

A Work Project, presented as part of the requirements for the Award of a Master's degree in
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**“THE EFFECT OF THE COMPETITION IN THE TELECOM MARKET ON
FOOTBALL BROADCASTING REVENUES: CREATION AND
APPLICATION OF POTENTIAL DISTRIBUTION MODELS IN THE
PORTUGUESE LEAGUE”**

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Abstract

This study explores how collective bargaining impacts the broadcasting profits of Portuguese football clubs. It also explores how the competitive nature of the broadcast market impacts the economics of clubs, concentrating on the OTT model.

Due to technology, the streaming TV/online video business model, and Pay-high TV saturation, OTT football viewership may alter broadcast industry competitiveness and club revenues. Sport TV, the only premium sports channel with I League broadcast rights, is owned by the leading operators, therefore restricting the number of new entrants.

Even though football quality must be enhanced, qualitative research indicates that competitive equilibrium is the most important factor of the football's attractiveness. Consumers prefer TV over other networks (smartphones, tablets, PC). Regardless, there is a willingness to switch for OTT broadcasting football.

There is no assurance that adopting a collective bargaining model will promote competitive equilibrium, but it would likely harm the financial stability of several Portuguese League clubs (mostly the top three). This negative influence could impact the international performance of Portuguese teams, reducing the international coefficient of the Portuguese football organization.

Keywords (Football, Competition, Portuguese League, Strategy, Telecom Market, Collective bargaining, OTT Model, Finance)

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Acronyms

AdC- Autoridade da Concorrência

AFC- American Football Conference

BTV- Benfica TV

CD Feirense- Clube Desportivo Feirense

CEO- Chief Executive Officer

CF- Football Club

CS Marítimo- Club Sport Marítimo

EPL- English Premier League

EU- European Union

EY- Ernst & Young

FA Cup- Football Association Cup

FC- Football Club

FCP – Futebol Clube do Porto

FIFA- Federation Internationale de Football Association

GDP- Gross Domestic Product

IP- Internet Protocol

IPTV- Internet Protocol Television

ISP- Internet Service Providers

LFP- Ligue de Football Professionnel

MLB- Major League Baseball

NBA- National Basketball Association

NFC- National Football Conference

NFL- National Football League

OECD- Organization for Economic Co-operation and Development

OTT- Over-The- Top

SCP – Sporting Clube de Portugal

SC Braga- Sporting Clube de Braga

SLB – Sport Lisboa e Benfica

SPENT- Social, Political, Economic, Natural, Technological

sVoD- Subscription Video on Demand

TV – Television

U23- Under 23

UEFA- Union of European Football Association

UK- United Kingdom

VC Guimarães- Vitória Clube de Guimarães

VLC- Visible Light Communication

VO- Viaccess-Orca

VoD- Video on Demand

VPN- Virtual Private Network

1. Work Project Purpose

Through research and analysis, this project aims at answering two main questions:

Q1: What impact may a collective bargaining agreement of broadcasting rights in the I and II professional football league have on the broadcasting revenues from football games?

And as a complement to this question:

Q2: To what extent competition in the broadcasting rights market can influence the clubs' financial structure?

2. Research methodology

First, a literature review was conducted to collect up-to-date information on the background and trends of the subject under investigation, which allowed us to conduct an in-depth analysis and

speculate on the subject's potential future consequences. To understand the potential impact of collective bargaining of audio-visual rights distribution in the Portuguese Football League, we must examine the impact it has had and continues to have in various competitive sports leagues that use a collective bargaining model of audio-visual rights distribution, such as the major European Football Leagues, certain American Sports Leagues, and the Brazilian Football League. The fact that each of these scenarios utilizes a collective bargaining model with such glaring differences allows us to compare which distribution approaches could or might not work in the Portuguese League. In addition, the analysis of the American Leagues (NFL, NBA, and MLB) and the major 5 European Leagues (England, Spain, Italy, Germany, and France) will enable a comprehension of collective bargaining models with great to moderate success, despite the fact that Portugal's demographic and social sections are vastly different. The study of the Belgian and Dutch Football Leagues, on the other hand, serves as a compromise. Given the observable similarities between the nations themselves (in terms of population) and the comparable overall appeal of the three Football Leagues (as indicated by the UEFA ranking), it may be possible to construct a comparison between them for future study. While analyzing the particulars of these situations and the development of revenue, popularity, and club performance, we may draw conclusions and possibly anticipate its future success in the Portuguese League.

We decided to study the OTT model as a medium for broadcasting athletic material, as this is a developing trend. By analyzing its attractiveness, not only can a more realistic image be obtained of its danger to the present participants in the Portuguese football match broadcasting industry, but also its potential to enhance the market's overall revenues.

Moreover, a financial model was designed, in order to analyze the impact on each club that a shift towards a collective bargaining model would have on the clubs' finances, focusing on the "big three" teams.

To acquire qualitative data, an interview was performed with Eleven Sports, one of the largest companies in the Portuguese sports broadcasting industry, which also provides content via OTT

platforms. In addition, a study was conducted to collect data from consumers and characterize the market's major trends, opportunities, and dangers.

3. Literature Review

3.1. Collective bargaining of broadcasting rights

Due to the increasing significance of broadcasting rights, which are viewed as a critical component in determining the discrepancy in income between clubs, media revenues are regarded as a major worry in the football business (KPMG, 2017).

The broadcasting of football events is very essential since technology advancements allow the matches to reach a broader audience. In addition, it is one of the largest sources of revenue for clubs (FOOTBALL BENCHMARK, 2019).

The primary sources of revenue for football clubs are broadcasting, advertising, and matchday. In most situations, clubs have little control over the central distribution of broadcasting money (FOOTBALL BENCHMARK, 2017). According to the Deloitte Football Money League study, television income account for 43% of Money League teams' revenue, while commercial and matchday revenues account for 40% and 17%, respectively. In this case, it was deemed pre-pandemic data because to the atypical nature of the year, therefore it does not reflect reality.

The sale of television rights has dramatically grown its weight in football teams' earnings during the last decades. The convergence of the telecommunications and television industries has altered the media landscape by boosting competition and the number of channels accessible to the public for accessing the games, hence expanding customers' options and dispersing them among the many channels. Therefore, media outlets are willing to offer more than ever before for exclusive football broadcasting rights (FOOTBALL BENCHMARK, 2016).

The collective bargaining model prevents football clubs competing in the I and II Leagues from marketing the rights to their individual matches (Publico, 2021). In contrast, a decentralized model gives the TV rights holders of the clubs with the greatest performance and the most supporters the ability to obtain a larger share of the broadcasting rights money than the others.

Since its inception in 1992, the Premier League has utilized a central distribution model, which is regarded as one of the primary reasons for its financial success. This model promotes more negotiating power and the "no single buyer" rule, so fostering a competitive environment (FOOTBALL BENCHMARK, 2019). A few years later, this model was adopted by Bundesliga, Ligue A, Serie A, and LaLiga, despite the fact that each league had its own particularities regarding the metrics used and their weights.

The objective of the central distribution model was to improve the broadcast and multimedia rights of professional football contests and distribute earnings more evenly among clubs, hence providing a level playing field (Publico, 2021).

3.1.1. Theoretical Assessment of Collective Bargaining

Theoretically, the simultaneous broadcast of two independent games from the same professional league corresponds to rival sports programs, vying for television audiences. The individual selling of rights has the ability to generate competition in television markets, despite the fact that it increases the asymmetry in the financial distribution of television broadcast earnings between clubs and may need customers to subscribe to more channels to see all the games (OCDE, 2010).

From the perspective of a competitive evaluation, the collective sale of broadcasting rights, reading clubs as rivals, entails a sort of horizontal collaboration in which professional clubs forego individual competition. In terms of competition law, the League of clubs equates to an organization of corporations. Collective bargaining "has the effect of coordinating the price policy and all other business circumstances on behalf of all the various football clubs involved," (EUR-Lex, 2003)

granting the seller monopolistic power vis-à-vis potential purchasers, television providers, and telecommunications firms.

There are three anti-competitive theses regarding the collective sale of rights: they give the League market / negotiation power (greater than the individual power of the clubs) to determine the price of audiovisual rights, leading to inflated prices at the wholesale level for television operators and at the retail level for consumers; they restrict the number of games displayed based on the individual trading situation; and they reinforce the market position of the most important television operators, as only the main television operators will be able to bid for all rights. (United Nations, 2018)

In Germany (T. Evens et al, 2013), and the Netherlands (NMa, 2002), competition authorities disallowed collective bargaining of football rights before to 2003, when the European Commission established a precedent in the UEFA Champions League case (Eur-Lex, 2003). In 1999, the Office of Fair Trading (the predecessor of the current Competition and Markets Authority) in the United Kingdom believed that collective selling by the Premier League would be restrictive of competition, acting as a cartel, and inflating costs and prices. However, a court found that the ban on collective selling limited the income of clubs and prevented the possibility of maintaining a competitive balance between large and small clubs (Falconieri, Sonia et al., 2004).

Rottenberg (Rottenberg, S. 1956) and Neale (Neale, W. C., 1964) identified a set of features of the demand for professional sports, according to which competitive balance is a component of the show's quality that consumers desire, so providing support for the "uncertainty of result theory." In this way, collective selling, to the extent that it permits the deployment of income redistribution mechanisms that promote competitive balance in the league, can be advantageous for consumer welfare.

However, it has been questioned that consumers primarily desire competitive balance when viewing the show, as there is little empirical evidence to support competitive balance as a demand reason for the show (Budzinski, O., & Pawlowski, T., 2017) (Pawlowski, T., Nalbantis, G., & Coates, D., 2018).

There are empirical studies in opposition to the "uncertainty of outcome hypothesis" in which it was observed that only when the probability of winning the home games of a given club is extremely high

is there a negative impact on the presence of clubs' supporters – supporters of a given club want their team to win and are more likely to attend home games when the probability of winning is high (Borland, Jeff and Macdonald, Robert, 2003).

Falconieri et al. (Falconieri et al., 2004), using an analytical model, in which consumers value the competitive balance – “uncertainty of outcome hypothesis” –, which depends on the investment in talent/ players by clubs, compared the collective selling solution with the individual selling solution. Falconieri et al., identified three effects: bargaining power effect, which rises with collective selling compared to individual selling, which can have a positive or negative effect on global well-being; the prize effect, when the exogenous prize for winning the league is low, the league can set an individual performance bonus based on the redistribution of collective income based on sporting performance, which encourages clubs to invest in talent, which can be higher with collective bargaining that increases global well-being; and the free-riding effect, which reduces the incentive for clubs to invest in talent, free-riding which is greater the greater the number of clubs in the league. From the combination of the three effects, Falconieri et al. concluded that individual selling is the one that maximizes global welfare when the number of clubs in a given league is greater, clubs are heterogeneous in relation to their individual bargaining power, and when there are exogenous monetary performance rewards – i.e. not determined by leagues – big.

Without collective bargaining, and subject to the purchasing power of television operators, wholesale prices for audiovisual rights can be lower, if we refrain from the possible impact of the value of the rights on the quality of the show. As the US antitrust case *Weyerhaeuser* illustrates (Werden, Gregory J., 2007), monopsony power, which lowers the value of wholesale prices, may not be negative for final consumers if in retail markets the monopsonist does not have market power, i.e. if you pass-through to consumers the lowest wholesale prices. However, in the Pay-TV industries and Telecommunications markets in general, the monopsonist or oligopolist of the audiovisual rights has market power in the exhibition of the rights, i.e. has the capacity to impose prices above marginal costs.

The assessment of the impact of collective bargaining by the League on consumers and global well-being is not a trivial matter, insofar as the growth in the price of television rights, which is associated with the monopolization of sales, can have a positive impact on the quality of television spectacle, through the growth of the competitive balance of the League. Whether consumers effectively value competitive balance – consumers of sports shows are heterogeneous and supporters of specific football clubs – which justifies the rise in the price of access to viewing sports shows, is an issue on which there is not enough scientific consensus supported by empirical evidence.

3.1.2. General Advantages and Disadvantages

In the hypothesis of implementing a collective bargaining model in Portugal, meaning in the Portuguese Nacional leagues, I Liga and II Liga, it was taken in consideration several studies and reports in order to identify the advantages and disadvantages of this model to all the stakeholders involved. The main reports taken into consideration were: “Estudo sobre o impacto da negociação centralizada dos direitos televisivos em Portugal” from (Servir Benfica, 2022), and “Estudo Internacional sobre direitos audiovisuais desportivos” from EY (Farinha, 2021), “The European Club Footballing Landscape” from UEFA and a report from a national agency, Autoridade da Concorrência, which gives recommendations regarding this topic. With this in mind, we will go into the theoretical advantages and disadvantages of implementing this collective sale of football rights in the Portuguese professional leagues, always keeping in mind that these pros and cons of the implementation are highly correlated with assumptions on certain outcomes, as we are going to elaborate further.

As previously mentioned in the international context, numerous European leagues have embraced a collective bargaining model, and the advantages they enjoy are comparable to those that Portugal may enjoy. From the standpoint of the rights owners (i.e., the football clubs), a collective sale of these rights may create a higher selling price than individual sales due to the teams' greater bargaining leverage with broadcasters and the opportunity to provide value-complementary packages. This

impact also enables clubs to enhance their earnings relative to individual earnings, which, in theory, leads directly to a more equal income distribution among all championship clubs.

Additionally, from the standpoint of sports channels and customers, the combined selling of rights might bring about a number of advantages. In reality, collaborative marketing enables the construction of sports channels with content tailored to customer interests by enabling the acquisition of game packages with considerable value complementarities. Also from the perspective of broadcasters, a centralized strategy might provide fresh money to combat piracy and illicit broadcasting. Lastly, the collective bargaining of sports rights could be an adequate starting point for effectively addressing the identified competition problems, as it would allow for the regular release of a portion of television rights at the same time, thereby lowering entry barriers and guaranteeing access to sports content with higher quality and innovation at a theoretically lower price.

On the other hand, its execution and its benefits might also cause certain downsides and disadvantages for the stakeholders, constituting an antithesis. According to the research, no forward public study with particular values and assumptions for a centralised scenario has yet been conducted, and the downsides of this model may have a greater impact than their benefits, depending on the scale of each good and negative effect. According to Autoridade da Concorrência, the expected increase in income is not quantified, nor has a thorough prediction been prepared. In light of this and taking into consideration the fact that the Portuguese market, which will be analysed in greater depth, has the highest football viewing costs relative to the average national wage in Europe, Portuguese consumers already pay the highest rates relative to the rest of Europe. This is also consistent with the belief that the Portuguese market has already reached its maximum income potential in this subject. SL Benfica, FC Porto, Sporting CP, and SC Braga will see a considerable loss in revenue if the collective bargaining does not result in a significant rise in revenues, and if the 50-25-25¹ distribution model is assumed. In addition, according to a research by “Servir o Benfica”, the Portuguese League is one of

¹ This means a distribution of revenues of 50% equally shared revenue, 25% distributed based on current season performance and the remaining 25% based on social impact, mainly home games attendance. For more information on this refer to chapter 5.2.3.2.

the most reliant on money generated by UEFA competitions. Considering that the top four clubs are the ones representing Portugal in international competitions, this decrease in revenues for the top four clubs could very well lead to a decline in performance in international competitions, thereby reducing the inflow of revenues from international games and creating a vicious cycle that will lead to a decline in competition in the Portuguese I Liga and II Liga.

Therefore, in order to prevent this loss to the larger Portuguese clubs, (again, taking into consideration the new distribution model), revenues required to more than double, if a collective bargaining is implemented. Given that we have the third-highest revenues in football streaming per capita and in PIB by purchasing power (Servir Benfica, 2022), it may be challenging to raise these revenues through a price increase for customers.

Considering the positions and interests of broadcasters and sports channels on the national market, the implementation of this model is also subject to certain limits. First, in the collective approach, bidders for broadcasting rights would compete for ownership. This indicates that collusion is feasible if bidders express the same interests, as is the case in the current Portuguese scenario with Sport TV. Second, this rivalry under a collective negotiation paradigm might impede the emergence of new, creative trends, such as OTT, in other areas, which take time to reach the income levels of traditional broadcasters.

As outlined previously, the implementation of this model would have an impact on the various stakeholders present, whether they are consumers, clubs, broadcasters or TV operators, or even indirect stakeholders such as the competition in the Portuguese League and the performance of clubs on the international stage. After briefly highlighting the major advantages and disadvantages of this suggested paradigm, we shall investigate each of its sides and effects in this article.

3.2. Audiovisual rights landscape

3.2.1. Internationally

Several elements distinguish the Portuguese League from the American Leagues (NFL, NBA, and MLB) and the top five European Leagues (England, Spain, Italy, Germany, and France). Initially, they use a collective bargaining model to negotiate the sale of audiovisual rights. This negotiation typically involves packages (where different channels have the possibility to bid on several offers, based on game day, schedule or on different platforms). The availability of more than one large "audiovisual player" enhances the viability of this system by permitting rivalry among players, which results in the "sharing" of material. Most of the audiovisual content is distributed via Pay-TV and streaming channels. Lastly, the League publishes each team's revenue in a transparent manner, in contrast to the Portuguese system in which each club exposes its own revenue stream inside its own financial reports.

3.2.1.1. European Leagues

Premier League

Currently, the EPL is the most significant football league in Europe, ranking first in Brand Value, Total Broadcasting Revenue, and Average Total Operating Revenues. In fact, the EPL's Brand Value has reached such high levels (8,600M€) that it is worth more than twice as much as the next player, the Spanish League (4,100M€) (Statista, 2022). Five English teams (Manchester City, Manchester United FC, Liverpool FC, Chelsea FC, and Tottenham Hotspur FC) are among the top-10 leading teams by total operating income, with Manchester City in first position and Arsenal, the remaining top six clubs, in 11th (Football Benchmark, 2022). The amazing numbers of the EPL are reflected not only in the monetary values of their income streams, but also in the aggregate number of social media followers, which is 820 million, followed by the Spanish League, with figures of 764 million, and the Italian Serie A, with 281 million.

The initial implementation of the collective bargaining model occurred in 1992, following an agreement between the Football Association and the 20 clubs. The EPL creates a clear separation between national and international broadcasting earnings, employing unique allocation mechanisms

for each revenue source. There are presently 20 clubs in the league that play home and away games, totaling 380 total games every season, divided into 38 game weeks. As the EPL expands its worldwide strategy, the foreign audiovisual income stream contributes significantly to the maintenance of a strong Brand Value. When it comes to international rights, the EPL takes an egalitarian approach, since the whole amount of the profits is distributed equally among the 20 clubs. Given the strength of international markets, the English Premier League adopts an internationalization plan to maximize profits on various markets. Currently, the EPL assigns one "big six" (Arsenal, Chelsea, Liverpool, Manchester City, Manchester United, and Tottenham) match every game week to the premium schedule for the Asian market.

The EPL's overall broadcasting income have climbed over the past decade, reaching \$3,010 million in 2021/22. Moreover, the data for the previous two contract renewals have increased, with a 43% increase in 2016/2017 and an 8% increase in 2019/2020.

While local broadcasting income have been on the rise, the importance of foreign broadcasting contracts appears to distinguish the Premier League from other European leagues. International revenues will account for 46% of overall broadcasting income in 2021/2022, with a total value of 1,400 million euros. As of 2019/20, the EPL implemented a new formula for distributing international revenues, in the case of future increases: the current value of that stream would continue to be distributed equally through each club, but the increased amount would be distributed on a merit-basis, according to each team's league position, while establishing a ceiling ratio of 1.8:1, meaning the "highest-earning club receives 1.8 times the amount received by the lowest-earning club" (Premier League, 2016).

However, the Domestic Revenues distribution model is considerably different: fifty percent is allocated equally to all clubs, twenty-five percent is granted depending on each club's final league place, and twenty-five percent is distributed as a facilities fee for matches shown on television (Premier League, 2016).

The data given by the EPL itself (Exhibit 1) enables us to analyze their distribution model in a clear manner. In season 2020/21, the English Premier League disbursed a total of 2,518 million pounds in income, or an average of 126 million pounds per team. As Manchester City, the league's first-place team, earned 152.55 million, we can compute an increase of 21% when compared to the average, whilst Sheffield United, in last place, received 97.56 million, a relative value of -22.6% to the average. Absolute statistics reveal a lesser disparity, with the top spot earning 6.06 percent of the total broadcasting income and the worst spot receiving 3.87 percent of the same pool. Focusing on merit-based distribution has an immediate effect on final values, with top place receiving 9.52 percent of the overall merit-based payment pool (including local and foreign) and last place receiving only 0.48 percent (Exhibit 2). On the "Facility Fees" category, we observe a different approach, with fourth-place Chelsea FC receiving the most amount due to the live broadcasting of 30 games, more than first-place Manchester City's 27 games.

The unquestionable success of the EPL distribution model, with its robust audiovisual offering, highly devoted audience, and high-quality and competitive football, has also boosted the coverage of the competition in the rest of the world, with one billion households having access to its games.

La Liga

LaLiga, generally known as the Spanish Football League, ranks second in terms of Brand Value (Statista, 2022). It also lags behind the EPL in Total Broadcasting Revenue and Aggregate Social Media Followers, but is third in Average Total operating revenues and has two clubs (Real Madrid CF and FC Barcelona) in the top five clubs by total operating revenues. Furthermore, Real Madrid CF is presently the market leader in terms of worldwide brand value (Brand Directory, 2022). LaLiga is perhaps the second most prominent football tournament in the world, with 764 million followers on social media and a significant lead over third place.

In contrast to the EPL, where a collective bargaining model of audiovisual rights has been in existence for some time, the LaLiga did not adopt the model until 2016, when Royal Decree-Law 5/2015

forbade individual negotiations (EY). After early opposition from teams, particularly FC Barcelona and Real Madrid CF, this model was not adopted until the 2016–17 season.

When analysing the immediate effects of the new collective bargaining agreement, we see a 29.6% rise in broadcasting income, from 3,167.60 million euros in the previous season to 3,662.30 million euros in 2017/18. It is essential to note, however, that this increased tendency was also observed in prior years, particularly in the fluctuation between 2014/15 and 2015/16, which represented a variance of 31.3%. (Sports Business Institute). Based on the prior data, a conclusion that the collective bargaining agreement increased the entire pool must be viewed with considerable skepticism.

LaLiga's new agreement stipulates that 10% of the overall broadcasting profits will be allocated to the second division clubs, while the other 90% will be divided among the 20 first division clubs. These 90% would then be distributed based on the following criteria: 50% is divided evenly among the league's 20 clubs, 25% is awarded based on league places during the previous five football seasons (merit-based), and the remaining 25% is based on the team's social impact, referred to as "Club Support." Club Support is further subdivided and calculated as follows: "average income from season tickets and gate receipts over the past five seasons" (Sports Business Institute Barcelona) corresponds to a 1/3 proportion and "contribution to broadcast resource generation calculated by comparing the average audiences recorded by the participating clubs each season" (Sports Business Institute Barcelona) corresponds to a 2/3 weight. With the factors given above, the final distribution is 50%/25%/17%/8%. After all distributions have been made, the revenue gap between the highest and lowest earners is 3.5 times larger.

On the second contract renewal, which covered the period between 2019 and 2022, domestic broadcasting rights were offered in packages/bundles, allowing for competition amongst major participants (in this case MediaPro and Telefonica).

Comparable to the EPL, foreign broadcasting income are shared evenly among LaLiga clubs, but without the merit-based component experienced in later EPL seasons. LaLiga follows the pattern set

by the EPL by scheduling the first "El Clasico" in the early afternoon to target the Asian market and the second in the evening to target the American market.

Despite the absence of information on the precise categories within the LaLiga's distribution model, Exhibit 3 displays the total broadcasting income values collected by each team during the 2020/21 season. With a total worth of 1,445.00 million euros, it is simple to establish that the average revenue is 72.25 million euros, which is much lower than the EPL average. However, the club with the most earnings receives 129% more than the average, while the club with the lowest earnings receives -35% of the average. It is irrelevant that top place earned 11.46 percent of total income while lowest place received only 3.24 percent. When compared to the EPL, the outliers in the Spanish model have substantially larger disparities, mostly owing to the merit-based and social impact categories that give larger sums to more popular clubs.

Bundesliga

The Bundesliga is the premier football league in Germany. It follows LaLiga in Brand Value and Total Broadcasting Revenues, while surpassing it in Average Total Operating Revenues. FC Bayern Munich is the most well-known club in the league, ranking first in Club Brand Value in 2021 before Real Madrid CF overtook them in 2022. However, the Bundesliga is far less popular, ranking seventh among the top seven leagues with 192 million collective social media followers.

In contrast to the preceding leagues, the Bundesliga's overall broadcasting income has decreased from 2020/21 to 2021/22, from 1188 million euros to 987 million euros (Football-Finance, 2022). However, the provided preview of the following 4 years hints to a small recovery of the value, albeit being still below the values of 2020/21. Due to the fact that the standards utilized for analyzing prior competitions were from 2020/21, we shall employ the same technique for the Bundesliga.

Similar to the EPL and LaLiga, the Bundesliga distinguishes between domestic and international revenue. However, Bundesliga's International Revenues offer a substantially lesser share to the entire

pool, compared to the EPL and LaLiga. In contrast to the EPL and LaLiga, where attendances ranged from 40 to 50%, the Bundesliga can only attain 14%. Given the Bundesliga's popularity and the fact that it is significantly smaller compared to the previous leagues, it is unsurprising that it is unable to get much attention outside of Germany. The "index" of competitiveness may also be cited as an explanation for the Bundesliga's lack of attention. FC Bayern Munich has won the title for the past ten years in a row, while Borussia Dortmund has finished second for the past six.

The distribution model of the Bundesliga adheres to the so-called "Four Pillar Principle": Equal Distribution, Performance, Youth Talent, and Interest (DFL, 2020). 53% of Pillar 1's value belongs to Equal Distribution. In this category, the entire National Broadcasting Revenues are divided and distributed equally between the 18 clubs from the first division and the 18 clubs from the second division (Bundesliga 2). At number two is the Performance pillar with a weight of 42%, further divided into three sub-categories: a Separate 5-year table, with a weight of 24.5%, for both the Bundesliga and Bundesliga 2 (where each club receives points from 1 (last place in Bundesliga 2) to 36 (champion of the Bundesliga), with points from the previous five seasons weighted 5:4:3:2:1 and providing two separate tables for each competition); a Joint 5-year table, where the final table Concerning the Youth Talent pillar, its division into two subsections adds to the model's complexity. The first component amounts for two-thirds of the pillar and allocates money proportionally to the minutes played by club-trained U23 players during the current season. The remaining one-third is based on the proportion of U23 local players' total training time (starting at age 12) and is weighted by minutes played. Lastly stands the Interest pillar, which accounts for 2%, and determines interest in each club of the 2 major divisions, with the assistance of a survey performed by Allensbach Media Market Analysis and aimed at general population from the age of 14, with a representative sample of roughly 23000 persons. The survey permits the categorizing of the interest in each club in relation to the general interest in all clubs. (DFL, 2020)

Concerning International Revenues, the distribution model focuses more on UEFA European tournaments and the success of German clubs in relation to them. A predetermined 4% stake of the

overall International Revenues is originally awarded to the Bundesliga 2 clubs, while the Bundesliga clubs keep the remaining 96%. Erst danach may a three-pillar distribution for Bundesliga clubs occur. Equal Distribution, the first pillar, distributes 35% evenly across the 18 participating clubs. The Performance pillar, worth 65% in total, with 50% allocated through 5-year performance in UEFA European competitions, using a coefficient designed by the DFL that closely corresponds to the club coefficient used by UEFA, and 15% based on a 10-year participation of Bundesliga clubs in said UEFA competitions, only considering group stage and elimination rounds matches. (DFL, 2020)

The 2020/21 broadcasting income allocation is seen in Exhibit 4. FC Bayern Munich, winner of the Bundesliga for that season, obtained the greatest sum of income, with an 8.9% share of total revenues, while last place Arminia Bielefeld kept only 2.9% of the total value. With an average of 66 million euros awarded every club, we can also compute the distance from the top and worst position to the average. Whereas the top position earns +59.6%, the lowest place collects -48% of the same amount, exposing certain anomalies, yet with a better distribution than LaLiga.

Serie A

The Serie A is the premier Italian football league. The negotiation of broadcasting rights has followed a collective bargaining model since 2008, when Legislative Decree No. 9 of January 9, 2008, also known as the Melandri-Gentiloni Decree, was signed into law. Following the scandals of 2008, this renegotiation of broadcasting rights aimed to decrease the risk of match manipulation. (EY, 2021)

As there appears to be no distinction between Domestic and International Revenues in Serie A, it may be inferred that the distribution model splits them equally based on a set of rules: 50% is considered equal distribution, where each of the 20 participating clubs receives an equal share, 15% is merit-based and includes only the previous season's classification, 10% is based on the last five seasons' classification, 5% is based on historical classification, and 20% is based on the number of supporters (calculated by TV audience on a team's games and ticket sales). The most recent three-year contract period (2018-2021) was negotiated through bundles, with Sky and DAZN ultimately dividing the total games unequally. According to EY, the annual value of this deal (including domestic and

international rights) was around 1,320 million euros. Importantly, the value of International Rights increased from 190 million euros to 371 million euros during this period, while Domestic Broadcasting Rights appeared to generate 973 million each season (Sportstar, 2020)/1025 million dollars (Football-Italia). The revenue gap between the top and bottom earners in Serie A is 4.7x (EY, 2021), making it the most unequal among Europe's top five leagues. Exhibit 5 presents estimated and unofficial data for the distribution of Serie A teams.

Ligue 1

The Ligue 1 is the elite football league in France. Despite being regarded as a Top-5 European League, it is one of the least popular in that field, as it is placed fifth in Average Total Operating Revenues and Total Broadcasting Revenue, but fourth in Aggregate social media followers, ahead of the Bundesliga but below the others. The centralized model originated in France with the Law 84-610 of July 1984, which declared that the Sporting Rights belonged to the event organizers, in this instance the Ligue de Football Professionnel (LFP). In 2018, League 1 signed a 3-year contract with Mediapro for 80% of the Domestic Broadcasting Rights, while beIN Sports acquired the remainder 20%, allowing the LFP to obtain 1153 million euros for the entirety of the Domestic Broadcasting Rights. The transaction got completed despite Mediapro's lack of bank guarantees. Although Mediapro's financial status was already unstable before to Covid, the pandemic exacerbated the company's financial difficulties. Although they were able to pay the initial installment, they were unable to pay the subsequent two installments. This sequence of events resulted in the LFP and Mediapro terminating their contract in December of 2020 (SP, 2022). The LFP was able to negotiate a new three-season deal with Amazon, worth 275 million euros per year, for approximately 80% of Ligue 1 and Ligue 2 (France's second division) matches, while beIN Sports retains the remaining 20% (which it sublicenses to Canal+), for which it paid 330 million euros per season in 2018. The latest agreement with Amazon has prompted Canal+ to seek to return their rights (after analyzing the issue and realizing they were overpaying), but a French judge has ruled that they must continue to pay beIN Sports until the present contract expires. In Ligue 1, the present Agreement for International

Broadcasting Rights exposes a mostly untapped market, with BeIN Sports as the sole owner (with a contract that began in 2018/19 and will finish in 2023/24) and sublicensing to other media firms, such as DAZN in Japan (SP, 2022). This agreement is worth around 80 million euros every season, which, even in the more current scenario with Amazon and beIN Sports as the owners of the Domestic Broadcasting Rights, is just 11.7% of the entire income pool. Given the lack of consistency in Revenue streams over the past several years, it becomes impossible to analyze their model in its entirety. Nonetheless, it is worthwhile to clarify how earnings might be split throughout a typical season. The LFP adheres to the 50-30-20 rule: 50% is split equally across all clubs, 30% is set and 20% is tied to club licensing, 30% is merit-based and shared according to league places, with 25% from the current season and 5% from the preceding five seasons, and 20% is based on media profile.

Eredivisie

Despite the fact that the top five European leagues are an example of a well-applied collective bargaining model, the sporting, demographic, and social conditions in those leagues and the nations they represent are vastly different from the Portuguese instance. For the purpose of analyzing a distribution model that may be more directly related to and utilized in the Portuguese League, the Eredivisie was one of the selected leagues, as several of its variables had comparable sizes. According to the UEFA Country Coefficients ranking as of the date of this study, the Netherlands and Portugal are placed sixth and seventh, respectively, with a point difference of 53700 to 51716 (UEFA.com). Despite their demographic disparities, this provides the Netherlands and Portugal with a ranking worthy of comparison.

The population of the Netherlands is around 17.6 million, whereas Portugal stays at 10.3 million (Statista). This demographic disparity is substantial, indicating that the Netherlands have the potential to establish a larger broadcasting market than Portugal, given the right conditions. The current Domestic Broadcasting Rights contract for the Eredivisie was signed in 2013 and expires in 2025, with an average value of 80 million euros per season. This scenario goes against what is typical in the big-5 Leagues, where broadcasting deals tend to have no more than 5 years. The distribution of

broadcasting earnings by the Eredivisie is based on a ranking methodology that takes into account the club's standing in the League over the previous ten seasons. The sum of each team's total points from the aforementioned seasons is then divided by the 18 clubs' total points. At the end of the season, the ultimate value allocated to each club will be determined by multiplying a percentage by the overall value of Broadcasting income.

Regarding International Broadcasting Rights, IMG is the exclusive owner, having just signed a new deal for its exploration between 2022/23 and 2024/25 (Insider Sport, 2022). The preceding agreement, which ran from 2018/19 to 2021/22, generated 12 million euros annually (Servir o Benfica, 2022).

Exhibit 6 depicts an estimate of broadcasting income per team for the 2019/2020 season (non-official values, only based on published data). With an average of 4.42 million euros earned each club, the Eredivisie has one of the smallest earnings agreements among Europe's major clubs. Ajax, in first position, earns 133% more than average, while Fortuna Sittard, in bottom place, earned -56% less than normal. When comparing the highest and lowest incomes, we compute a difference of 428%, indicating disparities not observed in the top five leagues and exposing a flawed model.

The Jupiler Pro League is Belgium's premier league. In contrast to the Eredivisie, which was a case of interest owing to its proximity to Portugal in UEFA's Nation Coefficient ranking, the Jupiler Pro League is played in a country with a demographic profile closer to Portugal, with around 11.65 million inhabitants. While winning on the demographic side of parallels, it loses on the sporting side, ranking ninth in the UEFA's Country Coefficient with 35400 points, as contrast to Portugal's 51716. The current Domestic Broadcasting Rights contract with Eleven Sports is worth 103 million euros and has a length of 5 years, beginning in 2020/21 and continues for 5 seasons. Distribution methods and particular amounts are not released, although it is believed that the top five clubs in Belgium earned 80% of the revenue, while the remaining eleven clubs received just 20%. (Digital TV Europe, 2020). The criteria used to identify the top five "vary from commercial effect to TV audiences" (Inside World Football, 2020).

The International Rights distribution is still in its infancy, with Eleven Sports working with Mediapro to deliver the Jupiler Pro League on worldwide stages. The cooperation between Eleven Sports and Mediapro has enabled the league to be aired across the Americas and Oceania due to Mediapro's worldwide reach. Eleven Sports is leading the charge by providing free access to pre-playoff matches on its streaming platform, MyCujoo.

It is important to note that the Jupiler Pro League has a different structure than the other leagues mentioned. In the first phase, 16 teams play each other twice and a final ranking is determined based on the regular schedule. However, in the second phase, the first six ranked clubs form a group, where their points are halved and their order is retained. After that, they play each other twice more to determine the final standings of the season. This model has enabled Eleven Sports to provide free access to first-phase games, then to create a pay-per-view model for the second phase. This method facilitates the league's increased visibility.

3.2.1.2.American Leagues

Despite the fact that the United States of America are a unique nation, we have previously analyzed, both demographically and socially, the continued cultural significance of sports. American sports also utilize a collective bargaining model, with some mixing it with regional variations. The use of advertising as a source of money for the media is utilized in a much more pronounced manner, which is a second set of distinctions. In American sports, particularly in the leagues listed below, the league system is closed, there are no relegations, and college players are picked annually by each club in a seven-round draft. Priority in the Draft is given to the clubs with the lowest win % from the previous season, while the Champions of the League select last in each round.

NFL

The NFL is the main American Football competition. The NFL possesses 32 teams, split between two conferences: the AFC² and the NFC³. Each conference has four divisions, which are divided

² American Football Conference

³ National Football Conference

between the North, South, East, and West. Each Team plays their division opponents twice every season, four Conference rivals, four teams from the opposite Conference, and two games against division rivals from the other divisions within the same Conference (NFL Football Operations, 2022). It is a league focused on the postseason, with 16 regular-season games determining a ranking of clubs that will subsequently compete in the postseason. There is a distinction between regional and national games, with regional games representing the regular season and national games representing the remaining playoff contests (Wild Card, Divisional, Conference and Super Bowl). The National Football League is a pioneer in the media rights market, executing a collective bargaining model that gives each team an equal portion of income. Despite having the fewest amount of games played in the United States (255), it makes significantly more income than the NBA (Basketball) and the MLB (Baseball). Five packages are discussed during the bundle negotiation (seen in every major American competition), with CBC, FOX, NBC, ESPN, and ABC being the bidders (EY, 2021). Each package specifies beforehand the number of games, the weeks during which they are televised, the number of wildcard games (playoffs), and whether the game will be telecast in prime time or on Thanksgiving (considered a major holiday in the US). The Super Bowl (the championship game that determines the League's winner) is annually aired on a single network.

MLB

MLB⁴, the primary Baseball competition in the US. Like the NFL, it is characterized by a playoff-based structure, where regular season games and each team's win percentage determines a ranking of teams, from which the best teams follow through to a knockout round. Also comparable to the NFL is the split of clubs, which consists of two Conferences (American League and National League) with 15 teams each, and three divisions (Central, East, and West) within each Conference. There are around 2400 broadcast MLB games every season, with each team playing 162 games. Even if the concept of regional and national games has been confirmed, the NFL and MLB share no other characteristics. The MLB's national games (meaning postseason games) adhere to a collective

⁴ Major League Baseball

bargaining model in which each team receives an equal share of the total revenue pool. However, the League permits individual team talks for regional games. Naturally, the inequalities in broadcasting earnings from regional games are considerably greater, since the more popular clubs are able to negotiate larger deals and maybe get national coverage. In light of the inequalities in the contracts, there is a collective agreement amongst the 30 teams that stipulates a preset proportion of overall money collected by clubs to be pooled and then allocated evenly. According to the most recent accords, each team earns around sixty million dollars each year from national games. Regional broadcasting revenues reflect a 12.5x disparity between the highest and lowest earners (Los Angeles Dodgers and Miami Marlins, respectively) compared to total broadcasting revenues, which reveal a 3.9x difference. The Los Angeles Dodgers earn \$250 million for the rights to their regional games, but the Miami Marlins only receive \$20 million. This figure indicates the Brand Value of certain clubs with widespread fan bases, while others fail to gain sufficient popularity to negotiate better terms.

NBA

The NBA⁵ corresponds to the main division of professional Basketball in America. As is customary in American Sporting events, it is a playoff-based tournament, with clubs qualifying for the postseason based on their regular-season standing. It consists of 30 teams, which are divided between two conferences (East and West) and three divisions within each conference (Atlantic, Central, and Southeast in the East Conference; Northwest, Pacific, and Southwest in the West Conference). Each season, around 1300 games are aired using either a Pay-TV or Streaming model.

The NBA employs the same structure as Major League Baseball, with regional and national games. Regional games consist exclusively of regular-season contests, but national games comprise every round of the postseason, from the first to the championship. Regional games may be separately negotiated by NBA clubs, while national games are supported by a collective bargaining agreement.

⁵ National Basketball League

Regarding national games (using a centralized method to the negotiation of television rights), the whole income pool is divided evenly among the 30 participating clubs, or \$90 million per year for each. Regarding regional competitions, the scenario is rather distinct. The examination of values reveals a 6.1x disparity between the highest and lowest earners, despite the fact that the inequities discovered are not quite as pronounced as those in the MLB. The exact example identifies the Los Angeles Lakers and the Miami Heat as the highest and lowest earners for their respective rights, collecting 122 and 20 million dollars, respectively. Since it stands, this demonstrates a disparity in popularity across clubs, with the more popular teams receiving larger broadcasting contracts (as millions of people are provided) and the less popular teams being unable to secure higher offers owing to their limited social reach.

When entire broadcasting income are considered, however, the disparity narrows to a mere 1.9x, with the LA Lakers receiving 212 million dollars and the Miami Heat receiving 110 million dollars. Comparing the above-mentioned figures to those given by the MLB reveals that the influence of regional broadcasting rights in the NBA is lower, at least when comparing the top and bottom clubs. The commercialization model includes four important participants (ABC, ESPN, TNT, and NBA TV) with varying degrees of effect on the number of televised games. ABC airs 19 games (Christmas, Saturday evenings, and Sunday afternoons), ESPN airs 82 games (Wednesdays, Fridays, and 20 playoff games), TNT airs 67 Thursday games and 45 playoff games, and NBA TV broadcasts 106 games (Sundays, Mondays, Tuesdays, and Saturdays, and 9 playoff games). This agreement is effective until the expiration of the present long-term contract in 2025.

3.2.1.2.1. Americanization of the European Competitions

Over the past several years, European football has taken on a new form and adopted more American techniques. Despite some of its benefits, the collective bargaining model might be viewed as anti-competitive since it has some features entrenched in American sports: The Leagues are often closed to a fixed number of teams – the owners of the teams currently placed in the League can veto the

entrance of other teams from the same geographical area, while being financially rewarded for new entrants; there are strong restrictions on the recruitment of new players – the Draft mechanism allows the weaker teams in the previous season to be the firsts to select new players coming from College Football Leagues, with the goal of preserving talent; and there are strong restrictions on the transfer of players between Leagues (leaving College). This alignment of team interests elicits a response from the players, as seen by a high level of unionization on the players' side (Besanko, D. et al., 2014). In the American Model of professional sports organization, athletic "shows" feature competition.

The "Unique League" model widely used in the United States, with strong competitive restrictions and barriers to entry, differs from the traditional model used in European Football competitions, in which the sporting competitions are organized by sporting federations or associations, containing all levels from amateur to professional, creating a structure in which entries and relegations are determined in a competitive manner and based on sporting merit, especially through a promotion and relegation system.

The proposal to establish a "European Superleague" in 2021, comprised of a group of 12 predetermined teams from the leading European professional football clubs, has produced an obvious conflict between the European and American athletic models. Within the scope of the initiative, the aforementioned 12 clubs petitioned the Commercial Court of Madrid for preventive measures. The court also prohibited UEFA and FIFA from threatening the founding members of the Superleague with fines, deeming UEFA's regulations prohibiting the participation of football teams in competing athletic events without prior authorization to be an abuse of dominant position (Orth, M., 2021). It similarly saw as an abuse of dominant position FIFA's laws defining FIFA and its members as the owners of football event audiovisual rights. The value of broadcasting rights, which are jointly bargained within UEFA's championships and further divided based on equitable standards and sports performance, with teams unable to claim direct ownership, was one of the issues that the Superleague concept intended to resolve. The project confronts the monopoly power of the federations and confederations, such as UEFA and FIFA, in the organization of sporting competitions - in fact, the

precedent of the judgment T-93/18 International Skating Union v. Commission, considered that it was a violation of the right to competition for a federation to punish athletes that desire to play in competitor competitions – with a horizontal agreement between a set of powerful clubs, that establish a competitive model. The Commercial Court of Madrid is awaiting a preliminary opinion from the Court of Justice of the European Union on a pending case (Orth, M., 2021).

The widespread adoption of the collective negotiation of audiovisual rights of professional sports in Europe is consistent with a growing tendency of European competitions to incorporate traditional characteristics of the American model for the organization of professional competitions (OCDE, 2010), as football's weight as a sporting spectacle in Europe increases in economic significance, despite the fact that some of these characteristics, such as the financial fair play rule, can be considered anticompetitive. Indeed, on deregulated markets, corporations have no investment restrictions other than those imposed by the capital markets' availability to financing. The financial fair play standards enforced by UEFA, although being justified in maintaining the financial riches of the participants, can act as a barrier to competition by preventing some clubs from spending in order to win the tournament or gain entrance to an international UEFA competition. In conventional competition, the loss of market operators due to financial failure is neither an issue of competition nor a model of athletic rivalry with many divisions and relegation systems. On a model of closed league, such as the American model observed in the majority of professional sports, the rules that aim to guarantee the financial well-being of the participants have their own framework, which is justified by entry and exit barriers that restrict the competitive functioning of the markets.

3.2.2. Portuguese Context

Channel providers like as Sport TV, BTV, Canal 11, Sporting TV, and others transmit the sporting audiovisual rights. After that, the Telecom providers Vodafone, NOS, and Altice transmitted them. According to EY's study (Farinha, 2021), these operators "are present in every phase and hold a shared

position in Sport TV." As a result, it creates "competitive issues, prompting the Competition Authority to submit a proposal in support of audiovisual rights centralization."

In contrast to Portugal, the major international football leagues of Europe use a "centralized model of marketing of audiovisual rights" to commercialize the audiovisual rights of professional football tournaments. (Farinha, 2021). In the analysis conducted by EY, only the Portuguese league and the premier division of the Brazilian championship Série A do not use a collective bargaining model for income distribution. This collective bargaining model varies from the Portuguese league in that the league (or an organization selected by the league) negotiates the rights of the clubs, rather than the clubs themselves. In addition, it is the league that chooses how the value of the negotiated rights is allocated among the clubs, depending on criteria that the league has already defined. Non-exclusivity of rights broadcasting by the same media operator is an additional difference between broadcasting rights in Portugal and the major international leagues of European football. This is the "no single purchaser" regulation. In Portugal, nearly all matches of the top two football divisions are shown on the premium pay channel Sport TV (only Benfica's home matches are carried on the club's station, BTV). In the major European leagues, rights commercialization is conducted differently, with a structuring of packages/bundles dividing the numerous matches into groupings based on the day and time of the match or the broadcasting platform. This enables for a redistribution of matches from these leagues among channels/platforms.

3.2.2.1. Historical Competitive Structure of the Portuguese Broadcasting Market

Audiovisual rights linked with premium sports programming, especially those that attract enormous audiences, such as professional football, are essential inputs in the Pay-TV and Telecommunications industries, with high demand and high economic value, but they also create significant competitive difficulties.

The rights sale model, which is based on exclusive distribution contracts, has frequently been connected with potential concerns of market foreclosure and market domination in Pay-TV markets.

Multiple interventions by national competition authorities and the European Commission have been made in this area.

Access to premium content is a significant bottleneck and source of market power in Pay-TV marketplaces, according to the OECD (OECD, 2013). Vertical integration between content owners and television providers, as is the case with movie and series streaming platforms, and the existence of exclusivity contracts can drastically restrict content access and, consequently, competition.

In actuality, the entry of operators into the Pay-TV and Telecommunications markets, in which content is included in combined offers of triple and quadruple play telecommunications services, is determined by their ability to access the content that consumers want and to differentiate their offer, thereby increasing the attractiveness of combined packages of telecommunications services and content (OECD, 2013). The OECD distinguishes between entertainment material (films and series) and sports content, with bottleneck effects being more significant in sports content due to the demand for live transmission by large audiences.

To build entry barriers, operators with Pay-TV market power can exert buyer power in content markets by negotiating exclusive content and transmission rights, allowing them to also exercise market power in retail marketplaces (OECD, 2013).

The collective negotiation of rights by the Leagues of professional football clubs, a common solution in many countries, adopts many characteristics common to cartels, and the assessment of competition authorities has balanced the anti-competitive effects with potential gains in efficiency, of a largely theoretical nature, and approved with conditions regarding the duration of the contracts, division into lots, and negotiation methods based on open, non-discriminatory procedures.

In Portugal, it was in the field of audiovisual rights for sport and its retail marketing that the AdC's⁶ first decision condemning abuse of position, that was confirmed in Court - case in PRC/2010/2 Sport TV - and also one of the bans on operations most relevant mergers, Ccent 4/2013 Controlinvest / NOS / MEO, through which MEO's entry into the capital of Sport TV was blocked, also highlighting the

⁶ Authority of Competition – an agency with the authority to block anti-competition moves made by companies

Recommendation addressed to the Government on the creation of regulations aimed at allowing the auctioning of television and multimedia broadcasting rights for matches in the First and Second Professional Football Leagues.

However, the results of the AdC's intervention in mitigating market power, resulting from dominant positions or horizontal agreements between competitors, are minimal, to the detriment of the consumer, as Portugal is one of the European countries in which consumers pay more to access premium sports content. Twenty years after the AdC's initial regulatory involvement in the purchase and selling of national professional football broadcasting rights, the competitive landscape remains comparable to that of the early days of Sport TV. The competition for the television broadcasting rights of professional football clubs' home games, which existed briefly in the bidding war between Altice and NOS, at the end of 2015, which defined the current 10-year contracts with the main clubs, with values considerably higher than the previous contracts with Controlinveste Media/PPTV, was once again terminated by the agreements signed in July and August 2016 between the major telecommunications operators, which buried the horde. Currently, the three largest telecommunications companies in Portugal are connected through agreements, contracts, and shareholder structures that constitute a global non-competition agreement in the wholesale acquisition of national professional football media rights and their retail marketing to consumers. The AdC chose not to challenge agreements that were blatantly anti-competitive, indicating enforcement fatigue in this market, and indicating that legislative intervention was the solution to competition problems, having recommended to the government the implementation of collective bargaining, with duration of contracts limited to three sports seasons and divided into lots with a "no single buyer" clause. As a countermeasure to a cartel on the side of the purchase of rights, the AdC advocated a cartel on the side of the sale, based on collective selling, which, based on empirical evidence from other markets, has unclear effects on consumer welfare. In effect, collective selling is associated with the increase in the price of transmission rights, which is a result of monopolistic selling, and the solution of division into lots has not been sufficient to stimulate retail competition, as packages are

complementary products and not true substitutes, which is likely to increase competition in premium sports content channels. Without the ban of the worldwide non-compete agreement between Telecom providers, which has an impact on the wholesale and retail marketing of rights, the establishment of collective bargaining is unlikely to promote consumer welfare or benefit professional football clubs.

3.2.2.2. Current contractual situation in Liga Portugal

Focusing on the overall picture of the end of the present audiovisual contracts of Liga Portugal clubs, it is important to note that FC Porto, SL Benfica, and Sporting CP have signed long-term contracts that will expire between 2026 and 2028, much as SC Braga and Vitória SC. As these two clubs are known for their recent national and international success as well as their significant associative mass, they may have an effect on future discussions over the collective bargaining of the audiovisual rights of Liga Portugal. The late expiration of the audiovisual contracts in effect for these clubs may necessitate delaying the commencement of collective bargaining discussions to a period near to the deadline stipulated by the decree-law. Given its enormous weight in Portuguese football, “the beginning of centralization without the inclusion of these clubs may not generate a sufficiently attractive product, particularly from a perspective of building a solid strategy for promotion and penetration in international markets.”

Comparing the contracts of the three biggest clubs in Liga Portugal (FC Porto, SL Benfica, and Sporting CP) with those of the other teams in the league, it is easy to detect the value disparity. FC Porto earns around 46M€/Year, SL Benfica approximately 40M€/Year, and Sporting CP approximately 43M€/Year. These are, however, simply reference amounts, since the FC Porto and Sporting CP contracts also contain shirt sponsorships, and it is not feasible to differentiate the rise due to the absence of information supplied by the clubs. In addition, the amount earned to date is difficult to evaluate due to the income advances that these clubs get.

In order to address the problem of economic disparity, it is necessary to examine the remaining clubs. SC Braga gets around €10 million every year, although the study of the values of the other Portuguese clubs is incomplete due to a lack of data.

According to the EY report, the “Top 3 Club Television Revenues Compared to Median Club Revenues” takes the highest figure for European leagues, with a multiplier of 15.4. However, the Portuguese case also differs from the other leagues, given the prevalence of supporters of the Big 3 among the Portuguese population, with a combined value of around 94.5%. The total value of TV rights for Liga Portugal is currently estimated at between 170-180M.

The present situation regarding the competition for the audiovisual rights of the two main divisions in Portuguese football is quite different from when the ‘Big 3’ (3 biggest clubs in Portugal, Sporting, Benfica, and Porto) signed the corresponding contracts for their rights with the operators NOS and Altice Portugal, back in late 2015 (*Sporting e benfica com nos, Porto com altice: O que vale mais?* 2015). As it is public, in 2015, Altice acquired Portugal Telecom, forming their subsidiary in Portugal (*Concluída Venda da PT Portugal à altice*, 2015), Altice (which eventually changed to Altice Portugal in 2018), and after that acquisition they decided to take a hostile posture towards their competitors, declaring ‘war’ to its main competitor: NOS. One of the stages of this ‘war’ was the fight for the audiovisual rights of Portuguese football (Suspiro, 2017). The contracts signed by the Big 3 at the end of 2015 (Sporting and Benfica with NOS, and Porto with Altice Portugal), took advantage of this commercial war between the two giants of Telecom operators in Portugal, and we can see that clearly in the astronomical values in these contracts, these values are one of the main arguments behind the reasoning of Liga Portugal in favor of the collective bargaining of rights. The issue with this argument, is that the current situation is much different from the one when the contracts were signed. This is because, in 2016, NOS and Altice Portugal decided to end their conflicts, therefore, ending the commercial environment that allowed these incredible contracts (*MEO assina acordo para partilha de conteúdos desportivos*, 2016). With the absence of competition, there is no

reason to pay such high values for the TV rights, which becomes an obstacle to the reasoning of Liga Portugal in favor of collective bargaining.

However, the future may be better than it seems due to the possibility of new "players" joining the market (Exhibit 8), so helping to "raise the size of the cake." The English firm Eleven Sports entered the American market in 2018, gaining the rights to tournaments such as the Champions League, Spanish, English, German, and French leagues. In addition, the group has already made it known that they are interested in acquiring a portion of the Portuguese league rights, and they are not alone in this regard, as other platforms and actors in the digital world such as Google, Amazon (which already broadcasts matches from the Brazilian cup) see this as an opportunity to enter the market for audiovisual rights of the top divisions in Portuguese football. Moreover, DAZN (which already has well-established roots abroad, for instance in our neighboring country, Spain, DAZN broadcasts Premier League matches) recently acquired Eleven Sports and they promise to increase growth, which maintains the premises of the presented arguments but modifies the structure of the possible repartition.

3.3. Emerging of OTT model and competition in the Telecom market

3.3.1. International Landscape

The broadcast industry has been changing due to technological advances in online video streaming. Analysing the impact of this change on the topic under study, the OTT (over-the-top) model emerges, since it has revolutionized the traditional way of broadcasting football games.

The OTT model consists of content's transmission through the internet, directly to the consumer. In this business model, customers usually pay a subscription fee, which enables them to consume content on demand (FOOTBALL BENCHMARK, 2020). Moreover, according to Statista, the number of digital live sports viewers, in the United States, will increase by approximately 58% from 2021 to 2025. On top of that, it is predicted that by 2024, American viewers will spend more money on

streaming video than on paid television. Additionally, in this study, it was concluded that Americans' spending on TV subscriptions between 2020 and 2023 will drop by approximately 22% (Strategy Analytics, 2021). On the other hand, the number of digital live sports viewers, in the United States, is expected to increase from 65.5 million of users (2022) to 90.7, in 2025 (Statista, 2021). Furthermore, by 2027, OTT TV and video revenue worldwide is expected to be 224.3 billion U.S. dollars, a 43.5% growth over May 2022 (Statista, 2022).

As reported by YouGov Sports data collection, it can be concluded that in China (54%), Indonesia (50%), and Taiwan (49%), is where half of the people watch/follow sports via online streaming (video). On the other hand, in Peru (84%), Colombia (81%), and Brazil (78%), is where the weight of sports broadcasting on TV is greater. Also, focusing on European countries in this study (Spain, Italy, the UK, Finland, Sweden, Denmark, Germany, and France), it can be stated that the Spanish are the most likely to watch/follow sports on a streaming platform and the French the least. In addition, in European Union, in 2020, Germany was the country that has the highest number of unique subscribers to OTT SVoD services- 33.33 millions- which corresponds an approximately 40% of the total German population. Followed by United Kingdom, France, Italy, and Spain.

In contrast, Portugal had only 1.47 million of unique subscribers to OTT SVoD services, that means 14.26%, approximately. At an international level, this kind of broadcast football games is being used by some service providers, such as Amazon Prime, DAZN, and MyCujoo.

Regarding Amazon Prime, until now, it will broadcast 19 Premier League games of the 2022/2023 season (GQ, 2022), being present in more than 200 countries and territories worldwide.

Related to DAZN, it is present in the USA (including Puerto Rico and the United States Virgin Islands), Italy, Spain, Canada, Germany, Austria, Switzerland, Brazil, and Japan (DAZN), and soon will be accessible in Portugal (DAZN, 2022). This streaming service is available on many platforms, namely: Apple TV, Google Chromecast, PlayStation, and Chrome. On this platform, concerning

football matches, subscribers can see The DAZN Soccer Show, UEFA Champions League, UEFA Women's League, and Liga F.

Another service provider is MyCujoo which belongs to Eleven Sports, since 2021, and reaches more than 26 million users worldwide (ELEVEN, 2021). It allows not only to watch live matches but also their highlights. The competitions included are Beach Soccer, Elite Women's Football, Youth matches, Brasileiro Serie A, and others.

3.3.2. Portuguese Landscape

In Portugal OTT services and VoD (Video streaming on Demand) are still in between the Innovative and the Growing market stage. According to (Anacom, 2021), these services appeared in Portugal in second semester of 2015 with Netflix, FOXPlay and NosPlay. With this innovation, upon a monthly payment, clients could watch all the content desired with all the benefits of OTT, and only the need of internet access.

The majority of services already available relate to movies and series and more players have been entering the market in the coming years such as Amazon (2016), HBO and Apple TV (2017), Acorn and Disney+ (2020) and Opto, the platform for the Portuguese broadcaster SIC (2020), the later comprises all the affiliate channels such as Sic Notícias or Sic Radical content through the OTT platform Opto. Posteriorly, Telecom Operators have incorporated this feature in their bundle of products, meaning that clients benefit, without an additional cost, from OTT service for their subscribed content. Besides this there are also several “niche” services available on the Internet for specific consumers (Anacom, 2021). This penetration in the Portuguese market led to most Telecom operators starting to partner with these broadcasters, as Netflix, where the telecom client can subscribe the Netflix product directly through the TV service.

Utilization of these services in Portugal has increased throughout the years, and the latest pandemic has intensified this trend. The percentage of Internet users who utilize paid OTT services, including VoD, is projected to reach 34% in 2020, a 20% rise from 2018. According to these statistics, Portugal

was the fourth country with the greatest rise in VoD, and it presently ranks 15th among UE nations. In a wider sense, OTT use climbed by 16 percentage points from 2018 to reach 26% of the overall population. (OECD, 2021).

This huge increase in the use of video streaming on demand was caused by a behavioural shift triggered by the pandemic, which was announced to begin in March 2020. According to Marktest, the total number of VoD subscribers climbed by 30% between March and April of 2020. (Marktest, 2020).

In order to gain a better understanding of the user profile for these types of services, paid VoD in Portugal is primarily utilized by the younger population (16 to 34), which has a higher-than-average income, and the majority of which is enrolled in higher education, similar to the profiles of other EU partners. From the OECD's 2021 research on Internet users who watched paid VoD, which was filtered by quartile, income, education level, and employment circumstances (OECD, 2021), the following conclusions can be drawn: the penetration of these services in Portugal was two percentage points lower than the European average, with the exception of the 25-to-34-year-old demographic, which was two percentage points higher. Lower-income and less-educated individuals were 12 percentage points below the EU average in terms of deceitfulness. As stated earlier, the most important lesson from this study is that between 2018 and 2020, the usage of paid VoD services rose dramatically across all demographic groups analysed, with a 30% rise among those aged 16 to 34. This indicates that people are moving their viewing patterns away from traditional television providers and increasingly requesting this kind of over-the-top service.

Regarding the sports broadcasting industry, the general overview is that the market is much less developed when compared with general entertainment (movies, tv shows, etc). For the sake of this work project, when analysing the market in the sports industry, we mostly focus on the football industry since it is the most relevant in the country and also because it is the one correlated with the topic being discussed in this document. Currently the OTT services in the sports, and particularly in

the football broadcasting industry are in a stagnated stage where growth is possible but external forces do not allow it, as we will further ahead discuss.

The players in this industry are dependent on one barrier to enter which are the broadcasting rights. As so, the major player in the sports VoD is Eleven Sports and the second player is Sport TV. Both broadcasters, which are the current right-holders for the Portuguese and International football broadcast, offer VoD to their clients allowing multi-screening and online access to the content, although with one main difference: Sport TV only allows clients to subscribe to their transmissions, which are a paid content, via their TV operators. This means that clients that want to access the content through the OTT service from Sport TV need to be clients of a TV operator already. This means Over-the-Top content from this broadcaster is only available as an additional feature to the Television premium channel subscription. On the other hand, Eleven Sports offers an OTT service that can be subscribed and accessible through only the need for Internet access and so can be watched without a TV operator affiliation. With this Eleven Sports, in addition to offer the TV channel, offers the possibility to access all their contents through OTT model, meaning only the use of Internet.

3.4. Portuguese consumers' influence in the current market

Analysing the data provided by Liga Portugal and present in the EY report "International Study on Sports Audiovisual Rights", a possible significant increase in revenues (assuming a centralized model of audiovisual rights by Portuguese clubs) is presented, between 56% and 85%, thus taking an absolute value in the order of 275 to 325 million euros per year. This increase would, however, have to be driven by an "increase in consumers and/or an increase in revenue generated per consumer" (Servir o Benfica, 2022). With the application of the model suggested by the Liga, i.e., of the total revenues obtained from the sale of the broadcasting rights of football matches, 50% would be distributed equally among the 18 clubs, 25% according to performance and 25% based on social impact, the financial structure of the three big clubs would be strongly affected, as can be concluded from the sensitivity analysis carried out by the "Servir o Benfica" study (Exhibit 9). Through this

analysis it can be concluded that Sport Lisboa e Benfica would obtain approximately -44.87% of the current revenues, Futebol Clube do Porto -52.74%, and Sporting Clube de Portugal -58.71%. In addition, the clubs occupying the fourth and fifth positions, Sporting Clube de Braga and Vitória Futebol Clube, respectively, would also lose out.

Also, with the sensitivity analysis performed and based on what was previously discussed, it is necessary that the total value of the broadcasting rights of the games increases its current value so that Benfica would not lose with the application of this model. However, Sporting and Porto would still lose even if the total value of the broadcasting rights of Liga NOS games reached 350 million euros.

With the need to increase the total value of the revenues so that at least one of the three big clubs does not lose, the question arises of how to increase the total value. In the study "Servir o Benfica" it was calculated how many subscriptions would be needed at different price levels for the value needed according to the sensitivity analysis to be obtained (325 million euros) (Exhibit 10). With the data present in the graph, it is possible to state that, considering that there are about 4 million households in Portugal (Instituto Nacional de Estatística, 2021), it would be necessary for 1/5 of the households to have a subscription at the minimum value of 35 euros, or 30 euros if 1/3 of the households had a subscription to a Portuguese premium sports channel.

On the other hand, it is convenient to analyse the possibility, or lack thereof, of this model being financially sustainable based on: Total Television Revenue, Television Revenue per capita and Television Revenue in purchasing power parity. It is important to note that these metrics include international rights, an aspect that is currently underexplored in the Portuguese case.

In Total Television Revenue, Portugal ranks seventh behind England, Spain, Germany, Italy, France and Turkey. In Television Revenues per capita, however, there is a Portuguese rise in the ranking, obtaining fourth place, a trend that is also seen in Television Revenues in purchasing power parity, where third place is occupied, behind England and Spain (EY, 2021). Looking now at the possibility

of increasing the revenue generated per consumer, it is important to analyse the current situation and study whether there is room for an increase in this figure. Since this is a variable directly influenced by the consumer's economic situation, it is important to understand the price the Portuguese consumer pays to access domestic competitive games. Later, when comparing this figure to the average salary earned in Portugal and assuming a percentage approach, these figures offer problematic contours. Regarding the 2018/19 season (the last season before the Covid-19 pandemic), and while in the five major European leagues (Germany, Spain, England, France and Italy, according to the UEFA ranking) this figure (which corresponds to the price of television packages as a percentage of the average salary) reaches only 1.6%, in Portugal it stands at 4.1%. (Serving Benfica, 2022). It is important to mention that the total price of television packages includes the channels needed to watch all the games related to the Portuguese soccer championship, which in this case includes the Sport TV and BTV channels.

4. Primary and secondary research

The primary research was conducted through an interview and a questionnaire.

4.1. Survey and interview objective

Concerning the questionnaire, the aim was to obtain information about the profile of football games consumers, i.e. their preferences and whether the advantages set out in the EY report⁷ arising from collective bargaining are aspects that interest them. Another conclusion we wanted to acquire, through the survey, is related to the Telecom industry and premium sports channels in Portugal. Here, the objective is to study the current competitive environment and draw some beneficial conclusions for football clubs, due to the fact that the greater the competition in these industries, the greater the bargaining power, which can lead to higher revenues for the football clubs. However, it is important

⁷ Estudo Internacional sobre os Direitos Audiovisuais Desportivos (2021)

to have in mind that, the broadcasting clubs' revenues depend on the collective bargaining model that it will be implemented.

Regarding the interview, it was conducted to understand how the premium sports channels competition for the audiovisual sports rights occurs and also the Telecom operators' role in this competitive market structure. Furthermore, we intended to know the Eleven Sports' position on the collective bargaining of broadcasting rights. To conclude, we aimed to explore the causes and the effect of piracy on the profit from the broadcasting of games and how the OTT Model is perceived in Portugal.

4.2. Qualitative Research: Consumers

4.2.1. Methodology and questionnaire

The questionnaire was answered by 249 people who have Portuguese nationality, regardless of whether they live in Portugal or not.

Concerning the questionnaire's design, there was a first section in which we collected personal information from all respondents. Then, there was an eligibility question for the subsequent completion of the questionnaire, which was whether the respondent attended football games. Thus, for those who do not watch, only demographic data were requested, mainly so that we could narrow down our target in terms of gender and geographical location.

After this filtering was done, the next section was about tastes and frequency of going to the stadium, in order to better understand the profile of the target consumer.

In addition, a section was dedicated to watching games on television and another one through other channels (smartphone, tablets, PC), in order to understand the consumption habits and their choices.

With this, it was intended to conclude the advantages and disadvantages of each channel. After that, two more sections were created where respondents with and without premium sports channels were separated to identify the differences/reasons between those with and without a premium sports channel. Another information that was sought was the relationship between those with/without premium sports channels and their willingness to pay to watch football games through an OTT model.

Aiming to find out if there is a possibility of increasing competitiveness through this emerging format and consequently increasing clubs' revenues.

Finally, a section on piracy was created in order to characterize the Portuguese consumer who uses these illegal channels and their reasons. With this data, we intend to figure out what already causes the use of illicit channels and consequently what can be done to reduce this illegal practice. The complete questionnaire can be found in Exhibit 12.

4.2.2. Sample

We surveyed 249 people, of which 205 answered affirmatively to the question "Do you watch football games?" and so, they continued to answer it. (Exhibit 13)

Due to the short period available for the survey and the fact that our reach is mostly residents of Lisbon between the ages of 18 and 35, our sample is not as diverse or broad as we would like.

The questionnaire was completed by 86 women and 153 men, with only 65% and 91.4% attending football games, respectively.

In terms of age groups, more than half of the women belong to the 18-35 age bracket. As for men, 93% are between 18-35 and 36-65 years old, 63% and 30%, respectively.

Of the 205 respondents who watch football, 66% (136) live in Lisbon.

4.2.3. Main findings

Sport Lisboa e Benfica and Sporting Clube de Portugal represent 85% of the fans in our sample, with 44% and 41%, respectively. Next, Porto represents 9% of the supporters, concluding that **the three big clubs** in Portugal represent 94% of the supporters surveyed.

The **most followed leagues** are the Portuguese (96%); international club competitions (89.26%); Premier League (66.82%) and La Liga (38%).

A large part of the respondents (74%) does not have a seat at the stadium, with only 10.6% going there frequently. More than half go occasionally (32%) or rarely (44%).

Of the 205 respondents who watch football 174 (approx. 85%) consider that the competitive balance correlates with the attractiveness of the game. Of these, 79 (45.4%) would change their opinion if the level of football played was low, 78 (44.8%) would not change their opinion and 17 (9.8%) have no opinion.

Of the 205 respondents who watch football only 7.8% do not consider that competitive balance correlates with the attractiveness of the game.

It was concluded that **the most important factors** to make football games more attractive are competitive balance (33%) playing with a higher-quality team (23.4%) and the presence of fans in the stadium (22.9%). On the other hand, the factors considered less important were hiring renowned players (29.3%) and investing in young players (26.8%).

Regarding **the channels** which the respondents use to watch football games 88.78% use frequently (41.95%); occasionally (30.73%) and always (16.10%) television. While 62.92% of the respondents watch football occasionally (34.63%); frequently (23.41%) and always (4.88%) on other media (smartphone, tablet, PC). Even though, the respondents have seats at the stadium, 96.3% still watch football games on television frequently (48.15%); occasionally (27.78%) or always (20.37%). On the other hand, respondents without a season ticket show a lower tendency to watch football games on television (86%).

Both respondents who have a seat at the stadium and those who do not, watch the games less often through other channels (smartphones, tablets, PC), -22.23% and -31%, respectively.

The factors that make respondents prefer the TV box over the others are the image quality, and the screen size (70.81%). Moreover, the fact that it is practical and that there is greater freedom to choose content is also considered a critical factor of choice. Regarding the other media (smartphone, tablet,

PC) **the determining factor** is the fact of being practical (58.55%). Additionally, the consumer having the freedom to choose the content (48.79%) and greater mobility (43.91%) is also important. About the **subscription to premium sports channels**, the number of respondents that have and do not is balanced, since 49.76% do and 50.24% do not.

Among those who own a Portuguese premium sports channel, 66.67% would choose to watch the game through an **OTT model** instead of a premium TV channel and 32.4% consider the OTT model to have no disadvantages. However, 28.4% consider the need for an internet connection to have access as a **disadvantage** and 10.8% identify as a drawback not having all content on the same platform. When analysing the percentage of respondents who have a season ticket and who have a subscription to premium sports channels, it was concluded that 68.52% have both a season ticket and a subscription. Regarding the **subscribed channels**, 41.18% of respondents have Sport TV + Eleven Sports; 26.47% have Sport TV + Eleven Sports + BTV; 16.67% have only Sport TV and 6.86% have only Eleven Sports. Regarding the **value of the subscription packages** of the respondents, 54% pay more than 30€ and 36% pay between 16-30€, being these values where the highest percentages are registered.

Of those respondents with a subscription, the predisposition to pay a higher price so that the league would become more competitive is equalized between no (43.14%) and yes if the football practice were of a higher level (42.16%).

When asked if they would be **willing to pay for one or more subscriptions** to watch Portuguese first-division football games if they were broadcast on different channels, 39.81% answered no, 34.95% yes but the price would have to decrease, and 20.39% would only be willing to pay for the channels that broadcast their club's games.

Of the respondents who have a subscription, it can be stated that 86.27% have an income between 1250-2000€ (26.47%) or over 2000€ (59.80%).

In contrast, more than half (56.95%) of the respondents who do not have a season ticket, do not have a subscription to a sports premium channel. Of these, 59% (61) would not be willing to pay if the

league was more competitive and 28% (29) would only be willing to pay more if the football played was of a higher standard.

Of those who do not have premium sports channel subscriptions, approximately 62% resort to online stream and account sharing; 47% watch the games at a relative/friend's home; and 39% go to a coffee or restaurant.

Regarding the channels to watch the games, 68.9% are willing to watch football through an OTT model. Regarding this model, 39.81% consider that there are no disadvantages concerning this channel, however, 30.10% point out as a disadvantage not having all the contents available on the same platform, and 22.33% the fact that internet is required to have access. When asked about the reasons why respondents would subscribe to a Pay-TV channel instead of channels through an OTT model, 53.4% would subscribe only if the price was more attractive, 35.92% if they had access to specific content (appropriate to their interests) and 13.59% if the price was attractive and they had access to specific contents (appropriate to their interests). Regarding access to foreign league content, 71% of respondents without premium channels are not willing to subscribe. However, 29% are the European competitions and the Premier League, the ones they would be interested in (61.57%).

Concerning the illegal practices, piracy is practiced by 36.27% of respondents who own premium channels and by 66% of those who do not subscribe to sports content channels. That said, it was concluded that regardless of whether respondents have premium channels or not, 105 resort to piracy, i.e., more than half (51.2%).

The most used illicit channel to watch the games are online streaming (95.59%), account sharing (38.24%), and IPTV (22.06%).

Regarding the VPN service, only 21.90% use it mainly to protect their connection (65.22%).

The main reasons that lead most of the respondents to resort to illegal ways are the price and the format of the available subscription packages. It was concluded that if new packages were made available, 68.57% of respondents were willing to purchase but if the price decreased, 19.05% only if it was in an OTT model, and 10.48% would not purchase.

Survey's insights VS EY's report⁸

According to the survey results previously analysed, most of the respondents consider that the competitive balance is related to the attractiveness of the game. Right from the start, if the league became more competitive as it is stated in the EY report (2021) as one of the reasons for collective bargaining being the increase of clubs' investment capacity, sport competitiveness and quality of football matches, there would be more people interested in watching the matches. As a consequence, the clubs' revenues would increase. However, almost half of the respondents would change their answer if the competitive balance resulted in a lower football level. That said, there is no scientific basis that proves that competitive balance means higher quality in the show presented, hence, the argument that collective bargaining will attract a greater number of fans and allow a greater volume of revenue is not certain, and this uncertainty is increased by the survey's answers.

Another reason given for collective bargaining power was to generate a higher sales value compared to individual bargaining. Here, one can consider that due to greater competition on the demand side (through other ways of distributing the games, such as through the OTT model) it would allow clubs a greater bargaining power. However, the existence of greater competition is also uncertain due to the fact that the operators are shareholders of the only channel that allows watching all the Portuguese I league games (except the home games played by Sport Lisboa e Benfica). Based on the data from the survey, if higher sales value is related to the consumers' willingness to pay higher prices to watch the games, it is possible to state that more than half of the respondents with premium channels pay a subscription package value higher than 30€ and, when asked if they would pay more if the league became more competitive, almost all of them said “no” or “yes, if the league would become more competitive”. Furthermore, the respondents that have premium channels have an income between 1250-2000€ or more than 2000€, being these values well above the minimum wage and the national average wage. Moreover, from the respondents that do not have a premium sport channel, 59% would

⁸ Estudo Internacional sobre os Direitos Audiovisuais Desportivos (2021)

not be willing to pay if the league was more competitive. That being said, this argument presented as one of the reasons for collective bargaining to happen, is also considered not to have sufficient basis to expect a higher sales value.

Another argument used in favor of collective bargaining is the greater ability to fight piracy. At the same time, it is not explicit about how it would reduce the use of illegal channels effectively. It is implied that this decrease would result from the growth of competition on the demand side and the reduction of prices. This, can lead to the possibility of having different packages available and aligned to the consumers' needs. However, in our view, increased competition is underlying an increase in the price of broadcasting rights. For the rightsholders companies to make a profit they need to monetize their costs and raise the packages' prices to the end consumer is a potential solution. However, more than 2/3 of the respondents who resort to illicit channels state that they would only pay to have access to the games if the price decreased.

To conclude, we consider that the statement “the collective bargaining is one of the main pillars of financial sustainability of clubs” (EY Report, 2021), reveals some concerns about its applicability.

4.3. Qualitative research: Industry Experts

4.3.1. Main findings

Jorge Pavão de Sousa managing director of Eleven Sports considers that the implementation of a centralized model is beneficial and implies a restructuring of football revenues as a whole. He is of the opinion that a revenue-sharing scheme is needed between the big three and the others. In addition, he puts as a possibility the need to redesign the Portuguese league, which is composed of fewer clubs and has a distinct competitive system, giving as an example the Dutch league. Also, he believes that

one of the limitations is the term of the contracts and that collective bargaining will probably only make sense if they are long-term and attract foreign buyers.

Regarding Eleven Sports' position in the Portuguese market, the interviewee stated that the channel is interested in entering the market and that they have already expressed it. However, he identifies as a strong limitation the fact that there is the consortium and the operators, since they are Sport TV shareholders. The CEO of Eleven Sports justifies this limitation by the fact that operators have several Sport TV subscribers, because there are Sport TV customers who have been subscribers for a long time and who pay more than 40€ (representing 25% of customers). Hence, operators have no interest in penetrating the bundle Sport TV (at the current price) + Eleven because they are reducing margin and thus, revenue. Also, Jorge Pavão de Sousa identifies Sport TV as the operators' problem, since, they have every interest in increasing the penetration of premium content in their base, giving the example of doing upselling or cross-selling with Eleven's customers. Eleven Sports gives incentive for operators to encourage X number of customers to subscribe, and by doing this, Eleven is dismantling the model, however it means a loss of revenue for Sport TV as they had to re-loyalize customers at a price point. Additionally, he highlighted the economic imbalance that exists, since when Eleven Sports entered the market Sport TV was losing money, which is problematic because Portuguese football went from being worth 80 million to 180 million. That said, the CEO of Eleven Sports points out as a solution the restructuring in relation to the structure, this means, the operators become distribution platforms and must look at the remaining Sport TV competitors, which implies, once again, having to leave the shareholder structure.

Another topic talked about was piracy, which the interviewee considered of extreme importance and with a great negative impact on this industry. He considers that the piracy culture is big in Portugal, giving us the example that when Benfica plays in the Champions League about 500 to 600 thousand illegal accesses are detected. Hence, this leads to losses in the value chain. In his opinion, one of the reasons for this to happen is the fact that operators do not act against it, and he points out as a solution the application of high fines and permission from the public ministry so that if the operators discover

cases of piracy, they can send the site down and inform the IP of these people so that it is possible to charge progressive fines. Another of the reasons given was the fact that access to premium content in Portugal is extremely expensive, where it is paid more to have access to BTV + Eleven + Sport TV than to the operator. In Portugal and based on the average salary (1300 euros), there is a ratio of 2.8%, and 4.4-5% in relation to the minimum wage, to have access to premium sports content. These values are 4 times higher than in Spain and 6 to 8 times higher than in other European countries. Furthermore, he states that the launch of BTV has led to increased access to illegal channels.

In his opinion, operators do not want to act in an integrated way because they do not want to lose margin, however, he states that they are not considering that the penetration, in 2012, of premium content channels was higher (where 18-20% corresponded to premium football content) and that currently, it is approximately 11% (which sports content corresponds to 7-9%). The cause of this decline, for the director of Eleven Sports, is related to piracy since people continue to watch the same amount of football. Another cause of the increase in piracy pointed out was the fact that sports now compete with global platforms. If a family has a monthly income of 1300€ gross and pays 120-140€, this means that the share of the wallet is 8-10%, which is well above the European average. One of the practices being talked about nowadays is account sharing, however, he considers that it is better than piracy since there is always someone who pays. That said, he prefers that what was done in other markets happen, where the strategy consisted of one person paying and 4 people having access to that account and then after 2/3 years it goes from 4 to 2. Here, 2 users would be left out, but as they would already be addicted, they would end up joining. To solve this problem, the director of Eleven is of the opinion that piracy is a process of cultural education and that there are cultural processes associated with educational processes that can lead to the transformation of behaviour. Moreover, he believes that this practice will only be solved when the rightsholders such as UEFA and FIFA, realize that they have to be part of the solution. Nowadays right holders are not worried about the situation because of the existence of companies such as Sport TV, Eleven Sports, Dazn, and so on.

Finally, we focused on the topic of the growth of the OTT Model. Eleven Sports' OTT park grows in the summer, where it represents about 20% of subscribers. Of the 300,000 subscribers (total consumption) 7% of min correspond to viewing on a smartphone/tablet while 96% of the min corresponds to TV. Moreover, he considers one of the big challenges the fact that not only 9.5%/10 people in Portugal cannot watch a game in its entirety on their smartphone, but also because of the top 5 channels people watch, it is probably concentrated on view-in-time, being a big limitation for live sports and sporting events.

5. Situation Analysis

5.1. Competitiveness of the Leagues Pre and Post-Collective Bargaining

Since one of the main goals of using a collective bargaining model of broadcasting revenues is to achieve an increase in the competitiveness of the League, it is important to analyse, for existing Leagues using collective bargaining agreements, how much the impact on competitiveness was. In order to measure this, we will look at the League Tables from the season where the collective bargaining agreement first took place. For the sake of maintaining this analysis to a more recent level, the English Premier League will not be considered, although widely known as a very competitive League. This is due to the collective bargaining agreement in England being signed in 1992 (dictating the beginning of the Premier League, transforming from the previous First Division). The monetization of Football 3 decades ago was significantly less strong than it is now, meaning that a shift from individual contracts to a collective bargaining model would not have been as impactful as in more recent times. It is also important to remember that the predicted timeline for a significant impact on competitiveness is unsure.

Instead of analysing every League previously looked at, we opted for a shorter analysis. We have chosen the Spanish League (LaLiga) and the Dutch League (Eredivisie). LaLiga serves as the representative of the top-5 Leagues, while the Eredivisie portrays a League with a size comparable to

the Portuguese's, and other similarities, such as the existence of the "Top 3" clubs with an historically larger fanbase and bigger amount of championships (Collins, S., 2020).

In order to help us achieve conclusions, some indicators were calculated. Those indicators are Median of Points, difference between the first and last place, and difference between the sum of the first 3 teams and the sum of the last 3 teams. These values intend to make a correct assessment of the League's top, middle-tier, and bottom clubs and check if the disparities became smoother after the introduction of the collective bargaining model, while making sure that the outliers don't have too much impact on the final calculated statistic.

Since LaLiga only began using a collective bargaining model of broadcasting revenues since the season 2016/17, that is where we will begin analysis. Exhibits 15 and 16 show the final standings of LaLiga's teams from 2010/11 until 2015/16 (the season prior to the change in model), with each team represented by name, position, and number of points achieved during the season. In the 6 seasons prior to the introduction of the collective bargaining model, LaLiga's median of points floated between 44,5 and 49, portraying an average of 47 points, the difference between the first and last place team averaged 67 points and the "First 3 - Last 3" indicator's average equaled 160 points.

On the opposite side, Exhibits 13 and 14 shows the 6 seasons following the adoption of the model, beginning in 2015/16 and ending in the 2021/22 season. The transformation is noticeable, although not completely impactful, thus proving, at first glance, that the collective bargaining model played an important role in shortening the gap between teams participating in the same League. The median of points increased to 49 points (allowing us to conclude that the middle-tier clubs are stronger), which amounts to a 4% increase, the difference between first and last decreased by 7%, now accounting for 67 points, and the "First 3 - Last 3" indicator showed a 4% reduction and a change to 153 points.

The assessment of how impactful this measure was depends, primarily, on the objective or goal it meant to reach. In 2 of the indicators, the positive impact only amounted to 4%, while on the other (difference between first and last) it positively impacted the League at 7% (Exhibit 17). This is,

however, the most unreliable indicator of the 3 since it reacts negatively to the existence of outliers. All things considered, the centralized model still provided a lowering of the disparities observed in the revenue distribution and contributed to a closer League table, which, by some points of view, can be considered as an increase of the competitiveness in the League.

Focusing now on the Eredivisie, it is important to understand the criteria employed. The Eredivisie adopted the collective bargaining model in the season 2012/13. During the first season in which the COVID-19 pandemic began to take shape (2019/20), the league was canceled, whilst many games had already been played, and no final standings were officialized, meaning no team was crowned champions and no teams were relegated. For this reason, our analysis of the years following the beginning of the collective negotiation will include seasons 2012/13 to 2018/19. On the other side, for the seasons where individual negotiation was the default concept, we will use the seasons 2006/07 to 2011/12, as Exhibits 20 and 21 exhibit the final standings of the Eredivisie's teams during the previously mentioned seasons of individual negotiation. The average of the Median of points achieved was 45 points, while the "First to Last" difference equaled 57 points and the "3 First - 3 Last" difference was 144 points. Given that the Eredivisie contains only 18 teams, instead of LaLiga's 20, it was expected, and further confirmed, that all these indicators would yield smaller values. The Eredivisie's indicators are, consequently, not a product of an increase or decrease in the quality of the League, but a logical and mathematical occurrence.

Exhibits 18, 19 and 22, on the other hand, represents the final standings and proper calculations of the Eredivisie's standings post-collective agreement. The difference between the 2 models ends up being the opposite than in LaLiga's case. The average of the median points fell by 5%, a number that was supposed to grow, and the difference between the first and last place team grew by 3%. The difference between the sum of 3 top teams and the sum of the 3 bottom teams was the only indicator that portrayed some amount of positive impact.

In conclusion, the values obtained are not enough to conclude that the use of a collective bargaining model would yield positive or negative results in the Portuguese League. Although La Liga

experienced positive, yet minor, impact, Eredivisie's case alerts towards the possible downfalls, or inefficiencies, of its use.

5.2. Applying distribution models to the Portuguese case

5.2.1. Assumptions and explanation of the comparative analysis

As seen in section 3.2.1., the main European Football Leagues utilize different models of broadcasting revenue distribution. After performing a comparative analysis in section 3.2.1, it is now time to attempt to find a potential model that would benefit (or minimize losses) of the Portuguese clubs (mainly the big-3 teams) when the transition to a collective bargaining model takes place. By examining the criteria employed within the other European models, we can extrapolate if the same criteria could be applied in the Portuguese League, considering its unique characteristics.

In the first place, a comparative analysis has been conducted, including all the top-5 European Football Leagues (England, Spain, Germany, Italy, and France), some leagues with similar characteristics to the Portuguese or to the country itself, and the 3 main American Sporting Leagues (NFL, NBA, and MLB). This led us to an understanding of the criteria employed by those leagues and what the end result, in terms of fairness and competitiveness, was. Based on some criteria, we will now generate and simulate several potential distribution models, analyzing their impact on each club.

Assumptions

In order to analyze the different models and classify which could better fit the Portuguese case, we need to rely on some assumptions. We will analyze the different models mentioned in section 3.2.1, while trying to find a fair distribution model that would not bring more disadvantages than advantages to the Portuguese League. The reference values are related to the 2018/2019 season, since that was

the last season not affected by the COVID-19 pandemic, where some championships were stopped and/or broadcasting rights revenues were quite different. Furthermore, values for the 2021/22 season (when most championships fully stabilized) are, in some cases, still unreliable or missing.

For similarity purposes, we will not use the American Leagues as a term of comparison. The different structure of the Leagues themselves and the model behind it (One division with no relegated clubs and an annual Draft) and the structure of the teams themselves (ownership, salary cap) would not allow for a proper analysis. Moreover, the sheer size of the country itself and the number of inhabitants allows for, as seen in the NBA and MLB, individual negotiation of huge contracts by the bigger clubs, even though the competitiveness of the Leagues is still maintained by the continuous use of the annual Draft and Salary Caps. Although we can learn from the American Model, our main objective is to achieve better competitiveness through fairer revenue split, something hard to measure in the NFL, NBA, and MLB, such are the other competitiveness measures.

As Portuguese teams' broadcasting contracts are usually not fully disclosed or disclosed with little explanation, we assumed that the 3 main clubs (Benfica, Porto, and Sporting) receive 73% of the total broadcasting revenues of all clubs. Although we have somewhat reliable estimations of the values, it is impossible to guarantee full certainty. For the purpose of this analysis, we also assumed that all 3 clubs received the same amount of money for their contracts.

Despite other major European Leagues allocating a fixed percentage of the total broadcasting revenue pool towards the Second Division teams (as seen in the case of the Bundesliga), this analysis will not account for it. Since the collective bargaining model would be a new addition to the Portuguese Professional Football market and might even bring some disadvantages, it would be prudent to test it and analyze before expanding to other Leagues.

5.2.2. Models

Proposed Distribution

According to the information available (though still not official), the Portuguese intends to implement a 50-25-25 model. That would mean a 50% equally shared revenue, 25% distributed based on current season performance and the remaining 25% based on social impact, mainly home games attendance. Exhibit 23 shows how the performance factor would be settled, with the first place receiving 17% and the last place receiving only 1%. These values were firstly retrieved from LaLiga's own distribution model, within the "Performance" pillar, and adapted to the Portuguese League, where 18 teams compete, instead of LaLiga's 20.

Exhibit 24 contains home attendance values of the 18 clubs in the 2018/2019 season, both in absolute values and in percentage of total attendance of Portuguese fans observed during the season. The percentage value ends up being the most important one, since it will serve as the basis for the distribution on this pillar. As it would be expected, given the characteristics of football fans in Portugal (where approximately 95% of the population supports one of the 3 main clubs), SL Benfica, FC Porto, and Sporting CP have the top 3 attendances of the League, with 26%, 20%, and 16%, respectively, further proving their label of the 3 big clubs in Portugal.

The use of home game ticket sales can be a "controversial" option, with arguments against it claiming that teams with smaller stadiums are harmed by this evaluation. However, we analyzed the previously mentioned values for home games attendance, split it into average attendance per game and compared with the teams' stadium capacity. The results yielded show that only 3 teams below the top-3 clubs are able to reach a 50% average attendance per game, those teams being Vitória SC, CS Marítimo and CD Feirense, although none reaching the levels of the top-3. While Sporting CP trails with 60% average attendance, SL Benfica and FC Porto dominate with 74%. While analyzing deeper into this situation, some clubs might have a disadvantage, as, for example, FC Porto is able to reach the same relative average home game attendance as SL Benfica (74%), while its stadium capacity is lower. Despite the problems arriving from the use of home games attendance as a criterion, it is one of the most reliable methods of measuring the "social impact" of each team.

Exhibit 25 shows the final revenues distributed by the club, after all calculations have been done. While thoroughly analyzing the differences between the current model and the proposed model, we observe a big decay of revenues towards the top 3 clubs. SL Benfica would experience a 45% loss of broadcasting revenues, while FC Porto and Sporting CP suffer 53% and 59% losses, respectively. The general reckoning of the League shows an average prize received of 9,8 Million euros, and a difference of 296% between the first place and last place. A difference of 141% between the first place and the average is also observed, while a -39% between last and the average shows a competitive amount of money delivered to bottom-tier teams.

16 Teams

In the interview conducted, Jorge Pavão de Sousa, Executive Director of Eleven Sports Portugal, suggested the possibility of decreasing the quantity of teams competing in Liga BWIN, from 18 to 16. This suggestion came from a discussion on how to improve competition in the Portuguese League and make it a more attractive competition. He mentioned that the current number of teams was high for the dimension of the League. Furthermore, we decided to analyze the possible difference a 2-team decrease would have. The hypothetical possibility of increased competitiveness in the League while using this shorter model can result in bigger valuation of the League itself and consequently, a bigger total revenue pool. However, since this effect is unknown and impossible to predict, it will remain an indirect impact and, therefore, will not be accounted for.

For this model, all criteria remain untouched, with 50% equally shared revenues, 25% performance-based and other 25% based on social impact (home games attendance/ticket sales). For consistency purposes, the 2 bottom-placed teams would normally be relegated and will, therefore, be eliminated from the table. Moreover, the elimination of these 2 teams requires a re-allocation of a small percentage of performance-based revenues. We decided to allocate this to the now-bottom placed team, placing it in the same level as the previous teams. On the “Social Influence” pillar, the values

remain relatively unchanged, since the 2 bottom teams (GD Nacional and CD Feirense) provided modest attendance numbers. In fact, the impact is so small that the big-3 clubs' percentage remains untouched (Exhibits 28 and 29).

Since the reallocation of performance-based and social impact-based are residual, the final values of these 2 criteria for each club provides only a small difference, when compared to a League of 18 teams. It is within the Equitable pillar that we see a larger difference. Whereas an 18-Team League provides an equal 4.9 million euros to each team, the proposed structure change sees that number increase to 5.5 million euros. Despite this value increase being residual for the top flight clubs, such as the big-3, it can be significant to bottom-tier clubs, enough to cover a significant portion of their salary pool.

Despite the increase in revenues distributed to every club in this new model, Exhibit 60 shows that the potential impact of these criteria on the big-3 is still quite powerful. Whilst Benfica would lose 43% of their current revenue earned, Porto and Sporting could lose 51% and 57%, respectively. When comparing to the previously analyzed distribution (with 18 teams), these new values do not represent a significant increase for the big-3, despite the positive effect it could have on other teams.

Looking at the general picture of the model, in terms of discrepancies, the average revenue received per club increases from 9.8 to 11 million euros. As it would be expected, all other statistics show an improvement, with the difference between the top and bottom earners being 255%, while the top-earner earns 123% more than the average value and the bottom earner earns 39% less than the average value (Exhibit 31). All things considered, this new model promises a slightly more fair and compact distribution, despite still retaining a big percentage of the big-3's current broadcasting revenues.

Social Impact

As the Portuguese sporting cultural panorama is quite different than any other analyzed country, since about 95% of Portuguese football fans support one of the big-3 teams, we attempted to mirror this situation into the criteria applied in a centralized model. Therefore, the next hypothetical model to be analyzed is based on the proposed model for the centralized Portuguese League, although with significant changes in the weights. Instead of the previously mentioned 50% equitable, 25% performance-based and 25% social impact-based, it employs 25% equitable, 25% performance-based, and a newly assigned 50% based on social impact. These changes intend to reflect the Portuguese context, where the “social impact” of the big-3 is much higher than the other teams, as both surveyed data and home attendance numbers show. For this model, the 16-team structure is maintained.

As seen in Exhibit 32, this model portrays a significantly different alternative. The equally shared value falls to 2.8 million euros, while performance is maintained, and social impact greatly increases the gap from the top-tier clubs to the bottom-tier ones. SL Benfica, FC Porto and Sporting receive, respectively, 23.1, 17.9, and 14.5 million euros, with these values being more than half of the total received broadcasting revenues by these clubs.

The differences between the values received through this model and the current values bargained through individual negotiation show slight improvement in the big-3 area. SL Benfica, FC Porto and Sporting CP would lose 22%, 36%, 46% of their current revenues, which is a much more positive scenario, when compared to the previous 2 proposed models, which saw values closer to 50% for all 3 teams.

The general panorama demonstrates a much less fair distribution, with the difference between the biggest and smallest earner being fixed at 612%. Although the average received revenue stays at 11 million euros, as expected (given that number of teams and total revenue did not suffer alterations), it was calculated that the top earner receives 203% more than the average, while the bottom-earning team receives 57% less than the average.

According to this analysis, this model is the least fair and equal out of the ones previously looked at. But since fairness is a hard concept to grasp, it is important to ask if equality of outcomes is indeed the solution for this problem. In terms of associates, the big-3 clubs all show values above 100.000, as shown on Exhibit 27, while Vitória SC trails behind the 3 of them with only about 27000 associates. The question to be asked, and that is in the hands of Liga Portugal, is if it is worth harming clubs with tens of thousands of associates in order to allow smaller teams with little support and fans to become more competitive. In every case, this model proposal is still worth considering, given how it tries to incorporate the cultural nuances of Portuguese society, when it comes to football team support.

5-Year Rankings

Since most European Leagues have long adopted the broadcasting revenues collective bargaining model, with some using it quite successfully, it would only make sense to look at the criteria employed by those Leagues and attempt to recreate their rate of success by mirroring some of the strategies. With that in mind, we decided to add a new criterion for a hypothetical distribution model, called “5-Year Ranking”. This is adapted from the Bundesliga model that uses a 5-Year Joint Ranking, comprising all clubs from Bundesliga and Bundesliga 2 (the 2 main German divisions, in that order). Since the Portuguese second League does not have nearly the same impact nationally as the Bundesliga 2 has, we opted to use simply a 5-Year Ranking Performance-based. This way, every team that has participated in the League in the previous years would have the right to its residual revenues. This model sees the return of the 18 traditional teams. Moreover, the Bundesliga 2 clubs display high social impact (explaining the importance to share revenues with those clubs), as only 2 teams were not able to achieve the 50% mark on home game attendance in the 2018/19 season, facing a league average of 74%, against the mere 16% of the Portuguese second division (Transfermarkt).

Within the 5-year Table (Exhibit 35) we see that this change does not strongly affect the big-3 teams, whose results have been consistent in the previous 5 years, whose beginning starts in the 2017/18

season and ends in the 2013/14 season. The weights of each season are represented in Exhibit 64, with the immediate previous season accounting for 35% and decreasing gradually as we move back in time. Overall, the model is similar to the first model presented and assumed to be the model employed by Liga Portugal, but with a change on the weights' side. 50% would be equally shared, while Performance and Social Impact both weigh 20% and a 5-Year Ranking worth 10%.

As Exhibit 36 shows, the discrepancies in the earnings of the big-3 teams would, however, be slightly higher than previous models, with Benfica losing 47% of current revenues, Porto losing 54% and Sporting losing 59%. The difference from the biggest to smallest earner (only accounting for participant teams in the League that season) is 282%, while Benfica (top earner) receives 135% more than the average (9.5 million euros) and Feirense, bottom earner of the League, receives 63% less than average.

Despite the use of criteria employed by other major Leagues, such as the 5-Year Standings (employed by the Bundesliga and Serie A), we started with a small percentage allocated (10%), since we assumed the initial proposed distribution to not be prone to major changes. The 5-Year Ranking criteria slightly makes up for not including the Portuguese Second Division within the calculations, by allocating some residual revenues to previous participants of the League.

Ability to Generate Revenues

Given the imperfections of using home games attendance as a measure of social impact by each club, this final proposal of distribution model aims to replace that criteria with another that could measure the social impact of a club. That said, the ability to generate revenues can be perceived as such a measure, since an impactful club with many supporters will have the capability to create broadcasting revenues, by having its fans watching the games on TV. We will use the current values (as of the 2018/19 season) as a relative metric of how much money a club can bring in. Exhibit 38 provides an approximation of the weight each club has on the total broadcasting revenues (172 million euros).

Due to data limitations, these values might be inaccurate, although the numbers for the big-3 teams are considerably reliable. The remaining weights will be kept from the previous model, maintaining a 50-20-20-10 distribution.

Since the values for revenues on the big-3 teams are close to each other, they all have the same weight, which will result in them earning similar values. Indeed, the difference between their current contracts and the expected earnings from this model are between 48% and 52%, with Benfica losing 48% of broadcasting revenues, Porto losing 50% and Sporting losing 52%. Despite this clearly not being the best model in terms of reducing the loss of revenues by the first-place team, it keeps the broadcasting revenues earned by the big-3 teams close together, similar to the current situation.

In terms of disparities, the top earner receives 278% more than the bottom earner and 130% more than the average value, while the bottom earner ends up with 64% less than the average, proving the solidity of this model, when considering an equality and fairness purpose.

Financial Prediction

In section 3.4, it was analyzed the financial situation of the Portuguese population and its ability to pay for premium sports channel. The variables were referring to the year 2019, for consistency purposes, since we took the 2019/20 season into consideration for some of the analysis. However, it should be noted that the variables in question have undergone recent changes, placing Portugal slightly more level in relation to the other countries. The average salary underwent a positive evolution (From 976 euros a month in 2019 to 1039 euros a month in 2021) (Exhibit 11) (Dinheiro Vivo, 2022) and the monthly price of the Sport TV channel's television package dropped from 30 to 26 euros, placing the ratio between price of television packages and average salary at 3.4%, a value that, despite being lower, still demonstrates a significant margin compared to other European countries. Sport TV reduced the prices of its service in 2021, also offering a monthly discount when purchasing an annual subscription, and increasing the range of subscription options, such as the multi-

screen option, 5-day access or the Motors Pack (including only the viewing of motorsports for a much lower price, demonstrating greater attention to targeting fans of other sports). In addition, MEO, one of the main Portuguese operators and owner of 25% of Sport TV, also offers a “Sport Tv + BTv” bundle for a reduced price.

With such a high value, in comparison, and given the current political conflicts, which have triggered inflation in most products and services, the level of disposable income for non-fundamental expenses (as is the case with football) demonstrates a tendency to decrease, reducing the possibility of a scenario of increasing the number of customers. At a general level, the inflation rate recorded in Portugal was 9.3% in August, which “compares with the rate of 1.3% in homologous terms and with 9.4% in July.” (Público, 2022). In fact, “A basket of essential food items currently costs 210.83 euros, 27.20 euros more (14.82% more) than it cost on February 23, the eve of the start of the armed conflict in Ukraine (...)” (Deco Proteste, 2022) and the price of electricity experienced a 35% increase (Jornal de Negócios, 2022). In fact, “According to a survey carried out by the ICS/ISCTE, (...) the majority of Portuguese people (72%) started by cutting back on “expenses with leisure activities, such as walks, eating out, hobbies, cinema or shows”, while 62% of respondents say they have already “decreased the domestic use of electricity, gas and/or water”” (Eco Sapo, 2022). Assuming the category of “leisure goods”, the acquisition of premium television channels may, according to the survey described above, fall and thus be seen as a loss of customers.

That said, the possibility of increasing total revenues only exists if operators are willing to pay the intended price. Two situations emerge: either operators pay this amount out of their own pockets or the sale price to the customer will have to increase. The existence of losses on the part of Sport TV with the current contracts makes the first situation unlikely, since “Sport TV recorded, until March (2021) losses of 12.24 million euros, aggravating the negative results obtained by the company at the end of last year, when accounts were in the red at 5.69 million. Losses in the quarter surpass the company's worst years” (Eco Sapo, 2021). On the other hand, given the data collected earlier, the trend demonstrated by the influence of inflation and the consequent reduction in the generalized

purchasing power of the Portuguese is that the hypothetical price increase is a measure that is difficult to adhere to.

Conclusion

The analysis of several distribution models allows for the conclusion that it would be extremely unlikely, if not impossible, for all teams to keep or increase their current broadcasting revenues, if no change in the total revenue pool is observed. Furthermore, the financial prediction of the near future seems to show the difficulty of achieving a bigger value of total revenues. Both the current financial situation of Sport TV and of the Portuguese population in general, exacerbated in the year 2022, point towards the unwillingness of both sides to pay more for Football content.

6. Conclusions, Limitations and Future Research

Conclusions

Based on the analysis performed, we imagined 3 viable scenarios to summarize the possible effects of collective bargaining in the competition for football broadcasting rights, and its impact on the financial structure of clubs. We defined our focal issue as - What will be the impact of collective bargaining on competition in the telecommunications market regarding the broadcasting of football matches? - and the time horizon 2028/29.

For the conception of the scenarios we identified as key uncertainties, the impact of the OTT model and the financial structure of the clubs. The first one refers to the way fans experience the games, as result of an increasing tendency model that challenges the traditional way of watching them. On the other hand, the financial structure of the clubs since it's affected not only by the way the revenue distribution is made through the collective bargaining model, but also for the competition that exists between those interested in acquiring the broadcasting rights of the games. A conservative scenario was created, a neutral one, and lastly, an optimistic one.

In the conservative scenario, the current market values for the broadcasting rights of football games remain unchanged (172 million). The number of consumers (i.e., those who pay to access premium sports content) may decrease due to external context influences and it may consequently, incite the resort to illegal practices. To compensate this decrease, applying higher prices is not viable. Thus, this scenario can lower the premium sporting channels number accesses and lead to a decrease in broadcasting revenues, having even more drawbacks in the clubs' financial structure. Although, if the number of consumers remains equal as it is nowadays, the financial capacity of the big three will be affect as well.

In this scenario, it is difficult for new broadcast models to incorporate the market, since bidders for broadcasting rights would compete for ownership. This may lead to the formation of a cartel and consequently only a few players (the current rightsholders- operators) are able or willing to pay high prices. This limitation of competition would also have a negative impact on the end consumer.

Another consequence would be the possibility of Portuguese clubs losing points in European competitions due to a lower investment capacity by the clubs that are usually part of them.

Portuguese football may damage its image and discourage foreign investment, thus contributing to the non-growth of the market.

In the neutral scenario, the market value of the broadcasting rights of the game increases in comparison with the current value. Nevertheless, the financial structure of SC Braga, Vitória SC and the big three, continues to be negatively affected.

However, if the league were to become more competitive, (i.e. the games more balanced and with the gameplay levelled up) it may lead to more consumers willing to pay and consequently generate more revenue.

If the League would become the rightsholder and the unique entity to represent all the clubs and to negotiate with the secret licitors in an auction type bid, it could mean a decrease in the power of the Sport TV monopoly. This would give an opportunity for other forms of broadcasting to incorporate

themselves in the market, and it would also provide a bigger range of options to the costumers, to fulfill their requirements. Consequently, it might reduce piracy and increase market value.

In the optimistic scenario, the total value of the market is sufficient so that no club would suffer from the implementation of the collective bargaining model. This value would be achieved by rising the competition among rightsholders, allowing to sell rights at a higher price due to the increase of clubs' bargaining power.

This competitive dynamic leads to a greater offer diversity and consequently, allows an adjustment to the consumers' interests and presents them with different price ranges, consequently this could mean a decrease in illegal practices.

To conclude, the conservative scenario presents the negative effects when applying the centralized model, suggested by the League. The neutral scenario represents a more balanced one since it shows a higher possibility of the model's implementation not being so advantageous, however it does not discredit its potential for success in the long term.

Finally, the optimistic scenario is the one that presents only advantages the implementation of the centralized model, considering that there are no disadvantages.

Limitations

The limitations of the study were identified in the primary and secondary research, in the realization of the financial model, and in the proposal of a centralized model.

In primary and secondary research, the sample obtained by the questionnaire is not as comprehensive and diverse in terms of geographic location and age, this is due to the fact that the respondents are limited to the scope of the group members. Regarding the interviews, it would have been an added value to have obtained an interview with Sport TV, in order to understand their position and forecasts

on the subject under study. It would also have been worthwhile, an interview with one of the Portuguese telecom operators, due to its great influence on the competitive dynamics in this market. The analysis of the current situation and its comparison with the hypothetical and proposed models is limited by the lack of official and/or reliable information on the contracts currently employed by the Portuguese League teams. While approximations were used, the correct values would allow for a more accurate depiction of the situation.

Despite the analytical standpoint made, further analysis of the indicators within the proposed distribution models and current models employed by other countries and leagues comes up against the “philosophical” notions of equality and/or fairness, where equality of opportunity and equality of outcomes are put into perspective. Although this paper was, for the most part, focused on the teams themselves, this limitation arises on the sense that fans of the teams with the most support (which, if we consider it to be the Big-3 teams in Portugal) would, most likely, be harmed, while a small percentage of fans that supports bottom-tier teams would benefit from it. Unfortunately, it is not a question that we can answer, and it leaves space for different conclusions.

Future research

A potential idea for future research would be to understand if the international rights are worth enough so that, investing in this department for it to expand justifies the implementation of the collective bargaining model. For example, one could investigate the weight of these international TV rights in some of European top leagues such as the English league or Spanish league and use it to compare with the Portuguese situation. This might allow to create a benchmark about the Eastern tendency to care about professional football (a huge emerging market in fast growth such as the Asian one), and to use that benchmark to understand if Portuguese football has or could be having in the future a place in that market. Finally, it would be also interesting to understand the consequences of this in the OTT model, what are the advantages and disadvantages in relation to the consumers valuing the “*view-in-time*” of matches.

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Exhibit 1: Distribution of Broadcasting Revenues for the Premier League in 2020/21

Club Name	Live	Equal Share	UK		International		Central Commercial	Total Payment
			Facility Fees	Merit Payment	Equal Share	Merit Payment		
Manchester City	27	31,375,697	24,424,705	34,961,500	47,541,599	8,325,500	5,924,232	152,553,233
Manchester United	28	31,375,697	25,291,836	33,213,425	47,541,599	7,909,225	5,924,232	151,256,014
Liverpool	29	31,375,697	26,158,967	31,465,350	47,541,599	7,492,950	5,924,232	149,958,795
Chelsea	30	31,375,697	27,026,098	29,717,275	47,541,599	7,076,675	5,924,232	148,661,576
Leicester City	22	31,375,697	20,089,050	27,969,200	47,541,599	6,660,400	5,924,232	139,560,178
West Ham United	22	31,375,697	20,089,050	26,221,125	47,541,599	6,244,125	5,924,232	137,395,828
Tottenham Hotspur	25	31,375,697	22,690,443	24,473,050	47,541,599	5,827,850	5,924,232	137,832,871
Arsenal	24	31,375,697	21,823,312	22,724,975	47,541,599	5,411,575	5,924,232	134,801,390
Leeds United	24	31,375,697	21,823,312	20,976,900	47,541,599	4,995,300	5,924,232	132,637,040
Everton	24	31,375,697	21,823,312	19,228,825	47,541,599	4,579,025	5,924,232	130,472,690
Aston Villa	19	31,375,697	17,487,657	17,480,750	47,541,599	4,162,750	5,924,232	123,972,685
Newcastle United	18	31,375,697	16,620,526	15,732,675	47,541,599	3,746,475	5,924,232	120,941,204
Wolverhampton Wanderers	17	31,375,697	15,753,395	13,984,600	47,541,599	3,330,200	5,924,232	117,909,723
Crystal Palace	14	31,375,697	13,152,002	12,236,525	47,541,599	2,913,925	5,924,232	113,143,980
Southampton	14	31,375,697	13,152,002	10,488,450	47,541,599	2,497,650	5,924,232	110,979,630
Brighton & Hove Albion	15	31,375,697	14,019,133	8,740,375	47,541,599	2,081,375	5,924,232	109,682,411
Burnley	11	31,375,697	10,550,609	6,992,300	47,541,599	1,665,100	5,924,232	104,049,537
Fulham	15	31,375,697	14,019,133	5,244,225	47,541,599	1,248,825	5,924,232	105,353,711
West Bromwich Albion	11	31,375,697	10,550,609	3,496,150	47,541,599	832,550	5,924,232	99,720,837
Sheffield United	11	31,375,697	10,550,609	1,748,075	47,541,599	416,275	5,924,232	97,556,487
All figures in £		627,513,940	367,095,760	367,095,750	950,831,980	87,417,750	118,484,640	2,518,439,820

Source: Premier League

Exhibit 2: Merit- Based Payments in the Premier League for 1st and last place

National	International	Total	% Total
£ 34 961 500,00	£ 8 325 500,00	£ 43 287 000,00	9,524%
£ 1 748 075,00	£ 416 275,00	£ 2 164 350,00	0,476%

Exhibit 3: La Liga Broadcasting Revenues 2020/21

Source: LaLiga

LaLiga Santander			LaLiga SmartBank				
Club	Income	Obligations	Club	Income	Compensation for relegation	Income Obligations	
ATHLETIC CLUB	72,2	-6,1	R.C.D. ESPANYOL DE BARCELONA, S.A.D.	10,4	30,5+	40,9	-0,9
FUTBOL CLUB BARCELONA	165,6	-14,1	CENTRE D'ESPORTS SABADELL F.C., S.A.D.	5,8		5,8	-0,5
REAL MADRID CLUB DE FUTBOL	163,0	-13,9	REAL SPORTING DE GIJON, S.A.D.	7,6		7,6	-0,6
CLUB ATLETICO DE MADRID, S.A.D.	130,1	-11,1	REAL CLUB DEPORTIVO MALLORCA, S.A.D.	9,5	9,9+	19,4	-0,8
SEVILLA FUTBOL CLUB, S.A.D.	84,2	-7,2	SOCIEDAD DEPORTIVA PONFERRADINA, S.A.D.	6,0		6,0	-0,5
REAL BETIS BALOMPIE, S.A.D.	59,5	-5,1	CLUB DEPORTIVO CASTELLÓN, S.A.D.	6,1		6,1	-0,5
REAL SOCIEDAD DE FUTBOL, S.A.D.	66,4	-5,6	CLUB DEPORTIVO TENERIFE, S.A.D.	6,9		6,9	-0,6
LEVANTE UNION DEPORTIVA, S.A.D.	50,3	-4,3	RAYO VALLECANO DE MADRID, S.A.D.	7,4		7,4	-0,6
CADIZ CLUB DE FUTBOL, S.A.D.	47,3	-4,0	REAL OVIEDO, S.A.D.	6,8		6,8	-0,6
VALENCIA CLUB DE FUTBOL, S.A.D.	73,3	-6,2	CLUB DEPORTIVO MIRANDES, S.A.D.	6,4		6,4	-0,5
CLUB ATLETICO OSASUNA	49,7	-4,2	CLUB DEPORTIVO LEGANES, S.A.D.	9,8	16,1+	25,9	-0,8
DEPORTIVO ALAVES, S.A.D.	51,1	-4,3	GIRONA FUTBOL CLUB, S.A.D.	7,8		7,8	-0,7
ELCHE CLUB DE FUTBOL, S.A.D.	47,3	-4,0	REAL ZARAGOZA, S.A.D.	9,4		9,4	-0,8
VILLARREAL CLUB DE FUTBOL, S.A.D.	73,3	-6,2	ALBACETE BALOMPIE, S.A.D.	6,2		6,2	-0,5
REAL CLUB CELTA DE VIGO, S.A.D.	53,3	-4,5	UNION DEPORTIVA LAS PALMAS, S.A.D.	8,0		8,0	-0,7
REAL VALLADOLID CLUB DE FUTBOL, S.A.D.	48,5	-4,1	CLUB DEPORTIVO LUGO, S.A.D.	6,2		6,2	-0,5
GRANADA CLUB DE FUTBOL, S.A.D.	52,5	-4,5	AGRUPACION DEPORTIVA ALCORCON, S.A.D.	6,4		6,4	-0,5
SOCIEDAD DEPORTIVA EIBAR S.A.D.	51,8	-4,4	CLUB DE FUTBOL FUENLABRADA	6,7		6,7	-0,6
SOCIEDAD DEPORTIVA HUESCA, S.A.D.	46,8	-4,0	UNION DEPORTIVA ALMERIA, S.A.D.	8,0		8,0	-0,7
GETAFE CLUB DE FUTBOL, S.A.D.	58,5	-5,0	MALAGA CLUB DE FUTBOL, S.A.D.	7,2		7,2	-0,6
			FUTBOL CLUB CARTAGENA, S.A.D.	6,0		6,0	-0,5
			UNION DEPORTIVA LOGROÑES, S.A.D.	5,9		5,9	-0,5
TOTAL:	1.444,7	-122,8	TOTAL:	160,5	56,5	217,0	-13,6

Figures in millions of euros

Exhibit 4: Bundesliga Broadcasting Revenues 2020/21

		Total			% Total	% Average
1.	Bayern München	105 400 000,00 €	74 300 000,00 €	31 100 000,00 €	8,9%	59,6%
2.	Borussia Dortmund	94 950 000,00 €	73 340 000,00 €	21 610 000,00 €	8,0%	43,8%
3.	Bayer 04 Leverkusen	88 070 000,00 €	70 050 000,00 €	18 020 000,00 €	7,4%	33,4%
4.	RB Leipzig	81 690 000,00 €	69 300 000,00 €	12 390 000,00 €	6,9%	23,7%
5.	Bor. Mönchengladbach	77 600 000,00 €	67 950 000,00 €	9 650 000,00 €	6,5%	17,5%
6.	Eintracht Frankfurt	75 690 000,00 €	63 850 000,00 €	11 840 000,00 €	6,4%	14,6%
7.	FC Schalke 04	75 250 000,00 €	59 300 000,00 €	15 950 000,00 €	6,3%	14,0%
8.	TSG 1899 Hoffenheim	71 980 000,00 €	66 780 000,00 €	5 200 000,00 €	6,1%	9,0%
9.	VfL Wolfsburg	69 020 000,00 €	58 380 000,00 €	10 640 000,00 €	5,8%	4,5%
10.	Hertha BSC	66 510 000,00 €	61 970 000,00 €	4 540 000,00 €	5,6%	0,7%
11.	SC Freiburg	57 760 000,00 €	54 090 000,00 €	3 670 000,00 €	4,9%	-12,5%
12.	Werder Bremen	55 920 000,00 €	52 900 000,00 €	3 020 000,00 €	4,7%	-15,3%
13.	FSV Mainz 05	54 760 000,00 €	48 920 000,00 €	5 840 000,00 €	4,6%	-17,1%
14.	FC Augsburg	49 730 000,00 €	45 180 000,00 €	4 550 000,00 €	4,2%	-24,7%
15.	1.FC Köln	47 040 000,00 €	43 140 000,00 €	3 900 000,00 €	4,0%	-28,8%
16.	VfB Stuttgart	45 710 000,00 €	41 400 000,00 €	4 310 000,00 €	3,8%	-30,8%
17.	1.FC Union Berlin	37 070 000,00 €	34 690 000,00 €	2 380 000,00 €	3,1%	-43,9%
18.	Arminia Bielefeld	34 310 000,00 €	31 930 000,00 €	2 380 000,00 €	2,9%	-48,0%
		1 188 460 000,00 €	1 017 470 000,00 €	170 990 000,00 €		

Source: *Football – Finance*

Exhibit 5: Revenue Distribution Serie A 2020/21

80% Revenues	
Atalanta	54,6
Benevento	30,3
Bologna	37,6
Cagliari	34,1
Crotone	29,5
Fiorentina	39,7
Genoa	36,8
Inter	65
Juventus	62,7
Lazio	48,3
Milan	57,8
Napoli	54,9
Parma	31,6
Roma	49,7
Sampdoria	40,4
Sassuolo	40,2
Spezia	31,5

Torino	36,7
Udinese	35,8
Verona	37,1

Exhibit 5: Revenue Distribution Eredivisie 2019/20

1	Ajax (1)	12.95	10 295 250,00 €
2	PSV (2)	11.65	9 261 750,00 €
3	Feyenoord (3)	10.35	8 228 250,00 €
4	AZ (4)	9.05	7 194 750,00 €
5	Vitesse (5)	8.0	6 360 000,00 €
6	Utrecht (6)	6.95	5 525 250,00 €
7	FC Groningen (8)	5.9	4 690 500,00 €
8	SC Heerenveen (7)	4.85	3 855 750,00 €
9	Heracles Almelo (10)	4.05	3 219 750,00 €
10	ADO Den Haag (9)	3.7	2 941 500,00 €
11	FC Twente (-)	3.45	2 742 750,00 €
12	PEC Zwolle (11)	3.2	2 544 000,00 €
13	Willem II (12)	3.0	2 385 000,00 €
14	VVV Venlo (15)	2.8	2 226 000,00 €
15	RKC Waalwijk (-)	2.6	2 067 000,00 €
16	Sparta Rotterdam (-)	2.55	2 027 250,00 €
17	FC Emmen (18)	2.5	1 987 500,00 €
18	Fortuna Sittard	2.45	1 947 750,00 €

Source: *afc-ajax.info*

Exhibit 6: Audiovisual rights framework

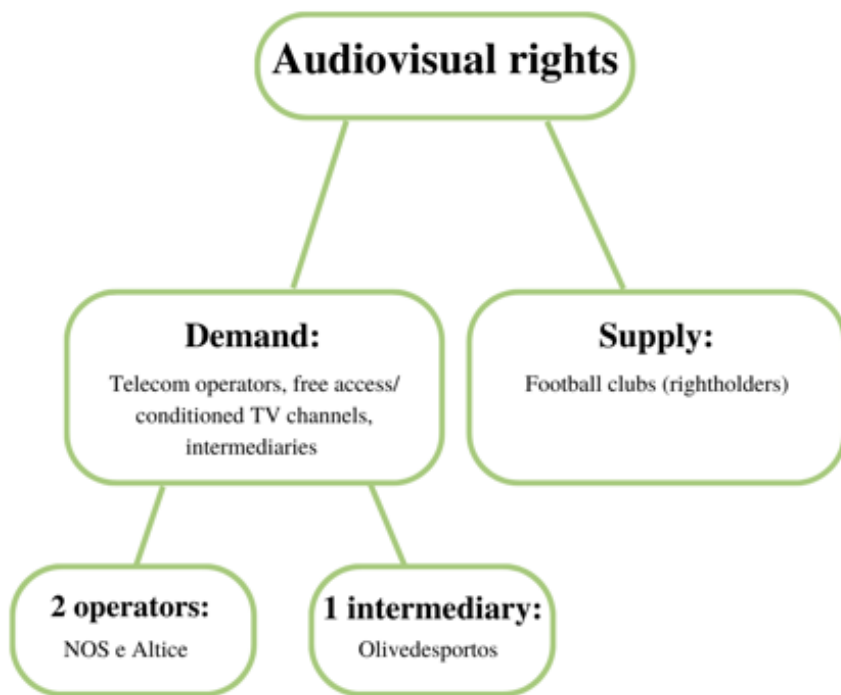


Exhibit 7: Potential situation in the competition between the players in Portugal

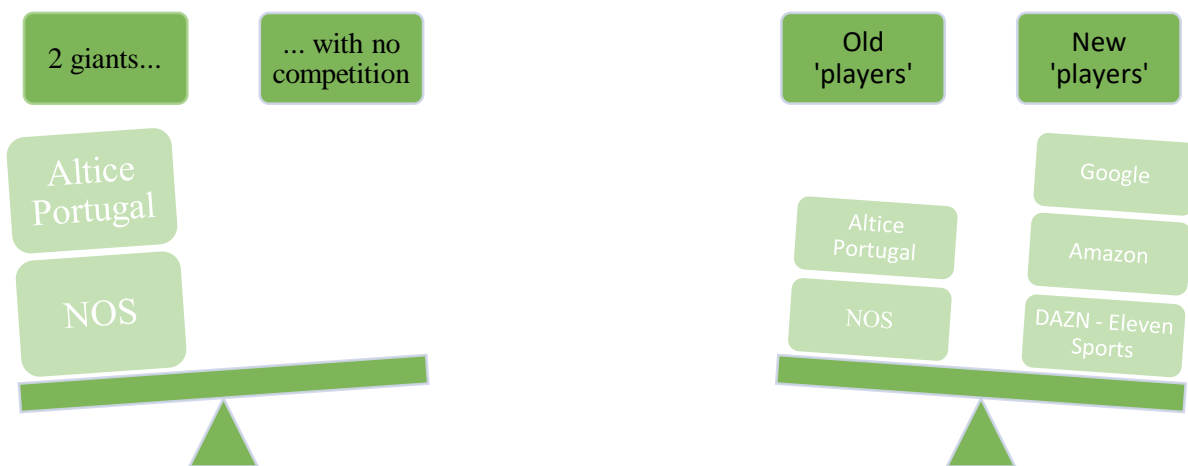


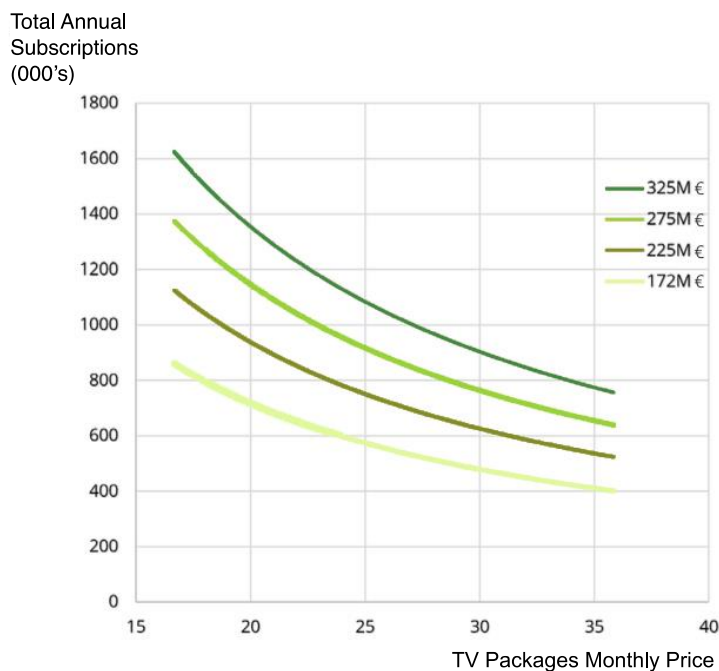
Exhibit 8: Sensitivity analysis of individual club revenues relative to total revenues 2018/19

	Situação Atual	Modelo Potencial								
Posição na tabela	172	172	250	275	285	295	305	310	325	350
SL Benfica	41,9	23,1	33,6	36,9	38,3	39,6	41	41,6	43,7	47
FC Porto	41,9	19,8	28,7	31,6	32,7	33,9	35	35,6	37,3	40,2
Sporting CP	41,9	17,3	25,1	27,6	28,6	29,6	30,6	31,1	32,6	35,1
SC Braga	15,5	12	17,4	19,2	19,9	20,6	21,3	21,6	22,6	24,4
Vitória SC	2,2	12,4	18	19,8	20,5	21,3	22	22,3	23,4	25,2
Moreirense FC	2,2	8,3	12	13,2	13,7	14,2	14,7	14,9	15,6	16,8
Rio Ave FC	2,2	7,7	11,2	12,3	12,7	13,2	13,6	13,9	14,5	15,6
Boavista FC	2,2	8	11,6	12,7	13,2	13,7	14,1	14,4	15,1	16,2
Belenenses SAD	2,2	6,7	9,7	10,7	11,1	11,5	11,8	12	12,6	13,6
CD Santa Clara	2,2	6,8	9,9	10,9	11,3	11,7	12,1	12,3	12,8	13,8
CS Marítimo	2,2	7,2	10,5	11,5	12	12,4	12,8	13	13,6	14,7
Portimonense SC	2,2	6,4	9,4	10,3	10,7	11	11,4	11,6	12,2	13,1
Vitória FC	2,2	6,6	9,6	10,6	11	11,4	11,8	12	12,5	13,5
CD Aves	2,2	6	8,8	9,7	10	10,4	10,7	10,9	11,4	12,3
CD Tondela	2,2	6	8,7	9,6	9,9	10,3	10,6	10,8	11,3	12,2
GD Chaves	2,2	6,3	9,1	10	10,4	10,7	11,1	11,3	11,8	12,7
CD Nacional	2,2	5,8	8,4	9,2	9,5	9,9	10,2	10,4	10,9	11,7
CD Feirense	2,2	5,7	8,3	9,2	9,5	9,8	10,2	10,3	10,8	11,7
Total Liga NOS		172	250	275	285	295	305	310	325	350

*all values in M€

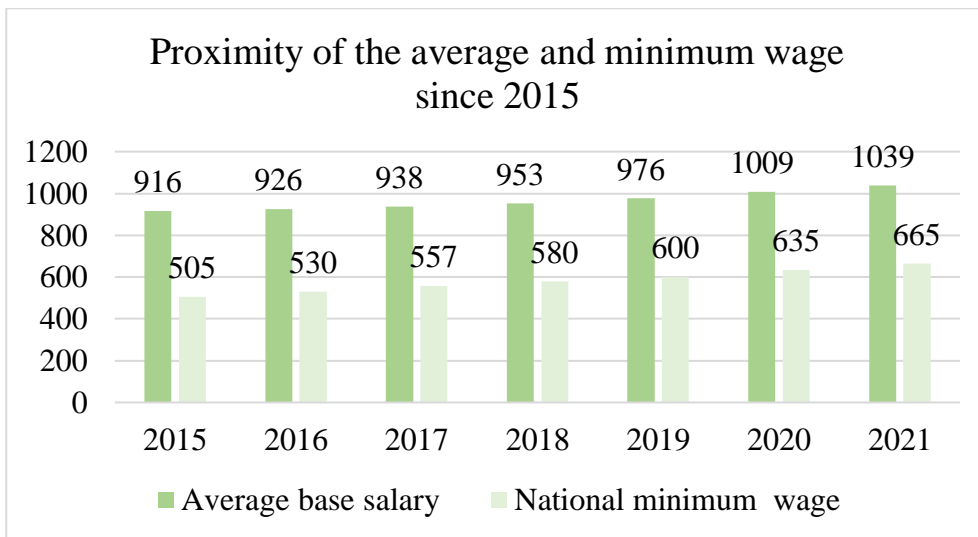
Source: *Estudo sobre o impacto da negociação centralizada dos direitos televisivos em Portugal*, Servir o Benfica (2022)

Exhibit 9: Total subscribers, in thousands, and monthly price per TV package for different levels of global revenue/year, M€ and thousands of subscriptions



Source: *Estudo sobre o impacto da negociação centralizada dos direitos televisivos em Portugal*, Servir o Benfica (2022)

Exhibit 10: Proximity of the average and minimum wage since 2015



Source: *Dinheiro Vivo* (2022)

Exhibit 11: Quantitative Research- Questionnaire

Section 1. Personal information

Age

- Under 18
- 18-35
- 35-65
- Over 65

Gender

- Female
- Male

Are you currently living in Portugal?

- Yes
- No

What is your residential district? (Select option)

Section 2. Filter Question

Do you watch football games?

- Yes:
- No: Stop survey

Section 3. Football tastes and stadium assiduity

1. Which football team you support?

- Sporting Clube de Portugal
- Sport Lisboa e Benfica
- Futebol Clube do Porto
- Other

2. Which football team do you support?

3. Do you have a season ticket?

- Yes
- No

4. How frequently do you watch games at the stadium?

- Never
- Rarely
- Occasionally
- Frequently
- Always

5. Which football competitions do you follow?

- Premier League (England)
- German League
- Italian League
- French League
- International club competitions (e.g: UEFA Champions League)
- Other leagues (Turkish League, Belgium League, Swiss League, Dutch League...)
- Portuguese League

6. Which football competitions do you follow? (Sort them according to your preference, leaving the ones you do not follow for the end.)

Premier League (England)

Spanish League

German League

Italian League

French League

International club's competitions (e.g.: UEFA Champions League)

Other leagues (Dutch League, Turkish league Belgian League, Swiss League...)

Portuguese League

7. Sort, in descending order (from most important to least important), the importance of the following factors regarding the attractiveness of football

Competitive equilibrium

Signing of world class players

Fans presence in the stadium

Investment in the youth teams

Playing with a team of superior quality

8. Do you consider that, in football, competition is correlated with attractiveness of the game?
- Yes
 - No (Move to section 5)
 - I do not have an opinion (Move to section 5)
9. Would you change your answer if both teams played a football of a low quality?
- Yes
 - No
 - I do not have an opinion

Section 5. Football in other channels

1. Do you prefer to watch matches on TV box or in other channels stated above?
- TV box
 - Other channels
2. What features make you prefer the channel(s) that you have selected previously?

From the following factors please choose up to 3.

Practical

Image quality

Screen size

Mobility

More privacy

Liberty of choice regarding content

Section 6. Premium sports channels in Portugal

1. Is there a subscription of a Portuguese premium paid sports channel in your household?

- Yes (Move to question 3)
 - No
- 2. If the Portuguese League was to be more competitive, would you be willing to acquire a subscription?
 - Yes (Move to section 8)
 - No (Move to section 8)
 - Yes, if the football practiced is better (Move to section 8)
 - No, if the football practiced is worse (Move to section 8)
- 3. Who pays the subscription?
 - Respondent
 - Family member (Move to question 5 and 6)
- 4. What is your monthly revenue?
 - Under 500€
 - 500€-849€
 - 850€-1249€
 - 1250€-2000€
 - Over 2000€
- 5. How old is your family member (that pays for the subscription)?
 - 18-35
 - 35-65
 - Over 65
- 6. What is the monthly revenue of your family member?
 - Under 500€

- 500-849€
- 850-1249€
- 1250-2000€
- Over 2000€

Section 7. Respondents with premium paid Portuguese sports channels

1. Which sports channel(s) are you subscribed to?

- Sport TV
- Eleven Sports
- BTV

2. Were your subscriptions done through your TV operator?

- Yes
- No, I am only subscribed directly to Eleven Sports
- Yes and no, I am subscribed through the TV operator, and directly through Eleven

3. Does your subscription have a multiscreen feature?

Note: a multiscreen feature can be described as the possibility to watch the same sporting event in different devices at the same time (eg: it allows to watch the same event on TV and also on a smartphone/tablet/PC).

- Yes
- No

4. What is the value of your subscription package?

Note: If you have more than 1 subscription package, please state the total monthly value of all packages.

- 0-15€
- 15-30€
- Over 30€

5. Would you be willing to pay a superior value to what you pay currently so that the Portuguese League becomes more competitive between all clubs?

- Yes
- No
- Yes, if the football practiced is better
- No, if the football practiced is worse

6. If you could watch football matches through an OTT model, would you choose this channel instead of a Portuguese premium sports channel?

Note: OTT model consists of transmitting content directly to the consumer over the internet. To gain access, a subscription fee is usually paid. The kind of content transmitted by this model is On-Demand, which means that the viewer can watch the available content wherever and whenever he or she wants. Examples: DAZN, Amazon Prime Video, Disney +.

- Yes
- No

7. Which factors do you consider as disadvantages in an OTT model?

- Access to Internet
- Not having all the contents in the same platform
- Do not think it has disadvantages
- Other(s) (Move to question 9)

8. Which one(s)?
9. Besides premium channels, do you use illicit channels to watch sporting events?
- Yes (illegal streaming or account sharing) (Move to section 9)
 - No (Stop survey)

Section 8. Respondents without Portuguese premium sports channels

1. Where do you watch football matches?
- Restauration establishments
 - House of a friend/ family member
 - Online streaming, account sharing
2. In the case of the Portuguese League allowing for their first division matches to be broadcasted in different paid channels, would you be willing to subscribe those channels?
- Yes, even if the price increase
 - Yes, if the price remains the same
 - Yes, but only if the price decrease
 - Only the channels that broadcast the matches of the club I support
3. Would you be willing to subscribe to different channels to obtain access to foreign leagues?
- Yes
 - No (Move to question 6)

4. Which ones?

- Premier League
- Spanish League
- German League
- Italian League
- French League
- International club's competitions (Champions League, Europe League...)
- International national team's competitions (World Cup, European Championships...)
- Other leagues (Turkish League, Belgian League, Swiss League...)
- Dutch League

5. If you could watch the matches through an OTT model, would you choose this option instead of a premium paid sports TV channel?

Note: OTT model consists of transmitting content directly to the consumer over the internet. To gain access, a subscription fee is usually paid. The kind of content transmitted by this model is On-Demand, which means that the viewer can watch the available content wherever and whenever he or she wants. Examples: DAZN, Amazon Prime Video, Disney +.

- Yes
- No

6. Which factors do you consider drawbacks in the subscription of an OTT model?

- Access to internet
- Not having all the contents in the same platform
- Do not think that it has disadvantages
- Other(s) (Move to question 8)

7. Which one(s)?

8. What is/are the reason(s) that would make you pay more to have access to a paid TV channel?
- Access to personalized content (in line with my interests)
 - More practical
 - I am already familiarized with the functioning of my TV box
 - More attractive price
 - Other(s)

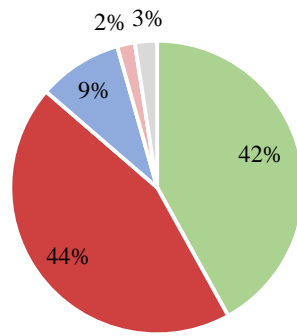
Section 9. Illegal streaming and account sharing

1. Please select any illicit channel that you have ever used to watch a sporting event, such as a football match.
- IPTV
 - Online streaming
 - Account sharing
2. Do you have a VPN service?
- Yes
 - No (Move to question 4)
3. Why did you acquire a VPN?
- To protect my internet connections and keep my online privacy
 - To improve my stream quality, allowing me to bypass any obstacles that my interest supplier could impose to my connection
4. Sort, in descending order, the reasons that make you resort to illegal channels to watch sporting events instead of subscribing to a paid channel.
- Price

- I only have a Wi-Fi package
 - Quality of image
 - Format of the available subscription packages
 - Do not have a TV
5. If new packages of subscription would become available, would you acquire them instead of using illicit channels?
- Yes, if it is through an OTT model, with a lower fee than the present prices
 - Yes, if it is through a TV channel, with a lower fee than the present prices
 - Yes, at a very low fee (does not matter if it is through a TV channel or an OTT model)
 - No

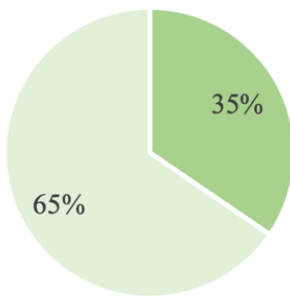
Exhibit 12: Quantitative Research- Sample Overview

Sample overview



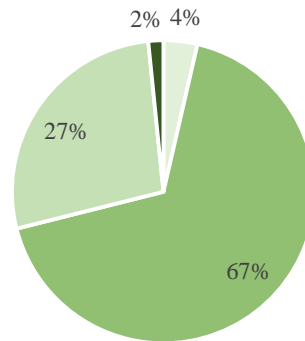
- Sporting Clube de Portugal
- Sport Lisboa e Benfica
- Futebol Clube do Porto
- Sporting Clube de Braga
- Others

Gender



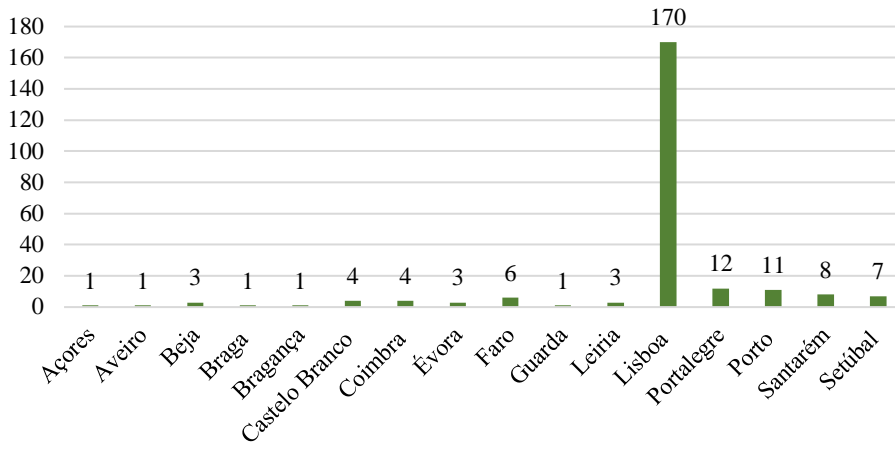
- Women
- Men

Age Groups



- Less than 18
- 18-35
- 36-65
- More than 65

District of residence



Attendance of football matches

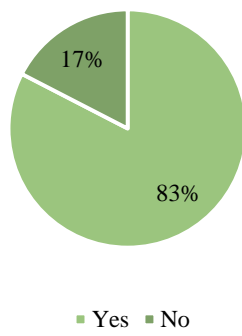


Exhibit 13: La Liga Final Standings Post-Collective Agreement 21/22; 20/21; 19/20

21/22			20/21			19/20		
1	Real Madrid CF	86	1	Atlético de Madrid	86	1	Real Madrid CF	87
2	FC Barcelona	73	2	Real Madrid CF	84	2	FC Barcelona	82
3	Atlético de Madrid	71	3	FC Barcelona	79	3	Atlético de Madrid	70
4	Sevilha FC	70	4	Sevilha FC	77	4	Sevilha FC	70
5	Real Bétis	65	5	Real Sociedad	62	5	FC Villarreal	60
6	Real Sociedad	62	6	Real Bétis	61	6	Real Sociedad	56
7	FC Villarreal	59	7	FC Villarreal	58	7	Granada CF	56
8	Athletic Bilbao	55	8	Celta de Vigo	53	8	Getafe CF	54
9	Valência CF	48	9	Athletic Bilbao	46	9	Valência CF	53
10	CA Osasuna	47	10	Granada CF	46	10	CA Osasuna	52
11	Celta de Vigo	46	11	CA Osasuna	44	11	Athletic Bilbao	51
12	Rayo Valhecano	42	12	Cádiz CF	44	12	Levante UD	49
13	Elche CF	42	13	Valência CF	43	13	Real Valladolid CF	42
14	RCD Espanyol	42	14	Levante UD	41	14	SD Eibar	42
15	Getafe CF	39	15	Getafe CF	38	15	Real Bétis	41
16	RCD Maiorca	39	16	Deportivo Alavés	38	16	Deportivo Alavés	39
17	Cádiz CF	39	17	Elche CF	36	17	Celta de Vigo	37
18	Granada CF	38	18	SD Huesca	34	18	CD Leganés	36
19	Levante UD	35	19	Real Valladolid CF	31	19	RCD Maiorca	33
20	Deportivo Alavés	31	20	SD Eibar	30	20	RCD Espanyol	25

Exhibit 14: La Liga Final Standings Post- Collective Agreement 18/19; 17/18; 16/17

18/19			17/18			16/17		
1	FC Barcelona	87	1	FC Barcelona	93	1	Real Madrid CF	93
2	Atlético de Madrid	76	2	Atlético de Madrid	79	2	FC Barcelona	90
3	Real Madrid CF	68	3	Real Madrid CF	76	3	Atlético de Madrid	78
4	Valência CF	61	4	Valência CF	73	4	Sevilha FC	72
5	Getafe CF	59	5	FC Villarreal	61	5	FC Villarreal	67
6	Sevilha FC	59	6	Real Bétis	60	6	Real Sociedad	64
7	RCD Espanyol	53	7	Sevilha FC	58	7	Athletic Bilbao	63
8	Athletic Bilbao	53	8	Getafe CF	55	8	RCD Espanyol	56
9	Real Sociedad	50	9	SD Eibar	51	9	Deportivo Alavés	55
10	Real Bétis	50	10	Girona FC	51	10	SD Eibar	54
11	Deportivo Alavés	50	11	RCD Espanyol	49	11	Málaga CF	46
12	SD Eibar	47	12	Real Sociedad	49	12	Valência CF	46
13	CD Leganés	45	13	Celta de Vigo	49	13	Celta de Vigo	45
14	FC Villarreal	44	14	Deportivo Alavés	47	14	UD Las Palmas	39
15	Levante UD	44	15	Levante UD	46	15	Real Bétis	39
16	Real Valladolid CF	41	16	Athletic Bilbao	43	16	RC Deportivo de Corunha	36
17	Celta de Vigo	41	17	CD Leganés	43	17	CD Leganés	35

18	Girona FC	37	18	RC Deportivo de Corunha	29	18	Real Sporting de Gijón	31
19	SD Huesca	33	19	UD Las Palmas	22	19	CA Osasuna	22
20	Rayo Valhecano	32	20	Málaga CF	20	20	Granada CF	20

Exhibit 15: La Liga Final Standings Pre- Collective Agreement 15/16; 14/15; 13/14

15/16			14/15			13/14		
1	FC Barcelona	91	1	FC Barcelona	94	1	Atlético de Madrid	90
2	Real Madrid CF	90	2	Real Madrid CF	92	2	FC Barcelona	87
3	Atlético de Madrid	88	3	Atlético de Madrid	78	3	Real Madrid CF	87
4	FC Villarreal	64	4	Valência CF	77	4	Athletic Bilbao	70
5	Athletic Bilbao	62	5	Sevilha FC	76	5	Sevilha FC	63
6	Celta de Vigo	60	6	FC Villarreal	60	6	FC Villarreal	59
7	Sevilha FC	52	7	Athletic Bilbao	55	7	Real Sociedad	59
8	Málaga CF	48	8	Celta de Vigo	51	8	Valência CF	49
9	Real Sociedad	48	9	Málaga CF	50	9	Celta de Vigo	49
10	Real Bétis	45	10	RCD Espanyol	49	10	Levante UD	48
11	UD Las Palmas	44	11	Rayo Valhecano	49	11	Málaga CF	45
12	Valência CF	44	12	Real Sociedad	46	12	Rayo Valhecano	43
13	SD Eibar	43	13	Elche CF	41	13	Getafe CF	42
14	RCD Espanyol	43	14	Levante UD	37	14	RCD Espanyol	42
15	RC Deportivo de Corunha	42	15	Getafe CF	37	15	Granada CF	41
16	Granada CF	39	16	RC Deportivo de Corunha	35	16	Elche CF	40
17	Real Sporting de Gijón	39	17	Granada CF	35	17	UD Almería	40
18	Rayo Valhecano	38	18	SD Eibar	35	18	CA Osasuna	39
19	Getafe CF	36	19	UD Almería	29	19	Real Valladolid CF	36
20	Levante UD	32	20	Córdoba CF	20	20	Real Bétis	25

Exhibit 16: La Liga Final Standings Pre- Collective Agreement 12/13; 11/12; 10/11

12/13			11/12			10/11		
1	FC Barcelona	100	1	Real Madrid CF	100	1	FC Barcelona	96
2	Real Madrid CF	85	2	FC Barcelona	91	2	Real Madrid CF	92
3	Atlético de Madrid	76	3	Valência CF	61	3	Valência CF	71
4	Real Sociedad	66	4	Málaga CF	58	4	FC Villarreal	62
5	Valência CF	65	5	Atlético de Madrid	56	5	Sevilha FC	58
6	Málaga CF	57	6	Levante UD	55	6	Athletic Bilbao	58
7	Real Bétis	56	7	CA Osasuna	54	7	Atlético de Madrid	58
8	Rayo Valhecano	53	8	RCD Maiorca	52	8	RCD Espanyol	49
9	Sevilha FC	50	9	Sevilha FC	50	9	CA Osasuna	47
10	Getafe CF	47	10	Athletic Bilbao	49	10	Real Sporting de Gijón	47
11	Levante UD	46	11	Getafe CF	47	11	Málaga CF	46
12	Athletic Bilbao	45	12	Real Sociedad	47	12	Racing Santander	46
13	RCD Espanyol	44	13	Real Bétis	47	13	Real Saragoça	45
14	Real Valladolid CF	43	14	RCD Espanyol	46	14	Levante UD	45
15	Granada CF	42	15	Rayo Valhecano	43	15	Real Sociedad	45
16	CA Osasuna	39	16	Real Saragoça	43	16	Getafe CF	44
17	Celta de Vigo	37	17	Granada CF	42	17	RCD Maiorca	44
18	RCD Maiorca	36	18	FC Villarreal	41	18	RC Deportivo de Corunha	43
19	RC Deportivo de Corunha	35	19	Real Sporting de Gijón	37	19	Hércules CF	35

Exhibit 17: La Liga- comparison of indicators before and after Collective Agreement

Average	After	Before	Change
Median	48,83	46,83	4%
First to Last	62,33	67,17	-7%
3 First - 3 Last	153,17	160,17	-4%

Exhibit 18: Eredivisie Final Standings Post- Collective Agreement 12/13; 13/14; 14/15

12/13			13/14			14/15		
1	AFC Ajax	76	1	AFC Ajax	71	1	PSV Eindhoven	88
2	PSV Eindhoven	69	2	Feyenoord	67	2	AFC Ajax	71
3	Feyenoord	69	3	FC Twente	63	3	AZ Alkmaar	62
4	SBV Vitesse	64	4	PSV Eindhoven	59	4	Feyenoord	59
5	FC Utrecht	63	5	SC Heerenveen	57	5	SBV Vitesse	58
6	FC Twente	62	6	SBV Vitesse	55	6	PEC Zwolle	53
7	FC Groningen	43	7	FC Groningen	51	7	SC Heerenveen	50
8	SC Heerenveen	42	8	AZ Alkmaar	47	8	FC Groningen	46
9	ADO Den Haag	40	9	ADO Den Haag	43	9	Willem II Tilburg	46
10	AZ Alkmaar	39	10	FC Utrecht	41	10	FC Twente	43
11	PEC Zwolle	39	11	PEC Zwolle	40	11	FC Utrecht	41
12	Heracles Almelo	38	12	SC Cambuur	39	12	SC Cambuur	41

13	NAC Breda	38	13	Go Ahead Eagles	38	13	ADO Den Haag	37
14	RKC Waalwijk	37	14	Heracles Almelo	37	14	Heracles Almelo	37
15	NEC Nijmegen	37	15	NAC Breda	35	15	Excelsior Rotterdam	32
16	Roda JC Kerkrade	33	16	RKC Waalwijk	32	16	NAC Breda	28
17	VVV-Venlo	28	17	NEC Nijmegen	30	17	Go Ahead Eagles	27
18	Willem II Tilburg	23	18	Roda JC Kerkrade	29	18	FC Dordrecht	20

Exhibit 19: Eredivisie Final Standings Post- Collective Agreement 15/16; 16/17; 17/18; 18/19

15/16			16/17			17/18			18/19		
1	PSV Eindhoven	84	1	Feyenoord	82	1	PSV Eindhoven	83	1	AFC Ajax	86
2	AFC Ajax	82	2	AFC Ajax	81	2	AFC Ajax	79	2	PSV Eindhoven	83
3	Feyenoord	63	3	PSV Eindhoven	76	3	AZ Alkmaar	71	3	Feyenoord	65
4	AZ Alkmaar	59	4	FC Utrecht	62	4	Feyenoord	66	4	AZ Alkmaar	58
5	FC Utrecht	53	5	SBV Vitesse	51	5	FC Utrecht	54	5	SBV Vitesse	53
6	Heracles Almelo	51	6	AZ Alkmaar	49	6	SBV Vitesse	49	6	FC Utrecht	53
7	FC Groningen	50	7	FC Twente	45	7	ADO Den Haag	47	7	Heracles Almelo	48
8	PEC Zwolle	48	8	FC Groningen	43	8	SC Heerenveen	46	8	FC Groningen	45
9	SBV Vitesse	46	9	SC Heerenveen	43	9	PEC Zwolle	44	9	ADO Den Haag	45
10	NEC Nijmegen	46	10	Heracles Almelo	43	10	Heracles Almelo	42	10	Willem II Tilburg	44
11	ADO Den Haag	43	11	ADO Den Haag	38	11	Excelsior Rotterdam	40	11	SC Heerenveen	41
12	SC Heerenveen	42	12	Excelsior Rotterdam	37	12	FC Groningen	38	12	VVV-Venlo	41
13	FC Twente	40	13	Willem II Tilburg	36	13	Willem II Tilburg	37	13	PEC Zwolle	39
14	Roda JC Kerkrade	34	14	PEC Zwolle	35	14	NAC Breda	34	14	FC Emmen	38
15	Excelsior Rotterdam	30	15	Sparta Rotterdam	34	15	VVV-Venlo	34	15	Fortuna Sittard	34
16	Willem II Tilburg	29	16	NEC Nijmegen	34	16	Roda JC Kerkrade	30	16	Excelsior Rotterdam	33
17	VBV De Graafschap	23	17	Roda JC Kerkrade	33	17	Sparta Rotterdam	27	17	VBV De Graafschap	29
18	SC Cambuur	18	18	Go Ahead Eagles	23	18	FC Twente	24	18	NAC Breda	23

Exhibit 20: Eredivisie Final Standings Pre- Collective Agreement 11/12; 10/11; 09/10

11/12			10/11			09/10		
1	AFC Ajax	76	1	AFC Ajax	73	1	FC Twente	86
2	Feyenoord	70	2	FC Twente	71	2	AFC Ajax	85
3	PSV Eindhoven	69	3	PSV Eindhoven	69	3	PSV Eindhoven	78
4	AZ Alkmaar	65	4	AZ Alkmaar	59	4	Feyenoord	63
5	SC Heerenveen	64	5	FC Groningen	57	5	AZ Alkmaar	62
6	FC Twente	60	6	Roda JC Kerkrade	55	6	Heracles Almelo	56
7	SBV Vitesse	53	7	ADO Den Haag	54	7	FC Utrecht	53

8	NEC Nijmegen	45	8	Heracles Almelo	49	8	FC Groningen	49
9	RKC Waalwijk	45	9	FC Utrecht	47	9	Roda JC Kerkrade	47
10	Roda JC Kerkrade	44	10	Feyenoord	44	10	NAC Breda	46
11	FC Utrecht	43	11	NEC Nijmegen	43	11	SC Heerenveen	37
12	Heracles Almelo	40	12	SC Heerenveen	41	12	VVV-Venlo	35
13	NAC Breda	38	13	NAC Breda	40	13	NEC Nijmegen	33
14	FC Groningen	37	14	VBV De Graafschap	38	14	SBV Vitesse	32
15	ADO Den Haag	32	15	SBV Vitesse	35	15	ADO Den Haag	30
16	VVV-Venlo	31	16	Excelsior Rotterdam	35	16	Sparta Rotterdam	26
17	VBV De Graafschap	24	17	VVV-Venlo	21	17	Willem II Tilburg	23
18	Excelsior Rotterdam	19	18	Willem II Tilburg	15	18	RKC Waalwijk	15

Exhibit 21: Eredivisie Final Standings Pre- Collective Agreement 08/09; 08/07; 06/07

08/09			07/08			06/07		
1	AZ Alkmaar	80	1	PSV Eindhoven	72	1	PSV Eindhoven	75
2	FC Twente	69	2	AFC Ajax	69	2	AFC Ajax	75
3	AFC Ajax	68	3	NAC Breda	63	3	AZ Alkmaar	72
4	PSV Eindhoven	65	4	FC Twente	62	4	FC Twente	66
5	SC Heerenveen	60	5	SC Heerenveen	60	5	SC Heerenveen	55
6	FC Groningen	56	6	Feyenoord	60	6	Roda JC Kerkrade	54
7	Feyenoord	45	7	FC Groningen	51	7	Feyenoord	53
8	NAC Breda	45	8	NEC Nijmegen	49	8	FC Groningen	51
9	FC Utrecht	44	9	Roda JC Kerkrade	47	9	FC Utrecht	48
10	SBV Vitesse	43	10	FC Utrecht	46	10	NEC Nijmegen	44
11	NEC Nijmegen	42	11	AZ Alkmaar	43	11	NAC Breda	43
12	Willem II Tilburg	37	12	SBV Vitesse	43	12	SBV Vitesse	38
13	Sparta Rotterdam	35	13	Sparta Rotterdam	34	13	Sparta Rotterdam	37
14	ADO Den Haag	32	14	Heracles Almelo	32	14	Heracles Almelo	32
15	Heracles Almelo	32	15	Willem II Tilburg	31	15	Willem II Tilburg	31
16	Roda JC Kerkrade	30	16	VBV De Graafschap	30	16	Excelsior Rotterdam	30
17	VBV De Graafschap	30	17	VVV-Venlo	29	17	RKC Waalwijk	27
18	FC Volendam	29	18	Excelsior Rotterdam	27	18	ADO Den Haag	17

Exhibit 22: Eredivisie- comparison of indicators before and after Collective Agreement

Average	Before	After	Change
Median	43,21	45,42	-5%
First to Last	58,57	56,67	3%
3 First - 3 Last	142,14	143,67	-1%

Exhibit 23: Performance Factor

Performance	
Table position	% Alocated
1	17%
2	15%
3	13%
4	11%
5	9%
6	7%
7	5%
8	4%
9	3%
10	3%
11	3%
12	2%
13	2%
14	2%
15	2%
16	1%
17	1%
18	1%

Exhibit 24: Social impact Factor

Social Impact		
	Season 18/19	%
Home assistance		
SL Benfica	915003	26%
FC Porto	707650	20%
Sporting CP	572743	16%
SC Braga	204598	6%
Vitória SC	310240	9%
Moreirense FC	38670	1%
Rio Ave FC	61712	2%
Boavista FC	138639	4%
Belenenses SAD	49114	1%
CD Santa Clara	68162	2%
CS Marítimo	112576	3%
Portimonense SC	56320	2%
Vitória FC	81336	2%
CD Aves	41726	1%
CD Tondela	45930	1%
GD Chaves	77349	2%
GD Nacional	44118	1%

CD Feirense	51834	1%
Total LIGA NOS	3577720	100%

Exhibit 25: Proposed Distribution by Team

Table position	Equitable	Performance	Social impact	Total
SL Benfica	4,8	7,3	11,0	23,1
FC Porto	4,8	6,5	8,5	19,7
Sporting CP	4,8	5,6	6,9	17,3
SC Braga	4,8	4,7	2,5	12,0
Vitória SC	4,8	3,9	3,7	12,4
Moreirense FC	4,8	3,0	0,5	8,3
Rio Ave FC	4,8	2,2	0,7	7,7
Boavista FC	4,8	1,7	1,7	8,2
Belenenses SAD	4,8	1,3	0,6	6,7
CD Santa Clara	4,8	1,3	0,8	6,9
CS Marítimo	4,8	1,3	1,4	7,4
Portimonense SC	4,8	0,9	0,7	6,3
Vitória FC	4,8	0,9	1,0	6,6
CD Aves	4,8	0,9	0,5	6,1
CD Tondela	4,8	0,9	0,6	6,2
GD Chaves	4,8	0,4	0,9	6,1
GD Nacional	4,8	0,4	0,5	5,7
CD Feirense	4,8	0,4	0,6	5,8
Total LIGA NOS	86	43	43	172

Exhibit 26: Disparities in Proposed Distribution

Differences	
First to Last	296%
Average	9,6
First to Average	141%
Last to Average	-39%

Exhibit 27: Home Attendance Statistics

Clube	Total	Game Avrg.	Capacity	% Capacity	Associates
SL Benfica	915003	48158	65000	74%	244065
FC Porto	707650	37245	50399	74%	127066
Sporting CP	572743	30144	50080	60%	117623
SC Braga	204598	10768	30286	36%	20225
Vitória SC	310240	16328	29685	55%	26827
Moreirense FC	38670	2035	6153	33%	2000
Rio Ave FC	61712	3248	9065	36%	2500
Boavista FC	138639	7297	28263	26%	25000

Belenenses SAD	49114	2585	41000	6%	8500
CD Santa Clara	68162	3587	15000	24%	3000
CS Marítimo	112576	5925	10932	54%	10000
Portimonense SC	56320	2964	6000	49%	3200
Vitória FC	81336	4281	18642	23%	
CD Aves	41726	2196	5441	40%	
CD Tondela	45930	2417	5000	48%	3000
GD Chaves	77349	4071	9000	45%	5000
GD Nacional	44118	2322	5586	42%	3600
CD Feirense	51834	2728	5401	51%	4000
				Average	
				43%	

Exhibit 28: Performance Factor for 16 Teams

Performance Factor	
Table position	% Alocated
1	17%
2	15%
3	13%
4	11%
5	9%
6	7%
7	5%
8	4%
9	3%
10	3%
11	3%
12	2%
13	2%
14	2%
15	2%
16	2%

Exhibit 29: Social Impact for 16 Teams League

Social Impact Factor		
Home assistance	Season 18/19	%
SL Benfica	915003	26%
FC Porto	707650	20%
Sporting CP	572743	16%
SC Braga	204598	6%
Vitória SC	310240	9%

Moreirense FC	38670	1%
Rio Ave FC	61712	2%
Boavista FC	138639	4%
Belenenses SAD	49114	1%
CD Santa Clara	68162	2%
CS Marítimo	112576	3%
Portimonense SC	56320	2%
Vitória FC	81336	2%
CD Aves	41726	1%
CD Tondela	45930	1%
GD Chaves	77349	2%
Total LIGA NOS	3481768	100%

Exhibit 30: 16 Teams Distribution by Team

Table position	Equitable	Performance	Social impact	Total
SL Benfica	5,4	7,3	11,3	24,0
FC Porto	5,4	6,5	8,7	20,6
Sporting CP	5,4	5,6	7,1	18,0
SC Braga	5,4	4,7	2,5	12,6
Vitória SC	5,4	3,9	3,8	13,1
Moreirense FC	5,4	3,0	0,5	8,9
Rio Ave FC	5,4	2,2	0,8	8,3
Boavista FC	5,4	1,7	1,7	8,8
Belenenses SAD	5,4	1,3	0,6	7,3
CD Santa Clara	5,4	1,3	0,8	7,5
CS Marítimo	5,4	1,3	1,4	8,1
Portimonense SC	5,4	0,9	0,7	6,9
Vitória FC	5,4	0,9	1,0	7,2
CD Aves	5,4	0,9	0,5	6,8
CD Tondela	5,4	0,9	0,6	6,8
GD Chaves	5,4	0,9	1,0	7,2
Total LIGA NOS	86	43	43	172

Exhibit 31: Disparities in 16 Teams Model

Differences	
First to Last	255%
Average	10,8
First to Average	123%

Last to Average	-37%
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Exhibit 32: Social Impact Distribution by Team

Table position	Equitable	Performance	Social impact	Total
SL Benfica	2,7	7,3	22,6	32,6
FC Porto	2,7	6,5	17,5	26,6
Sporting CP	2,7	5,6	14,1	22,4
SC Braga	2,7	4,7	5,1	12,5
Vitória SC	2,7	3,9	7,7	14,2
Moreirense FC	2,7	3,0	1,0	6,7
Rio Ave FC	2,7	2,2	1,5	6,4
Boavista FC	2,7	1,7	3,4	7,8
Belenenses SAD	2,7	1,3	1,2	5,2
CD Santa Clara	2,7	1,3	1,7	5,7
CS Marítimo	2,7	1,3	2,8	6,8
Portimonense SC	2,7	0,9	1,4	4,9
Vitória FC	2,7	0,9	2,0	5,6
CD Aves	2,7	0,9	1,0	4,6
CD Tondela	2,7	0,9	1,1	4,7
GD Chaves	2,7	0,9	1,9	5,5
Total LIGA NOS	43	43	86	172

Exhibit 33: Disparities in Social Impact Model

Differences	
First to Last	612%
Average	10,8
First to Average	203%
Last to Average	-57%

Exhibit 34: Distribution of Weights per Year

Year 1	Year 2	Year 3	Year 4	Year 5
35%	20%	15%	15%	15%

Exhibit 35: 5-Year Criteria

5-Year	
Team	%
SL Benfica	16,3%
FC Porto	15,1%
Sporting CP	13,6%

SC Braga	9,4%
Vitória SC	5,5%
Moreirense	1,3%
Rio Ave	6,1%
Boavista	2,6%
Belenenses	2,9%
Santa Clara	0,0%
Maritimo	5,0%
Portimonense	1,1%
Vitória FC	2,6%
Aves	0,7%
Tondela	1,4%
Chaves	3,1%
Nacional	2,8%
Feirense	1,2%
Paços	2,4%
Estoril	3,5%
Arouca	2,0%
União	0,2%
Académica	0,9%
Gil Vicente	0,5%
Penafiel	0,2%

Exhibit 36: Distribution of 5-Year Model by Team

Table position	Equitable	Performance	5-Year	Social impact	Total
SL Benfica	4,8	5,8	2,8	8,8	22,2
FC Porto	4,8	5,2	2,6	6,8	19,3
Sporting CP	4,8	4,5	2,3	5,5	17,1
SC Braga	4,8	3,8	1,6	2,0	12,1
Vitória SC	4,8	3,1	0,9	3,0	11,8
Moreirense FC	4,8	2,4	0,2	0,4	7,8
Rio Ave FC	4,8	1,7	1,0	0,6	8,1
Boavista FC	4,8	1,4	0,4	1,3	7,9
Belenenses SAD	4,8	1,0	0,5	0,5	6,8
CD Santa Clara	4,8	1,0	0,0	0,7	6,5
CS Marítimo	4,8	1,0	0,9	1,1	7,7
Portimonense SC	4,8	0,7	0,2	0,5	6,2
Vitória FC	4,8	0,7	0,4	0,8	6,7
CD Aves	4,8	0,7	0,1	0,4	6,0
CD Tondela	4,8	0,3	0,2	0,4	5,8
GD Chaves	4,8	0,3	0,5	0,7	6,4
CD Nacional	4,8	0,3	0,5	0,4	6,0
GD Feirense	4,8	0,3	0,2	0,5	5,8
Total LIGA NOS	86	34,4	17,2	34,4	172

Exhibit 37: Disparities on 5-Year Model

Differences	
First to Last	282%
Average	9,5
First to Average	135%
Last to Average	-63%

Exhibit 38: Estimation of Current Individual Contracts

Individual Contracts	
SL Benfica	24,3%
FC Porto	24,3%
Sporting CP	24,3%
SC Braga	9,0%
Vitória SC	1,3%
Moreirense FC	1,3%
Rio Ave FC	1,3%
Boavista FC	1,3%
Belenenses SAD	1,3%
CD Santa Clara	1,3%
CS Marítimo	1,3%
Portimonense SC	1,3%
Vitória FC	1,3%
CD Aves	1,3%
CD Tondela	1,3%
GD Chaves	1,3%
CD Nacional	1,3%
GD Feirense	1,3%

Exhibit 39: Distribution on “Ability to Generate” Model

Table position	Equitable	Performance	5-Year	Ability to Generate	Total
SL Benfica	4,8	5,8	2,8	8,4	21,8
FC Porto	4,8	5,2	2,6	8,4	20,9
Sporting CP	4,8	4,5	2,3	8,4	20,0
SC Braga	4,8	3,8	1,6	3,1	13,3
Vitória SC	4,8	3,1	0,9	0,4	9,3
Moreirense FC	4,8	2,4	0,2	0,4	7,9
Rio Ave FC	4,8	1,7	1,0	0,4	8,0

Boavista FC	4,8	1,4	0,4	0,4	7,0
Belenenses SAD	4,8	1,0	0,5	0,4	6,8
CD Santa Clara	4,8	1,0	0,0	0,4	6,3
CS Marítimo	4,8	1,0	0,9	0,4	7,1
Portimonense SC	4,8	0,7	0,2	0,4	6,1
Vitória FC	4,8	0,7	0,4	0,4	6,4
CD Aves	4,8	0,7	0,1	0,4	6,0
CD Tondela	4,8	0,3	0,2	0,4	5,8
GD Chaves	4,8	0,3	0,5	0,4	6,1
CD Nacional	4,8	0,3	0,5	0,4	6,0
GD Feirense	4,8	0,3	0,2	0,4	5,8
Total LIGA NOS	86	34,4	17,2	34,4	172

Exhibit 40: Disparities on “Ability to Generate” Model

Differences	
First to Last	278%
Average	9,5
First to Average	130%
Last to Average	-64%