

- 8 It is clear from Ofcom research<sup>3</sup> that while linear broadcasting remains important, increasingly audiences are viewing TV-like content on online and streaming platforms. VLV considers that this trend is likely to continue and increasingly audiences will consume sport through digital means, especially younger viewers. If audiences are unable to view sports content on digital platforms this is likely to impact on how much they participate in sport in future and supports the argument that the Listed Events regime should be extended to include digital rights.
- 9 With reference specifically to the viewing of sports content, Ampere Analysis research<sup>4</sup> shows that live viewing on subscription sports channels has remained stable during the past decade whereas it has declined by a third on general entertainment channels, including those which are free to air. This decline in viewing on free to air linear channels has been partly due to competition from streaming platforms. Ampere highlights that younger sports viewers especially have shifted their viewing to streaming platforms, meaning that linear audiences are disproportionately skewing to older age brackets<sup>5</sup>.
- 10 2022 Nielsen research shows that 40.7% of global sports fans opt to stream live sports events through digital platforms and about 44% of fans aged 16-29 watch live matches via digital platforms<sup>6</sup>.
- 11 A survey by Grabyo in 2022 showed a 47% increase since 2021 in the use of smartphones for watching video among UK sports fans, the highest increase in viewing across all streaming devices. By contrast, there has been a 41% decrease in Freeview TV users watching live sports.<sup>7</sup>

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<sup>3</sup> [https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0016/242701/media-nations-report-2022.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0016/242701/media-nations-report-2022.pdf), page 4

<sup>4</sup> *Trends and dynamics in the sports broadcasting Sector*, Ampere Analysis, 2022.

[https://www.ofcom.org.uk/\\_data/assets/pdf\\_file/0019/240553/Ampere-abridged-report.pdf](https://www.ofcom.org.uk/_data/assets/pdf_file/0019/240553/Ampere-abridged-report.pdf)

<sup>5</sup> Ibid. Page 9.

<sup>6</sup> [https://content.nielsen.com/e/881703/download-FansAreChangingTheGame/218z1/674119401?h=bSxfpw3SG8cGvkJxNb-OxmlFlpKeoOsKT\\_SQk-eOB7I](https://content.nielsen.com/e/881703/download-FansAreChangingTheGame/218z1/674119401?h=bSxfpw3SG8cGvkJxNb-OxmlFlpKeoOsKT_SQk-eOB7I)

<sup>7</sup> <https://www.rapidtvnews.com/2022111463118/streaming-devices-ingrained-into-uk-sports-video-consumption-habits.html#axzz7msoPP6dF>

- 12 Yath Gangakumaran, Commercial Director at Sky Sports says that with a Premier League match, Sky will get an audience of 3.5 million on TV with another 15% watching on their on demand platform, Sky Go<sup>8</sup>.

**Question 2: Digital rights could broadly entail the following rights: simulcast, on-demand, highlights and clip views. See the list below and provide detail about the value of each type of digital right, both in absolute terms and relative to each other.**

- 13 VLV considers that all these rights should be included in the Listed Events regime. Each plays a different role for audiences as set out below. We have placed each set of rights in descending order of priority according to their public value.
- 14 **Simulcast:** As audiences increasingly watch content on a range of online devices, from smart TVs to mobile phones, it will be important that the digital simulcast rights are included in the listed events regime to ensure that the objective of the listed events policy intervention is delivered.
- 15 VLV notes research in 2022 from Grabyo: ‘Over 50% of UK sports fans watch live streams on social media.... Noticeably, the popularity of TikTok continues to grow. In 2022, 47% more UK sports fans watched content on TikTok than the previous year and TikTok was also the fastest growing platform with a 42% increase in users among UK sports fans in the last 12 months’<sup>9</sup>.
- 16 **On-demand:** As was seen during the most recent Olympics when there was a 9 hour time difference between Tokyo and the UK, it is important that on demand digital rights are included in order for the Listed Events regime to continue to have its desired impact.
- 17 Audiences increasingly expect content to be made available on demand and if it isn’t available on free to air platforms they will either miss it or be forced to subscribe to pay-tv services in order to view it.
- 18 Research conducted by Jigsaw during the 2020 Ofcom PSB Review highlighted that sports content which is available to everyone is an important priority for UK audiences: *Those who follow sport feel that this is particularly important for national games and events, and for coverage of local teams and lesser-watched sports that are only found on PSB*<sup>10</sup>.
- 19 Because the digital rights for the 2021 Tokyo Olympics were not included in the Listed Events requirements, the BBC was forced to negotiate a separate deal with the rights-holder Discovery to be able to stream content for UK

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<sup>8</sup> *Broadcast Sport Leaders’ Forum: The future of sports broadcasting*, Broadcast, Jake Bickerton, 25 November 2022

<sup>9</sup> <https://www.rapidtvnews.com/2022111463118/streaming-devices-ingrained-into-uk-sports-video-consumption-habits.html#axzz7msoPP6dF>

<sup>10</sup> *An exploration of people’s relationship with PSB, with a particular focus on the views of young people* – Jigsaw/Ofcom, July 2020, page 44

audiences. Nonetheless, there was widespread criticism of the BBC's provision by licence fee payers who were dissatisfied because coverage was significantly reduced in comparison with previous Olympic games. During Rio 2016, the BBC made available 4,500 hours of live action compared to only 350 hours during Tokyo 2020.

- 20 Without on-demand rights being in the scope of the Listed Events regime, full free to air provision is not guaranteed despite it clearly being something which citizens value<sup>11</sup>.
- 21 **Clip Views:** There is evidence that clips on social media are an increasingly important way to engage younger audiences. Research shows that 18-34 year olds are the most engaged with digital sports content – 50% view online content outside of live matches and even more follow competitions on social media<sup>12</sup>.
- 22 Ampere Analysis highlights how important clip rights are: 'simultaneously, online and social media highlights and clips have become more important as a means of reaching new or casual fans, as well as sought-after younger audiences whose attention is subject to more competition from multiple sources'<sup>13</sup>.
- 23 In a recent Broadcast Sports Leaders Forum three broadcasters, Channel 4, Sky and the BBC, all stressed how important digital clip rights are to them:
- 24 Pete Andrews of Channel 4 said, 'C4 identified a need to be big in these spaces, particularly to engage the younger audience. I don't think we're at a stage where we would put live sports on a platform like TikTok yet, but it's something that might happen in the future. It's a good way to reach a generation that maybe isn't watching a lot of TV at the moment'. Yath Gangakumaran of Sky said, 'We've been a bit slower going onto TikTok but we have more than 1.5 million followers there without doing too much. But TikTok is going to be a really interesting platform for not just short-form videos but also for live events as we try to engage its younger, more female skewing audience'. And Ben Gallop of the BBC said, 'We've done a lot in social media over the years and our strategy has always been to draw in audiences and then bring them back to our key properties – for us, that's BBC iPlayer, BBC Sounds and the BBC Sport website. For the Euros, more than half of our digital video engagement was with vertical video, TikTok and Instagram Reels'<sup>14</sup>.
- 25 In order to ensure a sustainable future for PSB it is crucial that the PSBs engage younger audiences with their content and therefore VLV would consider it essential to include digital rights to clips in the Listed Events regime.

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<sup>11</sup> *An exploration of people's relationship with PSB, with a particular focus on the views of young people* – Jigsaw/Ofcom, July 2020, page 44

<sup>12</sup> *Trends and Dynamics in the Sports Broadcasting Sector – Abridged Report for Ofcom*, Ampere Analysis, 2022. Page 12

<sup>13</sup> *Trends and Dynamics in the Sports Broadcasting Sector – Abridged Report for Ofcom*, Ampere Analysis, 2022. Page 12

<sup>14</sup> *Broadcast Sport Leaders' Forum: The future of sports broadcasting*, Broadcast, Jake Bickerton, 25 November 2022

26 **Highlights:** Highlights can play an important role in broadcasters increasing exposure of their content to new audiences in a convenient way, however Ampere Analysis highlights that the ‘viewing of traditional TV highlights has declined in the past decade, particularly among younger audiences, who are more likely to watch sports clips and highlights on social media and other online video platforms’<sup>15</sup>.

**Question 3: With reference to the above, please provide detail about any other types of rights which could be considered digital rights but are not listed above.**

27 No comment.

**Question 4: What is the relative importance of digital rights for listed events specifically as opposed to linear rights, both now and as predicted into the future? (Please include any relevant data and evidence regarding audience behaviours, business models, and how platforms / live vs catch up viewing / PSB status impacts audience engagement with events of national interest. Please note that this data will be treated as commercially sensitive)**

28 VLV considers that in the coming decade digital rights will become increasingly valuable to the PSBs as they work to maintain their reach and impact. As stated above, research indicates that the trend for audiences to view more content on demand and online is likely to continue as long as broadband speeds and broadband coverage improve.

29 Over time VLV considers that this is likely to reduce the viewing of live sports’ broadcasting on linear platforms, although VLV predicts the erosion of the linear audience for live events will be very slow. It appears that the viewing of digital content currently is most popular among younger audiences and is often additional to the live viewing of sporting events on linear.

**Question 5: What would be the impacts of the addition of different types of digital rights into the Listed Events regime? This would likely mean a broadcaster seeking exclusive digital coverage of a listed event would need Ofcom’s consent and would need to demonstrate the rights had been offered to broadcasters on ‘fair and reasonable terms’ (as set out in Ofcom’s Code)**

**What do you perceive to be the positive impacts of this? (Please consider this in line with DCMS’ stated objective for the regime with reference to impacts on audiences, the sports rights market and reinvestment in sport and the economic considerations).**

30 VLV considers that the addition of digital rights to the Listed Events regime would be overwhelmingly positive if the stated objective of the regime, to

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<sup>15</sup> *Trends and Dynamics in the Sports Broadcasting Sector – Abridged Report for Ofcom*, Ampere Analysis, 2022. Page 51

ensure free to air access to sporting events of national interest, is to continue to be achieved.

- 31 Adding all digital rights to the regime will mean that platform neutral free to air provision of listed sporting events will be available to citizens which is the only way to guarantee delivery of the objectives of the regime as convergence increases between linear and on-demand platforms.
- 32 VLV predicts that maintaining the reach of free to air sports coverage will have a positive impact as well for sporting organisations because the free to air rights to their events remain valuable. Ampere Analysis research demonstrates that free to air sports coverage significantly raises sponsorship potential which can be more beneficial than putting coverage behind a paywall even if the resulting rights' income is significant<sup>16</sup>.

**B. What do you perceive to be the negative impacts of this? (Please consider this in line with DCMS' stated objective for the regime with reference to impacts on audiences, the sports rights market and reinvestment in sport and the economic considerations).**

- 33 From the perspective of citizens VLV does not consider that there will be negative impacts if digital rights are included in the Listed Events regime.

**Question 6: If digital rights were not added to the Listed Events regime, please explain:**

**A. What you perceive to be the positive impacts of this? (Please consider this in line with DCMS' stated objective for the regime with reference to impacts on audiences, the sports rights market and reinvestment in sport and the economic considerations).**

- 34 VLV cannot see any positive impacts if digital rights are not added to the Listed Events regime.

**B. What you perceive to be the negative impacts of this? (Please consider this in line with DCMS' stated objective for the regime with reference to impacts on audiences, the sports rights market and reinvestment in sport and the economic considerations).**

- 35 2021 was the first time that a pay-TV or streaming subscription was needed to be able to watch all the events at the Olympics; this severely restricted the amount of content which was available free to air to British citizens. Enders Analysis estimates that only about about a third of homes in the UK had access to the Olympics as part of their existing pay-TV subscriptions<sup>17</sup>.

- 36 Ampere Analysis highlights that there is a risk that bidding processes for rights could become less transparent and accessible in future if digital rights

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<sup>16</sup> Jack Genovese, speaking at the VLV Autumn Conference 2022 - <https://www.vlv.org.uk/recent-events/vlv-autumn-conference-2021-2/>

<sup>17</sup> <https://www.theguardian.com/media/2021/aug/07/can-the-bbc-stay-with-the-pace-in-the-fight-for-olympic-viewing-rights>

are not included in the Listed Events regime. They predict that as the PSBs have increasingly less spending power in a global market there may be an increase in the number of Listed Events where live rights are shared between multiple broadcasters.... They say that 'while multinational rights deals are still relatively uncommon for mainstream sports in the UK, should they increase in frequency, there is potential for less transparent and accessible rights bidding processes in the future. This could in turn limit the ability of national broadcasters to bid competitively for those rights, including Listed Events'<sup>18</sup>.

37 If digital rights are not added to the Listed Events regime the objective of the policy intervention will be increasingly not delivered as audiences generally are likely to view more content online and on on-demand platforms.

38 This would mean that the regime will become increasingly meaningless and have less impact; the value of the free to air broadcast rights will in turn decline which will be negative for reinvestment in sport.

**Question 7: If digital rights are not added to the regime, do you recognise risks to the Government's existing objective of ensuring certain events continue to be enjoyed by as wide an audience as possible?**

39 As stated above, it can be seen from the 2021 Olympics that because the BBC was only able to negotiate limited access to both broadcast and digital rights for the event, the majority of households in the UK could not view the whole event without paying to do so.

40 VLV believes that if digital rights are not added to the regime, many citizens will not be able to watch their favourite sports in the way they want to. It is likely they will have to pay additional fees to pay for subscription channels to view such content which will reduce access to it significantly and discriminate against those who cannot afford to pay to view these events.

**Question 8: If digital rights are not added to the regime, how else could DCMS make changes to achieve the objective that Listed Events continue to be enjoyed by as wide an audience as possible?**

41 VLV considers that the best way to achieve the objective that sporting events of national interest continue to be enjoyed by as wide an audience as possible is to include digital rights in the Listed Events regime.

**Question 9: How might changes to the UK's listed events regime to encompass digital rights impact rightsholders and broadcasters interactions with the global sports rights market, and obligations in other countries?**

42 As stated above, Ampere Analysis has suggested that free-to-air broadcasters might be increasingly unable to spend at the levels rights owners would desire, forcing both parties to explore co-exclusive deals

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<sup>18</sup> *Trends and Dynamics in the Sports Broadcasting Sector – Abridged Report for Ofcom*, Ampere Analysis, 2022. Page 51



through which rights are made available via pay and free services<sup>19</sup>. This could lead to more opaque negotiations between rights holders and broadcasters which VLV believes would be detrimental for citizens because it could limit the ability of our national free to air broadcasters to compete for those rights.

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<sup>19</sup> *Trends and Dynamics in the Sports Broadcasting Sector – Abridged Report for Ofcom, Ampere Analysis, 2022. Page 51*