



Sports content over 3G Market definition issues

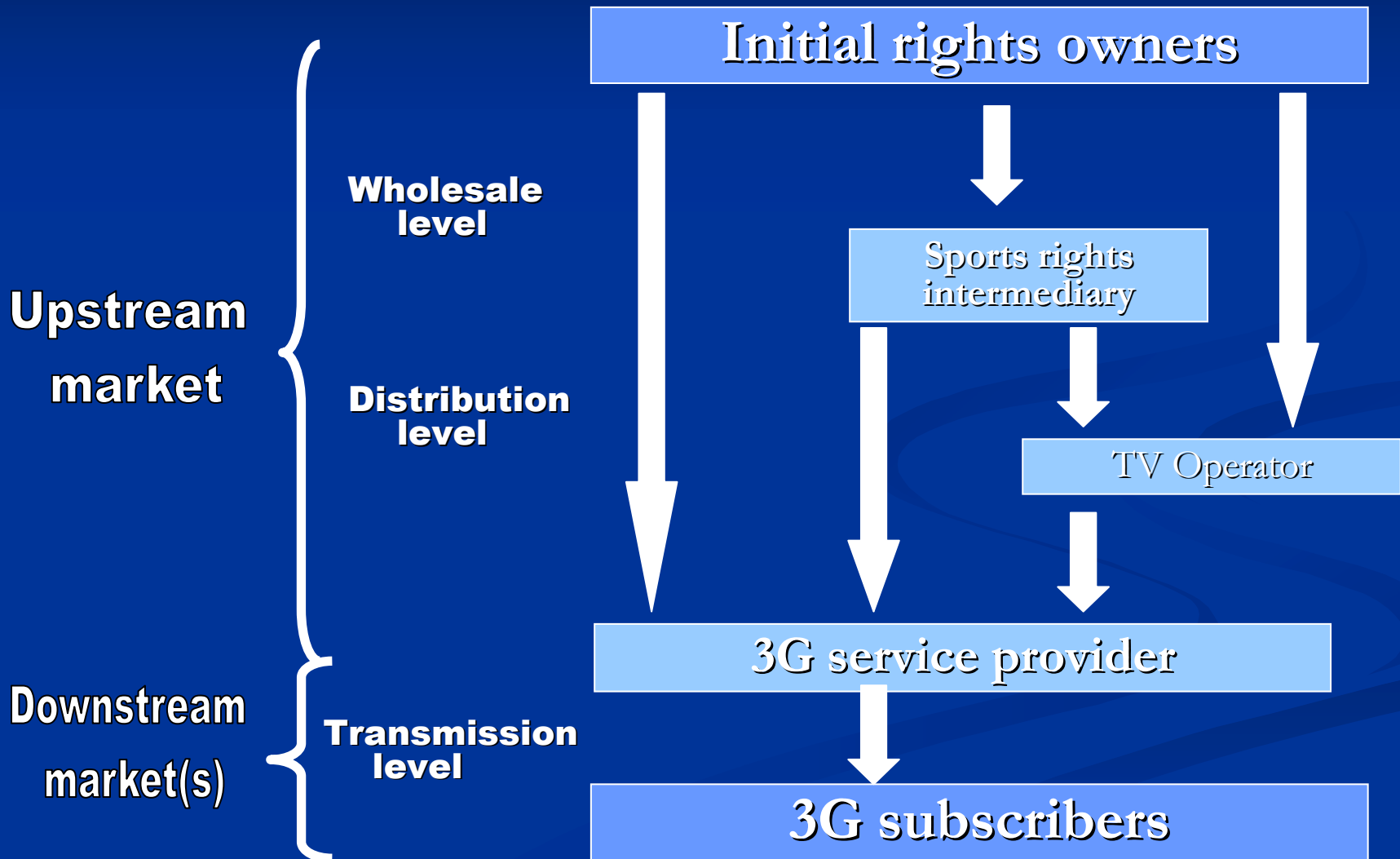
**Sector Inquiry on sports
content over 3G networks**

European Commission
DG Competition, media unit

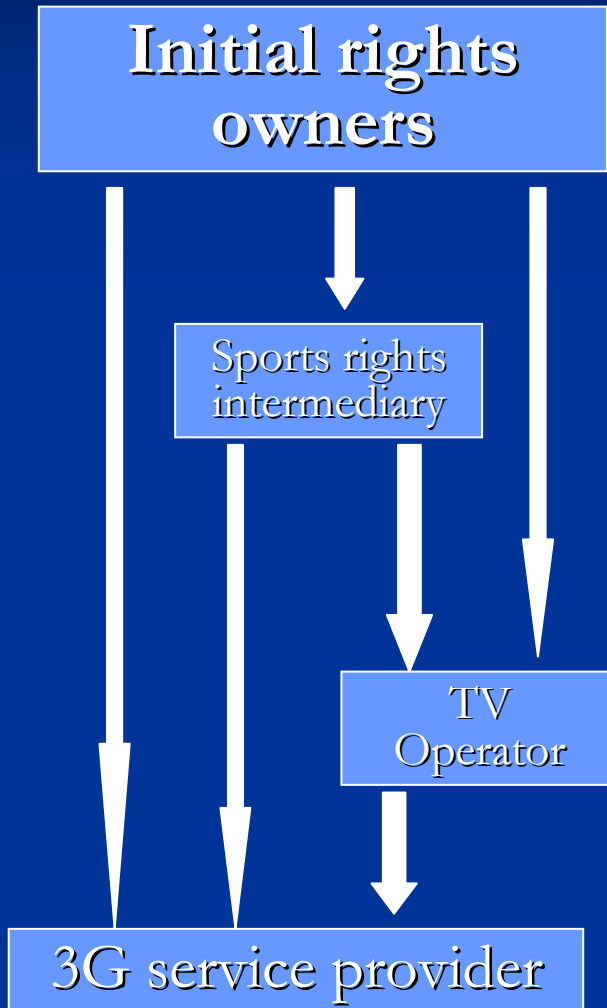
The starting point

- Foundation for application of articles 81 and 82
- Markets on which competition is distorted
- Position in the relevant market, and possible abuse of dominant position in that market

Value chain for sports content



Examples of players



UEFA, FIFA, IOC,...

Infront, ...

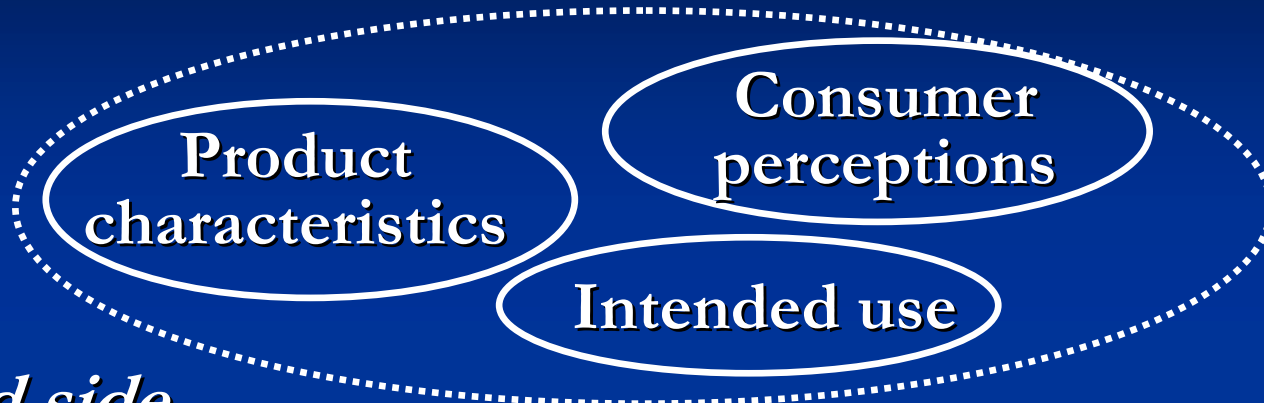
Team acting as an agent,...

EBU,

France Television, RTL,
SkyItalia,...

Vodafone, Orange,
Content agregators

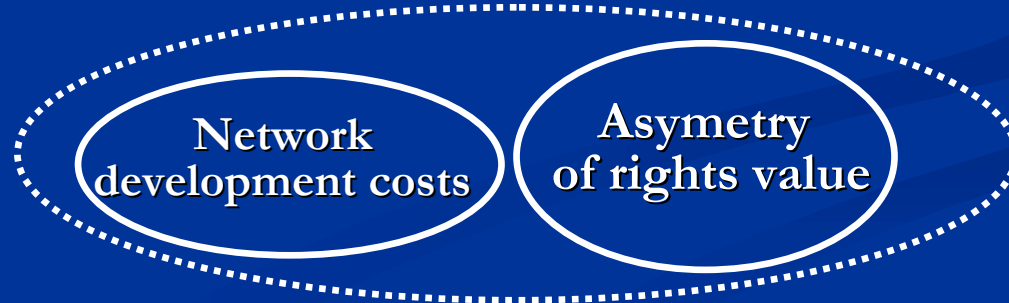
Product market definition



“Demand side substitutability”



“Supply side substitutability”



3G : sports / other types of content

- No or limited competition according to two thirds of respondents
- Importance as a high profile content for launch due in particular to its branding abilities, though not most important relative to demand for the longer term
- Also, sports target groups likely to consider new services

Sports : 3G / other platforms

- Viewer experience
 - Screen size
 - Quality of image and sound
 - Cost of usage
- Use
 - Viewing for limited periods of time
 - Personalization
 - Context of viewing
 - Switching costs
- Preliminary conclusion : overall consumption increase, and use of 3G services along with that of existing services

Impact on existing services

- According to some TV operators, a loss of value of rights could occur in particular through effect on particular products such as highlights, and effect on branding.
- The overall opinion is of limited impact, effect on rights being linked to potential future competition of the mobile platform following further technological improvements
- The differences in services remain substantial, and limited substitution of services is expected by most operators, including in neighboring markets

Separate market(s) for top events ?

- Some events have a particular ability to generate viewer interest and branding
- *“If a specific type of content can regularly attract high audience numbers, specific audiences or a certain brand image, which cannot be achieved by means of other content, it may be considered that such content constitutes a separate relevant product market”* UEFA Champions League Decision
- Different scenarios
 - Differences from country to country
 - Public interest / branding dimension
 - Regular / Irregular top events

Upstream sale and acquisition markets

- Sports rights : 3G / other platforms
 - Sales per platform in the market place
 - Limited convergence in the short term
 - Asymmetrical value of rights limits substitution
 - Internet and 3G rights differ
- Geographic scope : national / transnational
 - Events generating high interest in many countries
 - Networks structured nationally