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Bringing Sports TV into the 21st Century: A Strategy Plan for the Portuguese Football League

Yannick Schad (51034) - User Acceptance of new Subscription Models

Work project carried out under the supervision of:

Professor Pedro Brinca

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Abstract

With the introduction of a collective bargaining model for the joint sale of broadcasting rights for Portugal's top two football divisions, broadcasting revenues need to increase significantly to avoid declining revenues for Portugal's biggest clubs. As this would jeopardise the long-term viability of Portuguese football, this paper develops a strategic plan that helps broadcasters boost revenues for acquiring these rights. Results suggest that a tiered pricing model with a cheaper ad-based subscription would be well received by fans and could significantly increase revenues. Amid growing privacy concerns, this paper also provides recommendations for remaining competitive in the digital advertising industry.

Keywords: Sports Strategy; Football; Liga Portugal; Advertising; Data Privacy; TV Broadcasting Rights; Subscription Models

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List of Abbreviations

Ad	Advertisement
BCG	Boston Consulting Group
DPIA	Data Protection Impact Assessment
DPO	Data protection officer
EFF	Electronic Frontier Foundation
FLoC	Federated Learning of Cohorts
GDPR	General Data Protection Regulation
LED	light-emitting diodes
LP	Liga Portugal
LPFP	Liga Portuguesa de Futebol Profissional
OTT	Over-the-Top
PFA	Portuguese Football Association
PII	Personally identifiable information
TV	Television
UID 2.0	Unified ID 2.0
VAR	Video assistant referee

1 Introduction

"Applying the new distribution model will be disastrous for the three main Portuguese clubs and also for SC Braga" (Servir o Benfica 2022).

The announcement by Liga Portugal (LP) and the Council of Ministers in 2021 to centrally negotiate the allocation of television (TV) and media rights from the 2027/28 season onwards and to use a new model for the distribution of TV money has brought great uncertainty, especially for the top Portuguese clubs. It is expected that if revenues from the sale of TV and media rights do not increase significantly, the new distribution model will cause significant revenue losses for the four biggest Portuguese clubs, thereby jeopardising the European competitiveness of Portuguese football (Servir o Benfica 2022). In addition, these changes are being introduced when sports broadcasters, in general, are struggling with difficult economic conditions and thus generating losses. Therefore, it is unlikely that Portuguese broadcasters will be able to increase their expenditure to acquire TV rights with their current strategy (Sagar 2022; Pekic 2019).

At the same time, the advent of new technical inventions has revolutionised the advertising industry, mainly digital advertising, enabling broadcasters and publishers to display more advertisements (ads), address target groups more effectively and generate new streams of revenue. While these possibilities are widely leveraged by social media companies and American sports broadcasters, European football broadcasters have yet to capitalise on them.

For this reason, this Field Lab, in collaboration with Sports Alliance, aims to create a strategic plan that will analyse and outline how Portuguese sports broadcasters can successfully implement current advertising technologies during live broadcasts of football games to develop new revenue streams.

First, a brief explanation of the methodology is provided to shed light on the scientific theories and concepts underlying this thesis. To gain an overview of the football industry, as part of the theoretical background, both the development of media rights in football and the individual and centralised models for selling these rights are described. An industry overview of collective bargaining models in different football leagues precedes this. Thereafter, Portugal's proposed centralised sale of football broadcasting rights is examined in greater detail to highlight the particularities of the Portuguese league and illustrate potential difficulties. The second part of the theoretical background then describes the emergence of advertising in football, outlining the development of ads and the current trends and technologies used to present possible advertising opportunities in football. To illustrate the potential of the advertising strategy developed in this paper, an explanation of how game interruptions can be leveraged within the context of advertisements is given. The strategic plan is then presented, which includes, among other things, the project idea and an action plan for football broadcasters. To gain further insights into the reception of this strategy and its financial potential, a survey on user acceptance and a calculation of the monetary value are carried out.. Finally, the conclusion and the description of the limitations and implications for future research form the last part of the thesis.

2 Methodology

To provide informed recommendations and develop a strategic plan for the Portuguese league, this paper utilises the Situation, Complication, Question and Answer (SCQA) framework presented by Minto (2010) (Appendix 1). The current situation and resulting complications are primarily covered within the theoretical background, for which a systematic qualitative literature review is carried out. According to Torraco (2005) and Baumeister and Leary (1997), literature reviews are effective for providing an overview of a topic, assessing the state of knowledge on a particular subject, or discussing a particular issue. In addition, Snyder (2019) argues that literature reviews are valuable for providing a basis when developing a new concept or theory. Subsequently, the challenges faced by LP and the major Portuguese clubs, identified in the theoretical background, pose the question of how to increase revenues from the sale of football broadcasting rights in Portugal. This paper develops a strategic plan to answer this question, followed by an assessment of user acceptance and the potential financial impact. For the purpose of gaining insights into the users' reception of the proposed idea, an online survey is conducted using the guidelines of the web survey process established by Callegaro, Manfreda, and Vehovar (2015). This ensures that customers are involved in product development at an early stage and that an evidence-based process is adopted. In addition to the reasons for using the literature reviews mentioned above, industry reports are considered to support the findings and arguments presented.

3 Theoretical Background

3.1 Sport Media Rights

Evolution of Media Rights in Football

Sports broadcasting, the coverage of sporting events via radio, TV, or alternative broadcasting mediums, has been around for a considerable time, commencing even before the Second World War (Turner, 2007). Traditionally, however, sports broadcasting had a different standing than today, especially from an economic point of view. Initially, sports organisations relied heavily on gate receipts, i.e., the sale of tickets, as their primary source of income. Sports organisations were fearful that broadcasting sporting events would lead to a decline in fan attendance and subsequently diminish revenues (Andreff and Staudohar 2000). The financial gains related to sports broadcasting were deemed minimal at best, if not detrimental to sports organisations, hence broadcasting did not play a significant role. The fear of diminishing revenues even led to so-called 'blackout' rules, restricting the number of matches broadcasters can broadcast live. Such rules are still in place today, for instance, in the English Premier League, England's top-tier of professional football (Kringstad, Solberg, and Jakobsen 2018).

Nonetheless, the relationship between sports organisations and broadcasters has evolved to the point that there are now mutual benefits or interdependencies between the two. For broadcasters, sporting events provide a much sought-after source of entertainment, attracting large audiences and, in turn, enabling sports organisations to capitalise on the high demand by selling media rights to broadcasters at a premium. Several scholars point out that the rise of sports broadcasting and TV can be attributed to both a technological revolution and deregulation within the broadcasting industry (Turner 2007; Noll 2007). Historically, sports content distribution mainly rested with only one major TV network that paid only small fees for broadcasting rights (Noll 2007). According to Evens and Lefever (2011), sports was regarded as an essential aspect of national culture which is why state-funded public broadcasters within Europe made sure to broadcast live sporting events. However, they were often the only broadcaster to do so. Consequently, these broadcasters typically enjoyed monopolistic positions within the sports media industry. Nevertheless, this changed with technological advancements that paved the way for new methods of distributing and consuming sports content (Turner 2007). With new technologies, broadcasters could reach consumers through various channels, be it satellite, cable or now over-the-top (OTT) services. This has resulted in the entry of many new players within the broadcasting market, substantially altering the landscape for sports broadcasting. In line with technological advancements, the deregulation of the industry played an influential role in reshaping the market. One reason for the dominance of state-funded public broadcasters was that the market was highly regulated, limiting the entry of new content providers (Noll 2007). Once governments removed regulatory policies governing the broadcasting sector, the purchasing power for media rights shifted away from free public service broadcasters to commercial broadcasters, including pay TV. The digital revolution and liberalisation in the broadcasting sector, evident in the emergence of many new private and public broadcasters, contributed to a considerable increase in the value of sports broadcasting

(Andreff and Staudohar 2000). Given the increased competition among broadcasters, sports organisations are better positioned to negotiate more profitable deals and sell their media rights at higher prices. Despite the competitive environment for acquiring media rights for live sporting events, broadcasters have also reaped significant financial gains. The emergence of new technologies that have provided additional channels for reaching consumers and the growing demand for sports content has given broadcasters advertising opportunities and branding power they did not previously have (Evens and Lefever 2011).

Today, broadcasting is considered integral for the financing of sports organisations, in particular, football clubs. According to Andreff and Staudohar (2000), the current business model of professional football organisations can be classified as the 'Media-Corporations-Merchandising-Markets-Global' model, whereby financing primarily relies on the sale of media rights. Similarly, Evens and Lefever (2011) argue that selling broadcasting rights is directly linked to sports organisations' competitiveness and financial health. In fact, for the fiscal year of 2021, revenue from domestic broadcasting deals represented, on average, 36% of football clubs' total revenue. In some cases, it even accounted for as much as 80% of total revenues (UEFA Intelligence Centre 2021). These figures further underpin how vital broadcasting deals are in today's football environment. Given the increasing role of broadcasting within football, many have now turned their attention to how these contracts should be negotiated and structured to maximise profits and further progress the game.

Individual versus Centralised Sale of Media Rights

There are two distinct but not mutually exclusive approaches to selling sports broadcasting rights. One approach encompasses the individual sale of media rights, wherein sports organisations can negotiate the sale with broadcasters individually. Hereby ownership of media rights generally lies with the club hosting a match. The alternative approach considers the joint sale of media rights via a collective bargaining agreement in which leagues and sports organisations pool together to sell their media rights collectively. In addition, a mixture between both models is possible. The best approach has been subject to frequent debate among stakeholders and is called into question by competition authorities (Heller, Sudaric, and Winkler 2021).

If teams sell their rights individually, the price for each football clubs' media rights is determined by the size of their fanbase, which drives demand for broadcasters. Hereby, various factors can influence the size of a fanbase, including a team's local market size, team quality, success, and reputation (Noll 2007). Since the size of a fan base varies across different teams, not all football clubs possess the same market power. Teams with a more extensive fan base, therefore, enjoy a competitive advantage as they can charge broadcasters higher fees for their media rights, which leads to higher revenues. Since both team quality and success influence the size of a fan base, these clubs can use the additional revenue to strengthen their team further, enabling them to solidify their market power. Consequently, financial disparities between the league's top and bottom-earning teams emerge and expand over time. For this reason, it is argued that leagues become less competitive and subsequently less attractive to consumers (Ernst & Young 2021). As a result, various football leagues within Europe have adopted a centralised sale of broadcasting rights.

Under the collective model, the supply side, namely football associations together with leagues, limits the supply of broadcasting rights by selling them jointly. By restricting the supply side to one seller, media rights holders can establish a monopoly and thus maximise the payments they receive from broadcasters. Subsequently, utilising the collective approach enables football clubs and leagues to generate higher total revenues from broadcasting rights compared to the individual approach. However, given that competitors collude to extract maximum profits from buyers by constraining output and raising prices, such cooperation among league participants is considered to constitute a cartel (Budzinski, Gaenssle, and Kunz-Kaltenhäuser 2019). As such, various competition authorities, including the European Commission, have turned their attention to this matter. To protect consumer welfare and safeguard competition within the broadcasting industry, the European Commission has introduced partial unbundling and a no-single-buyer rule. More specifically, the selling side is required to create several separate packages, i.e., bundles, which are then sold to multiple broadcasters. The resulting increased competition between broadcasters is expected to lower prices for consumers. However, if these bundles are not substitutes but rather complementary products, the imposed rule could have an adverse effect (Budzinski, Gaenssle, and Kunz-Kaltenhäuser 2019). In this case, consumers would be burdened by having to purchase multiple subscriptions, and broadcasters may not be incentivised to reduce prices for consumers. A further advantage of the collective model, however, is that the accruing revenue is allocated among all teams based on a predefined distribution model, seeking a more balanced allocation of revenues by considering additional factors such as merit (Evens and Lefever 2011). The distribution system is meant to ensure that smaller clubs receive a larger share than the share they would have received under an individual sale of broadcasting rights. As a result, financial gaps between the league's top and bottom teams can be reduced, safeguarding the competitiveness within domestic leagues. Nonetheless, Falconieri, Frédéric, and Sákovics (2004) note that this could lead to a free-riding effect, whereby football clubs, particularly smaller ones, are less incentivised to invest as they are guaranteed to receive a certain share. Furthermore, since revenues are allocated more balanced across all teams, it implies that total revenues from the sale of broadcasting rights need to be considerably higher so that the biggest football clubs within domestic leagues do not experience a decline in revenues. A decline in revenues could significantly hinder the chances of success for these clubs in international competitions and, in turn, could be detrimental to the entire league.

All in all, these findings show that there are no clear indications of which approach is best and suggest that depending on various circumstances, the optimal negotiation model may vary between leagues.

Industry Overview of Bargaining Collective in other Football Leagues

A comparison of European football leagues reveals that most leagues market their TV rights centrally and engage in collective bargaining tailored to each market's specific characteristics. The following benchmark analysis examines leagues that allocate their TV rights centrally via collective bargaining. With this, the two European football leagues (Premier League and LaLiga) with the most valuable broadcasting contracts as well as two football leagues similar to the LP in terms of strength (Eredivisie) and market size (Süper Lig), are examined in greater detail (Appendix 2). The analysis focuses on the contract and market's peculiarities and development in recent years.

Premier League

The English Premier League earned €2,669 million from broadcasting rights in the 2019/20 season, the most of any football league and almost a billion euros more than the second most lucrative league in Spain, LaLiga. Since the league's inception in the 1990s, a new broadcast contract has been renegotiated every few years and has steadily increased in value. The current contract runs from 2019 to 2022, and a new agreement which will last until 2025 is already in place. In Great Britain, a distinction is made between the domestic and foreign markets for TV rights. The total value for the domestic market is £1.69 billion, significantly higher than the TV revenues of the other European leagues. The dominance of TV rights revenue is exemplified by Sheffield United, which received the least amount of money (£98 million) from TV rights in England for the 2020/21 season, yet still generated more revenue than most of Europe's top clubs. In addition, the distribution of TV money from the domestic market in England is characterised by the highest equality in Europe (UEFA Intelligence Centre 2021). The domestic TV revenues are distributed 50% equally, 25% based on sporting merit, and 25% based on TV appearances, i.e., how often the team's game is selected for a live broadcast. The current deal marks the first time the foreign market is worth more than the domestic market. Over the last 20 years, it has risen sharply and is currently worth $1.75 billion. As such, the foreign market is becoming increasingly important for the Premier League.

LaLiga

In Spain, media rights were decentralised in 1999 up until the 2016/2017 season. As a result, the two biggest teams in Spain (Real Madrid and FC Barcelona) were able to sign large TV deals, while smaller teams could not compete. In the 2015/16 season, the gross income value of the third-placed team Atletico Madrid was £167 million, three times less than the gross income values of Real Madrid and FC Barcelona at £543 million and £595 million, respectively (Dispensable Soccer 2018). After protracted negotiations, LaLiga's president Javier Tebas confirmed in April 2015 the introduction of the centralised sale of audio-visual rights instituted by the Spanish government's Royal Decree-Law (LaLiga 2015). A model similar to the one used in the English Premier League was presented, aimed at increasing overall revenues and distributing them more fairly, thus increasing the competitiveness of the teams. Revenues from selling media rights in Spain are split 50% equally between the teams in the first division, 25% according to performance over the last five years and 25% according to clubs' fan bases (Carlos Gazapo 2018). In the first few years after implementation, broadcasting revenues increased by over 70%, making LaLiga the second most valuable football league in Europe, with TV revenues for the 2019/20 season totalling €1.71 billion (Deloitte 2021). Although Real Madrid and FC Barcelona continued to dominate the league, it enabled smaller teams to pay more considerable transfer fees and salaries (Dispensable Soccer 2018). In 2021, in contrast to other European leagues, including Germany, Italy and France, which have had to sign new contracts with lower revenues, LaLiga was able to increase its revenues again thanks to new contracts with a TV broadcaster and an OTT video streaming service for the domestic market (Fernando Kallas and Corina Pons 2021). Moreover, the league is trying to break new ground in the foreign market by launching a direct-to-consumer streaming platform in China, which is offered as a freemium product and will broadcast all LaLiga matches this season (Rory Jones 2022). In the summer of 2022, the top Spanish club FC Barcelona made headlines in the media regarding the sale of their broadcasting shares. Barcelona sold 25% of its TV revenues over the next 25 years to the global investment firm Sixth Street in return for a higher three-digit million fee. The deal had to be approved at an extraordinary general meeting, and according to FC Barcelona's president, it aims to improve the clubs' capital strength and competitiveness (FC Barcelona 2022).

Eredivisie

The Dutch Eredivisie is quite comparable to LP. Both countries have a strong football culture and are ranked sixth (Portugal) and seventh (Netherlands) in the UEFA 5-Year Country coefficient. Furthermore, the best teams of the two leagues are similarly successful in Europe, with Ajax (Netherlands) ranking 15th and Porto (Portugal) ranking 16th in the UEFA 5-year coefficient. However, LP generated more than twice as much revenue from broadcasting rights than the Dutch league in the 2019/20 season, despite having 40% fewer inhabitants than the Netherlands (Deloitte 2021). In the Netherlands, revenues from TV broadcasting rights have increased only slightly in recent years and amounted to €119 million in the 2021/22 season.

As one of the few leagues in Europe, Eredivisie distributes 100% of its revenues from national TV broadcast rights according to sporting success. As a result, the average high-to-median ratio of TV revenue distribution in the Netherlands increased from 2.3x in 2011 to 3.0x in 2020, thereby becoming one of the highest in Europe. The high-to-median ratio shows how much the club with the most TV revenue receives compared to a club with the median amount. As such, a value of 2 means that the club with the most revenue receives twice as much as the club with the median amount. In the same period, the average high-to-median ratio in Europe fell from 2.7x to 2.1x. The distribution, however, is significantly less skewed than in Portugal (9.2x) (UEFA Intelligence Centre 2021). TV revenue from foreign markets, on the other hand, is distributed equally among all teams, despite opposition from the prominent Dutch clubs who want to market themselves internationally independently (Jonathan Rest 2021).

Süper Lig

Despite having eight times the population of Portugal, the Turkish Superliga has only been able to generate comparable revenues to LP from selling TV rights in recent years. Unlike most other leagues, in Turkey, domestic and foreign media rights are negotiated in one contract. In the Turkish league, 37% of the revenues from domestic TV rights are distributed equally among the teams and 63% according to sporting merit. In terms of differences (high-to-median ratio) in the distribution of TV money, the Turkish league is in line with the European average (UEFA Intelligence Centre 2021). After increasing every year since the 2012/13 season, the Turkish league's revenue from the sale of TV rights came to a halt with the signing of a new contract in 2019 that brought in 20% less (€371 million) per year (UEFA Intelligence Centre 2021). Moreover, the proposals for the next contract are significantly lower, threatening the teams' financial viability (Daily Sabah 2022). In this context, the Covid-19 pandemic, personal intrigues, and significant problems with piracy are considered the main drivers of the negative development (Amanda Christovich 2022).

Distributional Differences

The leagues use different distribution systems for broadcast revenues. In most European leagues, one part is distributed evenly, and another is distributed according to sporting merit (either according to the previous season's performance or over several years). Furthermore, the last part is often distributed according to other metrics such as fan base or TV appearance. Bosnia and Herzegovina, Croatia, Scotland, and the Netherlands are countries that distribute their national TV funds entirely according to sporting success. Eight low-ranked leagues distribute their broadcasting funds equally (UEFA Intelligence Centre 2021). The majority of the major leagues have similar distribution models, with the exception of Germany, which uses an additional metrics and favours teams that are promoting young domestic players (Appendix 2). It should also be noted that leagues with comparable market size and strength award similar amounts of money to teams, as is shown by the comparisons between the German and Italian or the Turkish and Dutch leagues. A further comparison between the leagues illustrates the absolute dominance of the English Premier League. In Europe, only the three Spanish teams, FC Barcelona (€166 million), Real Madrid (€163 million) and Atletico Madrid, earned more than the worst team in the English Premier League (Sheffield United, £98 million), whereas other European top teams like Bayern Munich (€90 million) or Inter Milano (€73 million) bring in less money (Appendix 2).

Although in the last ten years, on average, money has been distributed more equally (UEFA Intelligence Centre 2021), this has had little impact on sporting performance and greater equality of opportunity. In Germany, Bayern Munich has been champion for ten years, and in France, Paris St. Germain has been crowned champion eight times over the same period. In Italy, Juventus Turin were champions just as often, while in Spain, the three big teams Real Madrid, Atletico Madrid and Barcelona have dominated. Only the English Premier League has had a real sensation in the last ten years, with five different champions and one of them being Leicester City in 2015/16.

In conclusion, TV broadcasting rights are sold centrally in most cases. However, the models are adapted to the respective local circumstances, which leads to considerable differences in the distribution of revenue from TV rights among teams. Nevertheless, broadcasting revenues are generally distributed more equally today than in the past. Furthermore, a look at the five major leagues in Europe (Premier League, LaLiga, Serie A, Bundesliga, Ligue 1) shows that collective bargaining does not equate to endless growth. Germany, France, and Italy will earn slightly less with their new agreements. Findings also suggest that European football is looking at new markets, particularly Asia, and seeking new growth opportunities. In this context, there is a discernible trend to sell rights to digital OTT platforms. In the French Ligue 1, Amazon will already have the majority of rights, while DAZN will become the principal broadcast partner in the Italian Serie A and the Spanish LaLiga. However, this trend has yet to emerge in more minor leagues. Moreover, since the Covid-19 pandemic impacted negotiations, it has become evident that football is not invulnerable to crises.

Centralised Sale of Broadcasting Rights

While most of Europe's football leagues, including the top five, have already adopted a centralised model for selling broadcasting rights, Portugal has now followed suit. LP and the Portuguese Football Association (PFA) have signed a collective bargaining agreement to centralise TV and multimedia rights for football matches in Portugal's top two professional divisions. The centralised model will come into effect following the 2027/28 season once all teams' current deals expire.

According to the statement made by the Portuguese Government, the primary objective is to enhance total revenue from the sale of broadcasting rights and to distribute it in a more equitable fashion among the football clubs (Portuguese Republic Government 2021). As mentioned previously, a centralised model provides the selling side with greater bargaining power and, thus, the ability to demand higher prices from broadcasters. In theory, this should translate into higher total revenues for football clubs. Furthermore, in LP, the difference between the football club that receives the most and the one that receives the least in revenue is around 15 times, resulting in substantial inequalities, especially when compared to those countries that have already adopted the centralised model. For instance, in Spain and Italy, the difference is roughly three times, in Germany 2.5 times, and in England 1.3 times. These values are significantly lower, highlighting that a centralised model seems necessary to help eliminate financial disparities between teams. More specifically, it would benefit smaller teams and help ensure the league remains competitive. While the intentions of the newly signed decree law, introducing a centralised model for the sale of broadcasting rights, seem plausible, it is doubtful that it will genuinely benefit Portuguese football.

Although it is argued that a centralised model increases overall revenue from TV deals, this is not apparent when comparing leagues that follow different models. While revenues have increased in the leagues that have adopted a centralised model, so have they in Portugal that embrace an individual negotiation model. For example, comparing the growth of revenues related to the sale of broadcasting rights from the 2012/13 season to the 2021/22 season, the Premiere League saw revenues grow by 190%, LaLiga by 142% and Portugal by 214% (UEFA Intelligence Centre 2021). Even when only considering the growth as of the 2016/17 season, when LaLiga introduced the centralised bargaining model, the Premiere League and LaLiga recorded growth rates of only 0% and 21%, respectively, while revenue in Portugal increased by 66%. In fact, of the top 10 leagues, only the Polish and German Leagues experienced similar revenue growth since 2016/17, with revenues growing by 56% and 57%, respectively (Appendix 3). These figures indicate that there is not necessarily a causal relationship between revenue growth and the adoption of a centralised model. Nevertheless, it is also important to note that the COVID-19 pandemic and the resulting uncertain economic outlook have contributed to the slowing growth, particularly within the Big 5 leagues (UEFA Intelligence Centre 2021). Furthermore, TV revenues should take a league's purchasing power into account. Comparing leagues in terms of revenue from broadcasting rights in absolute numbers, LP ranks seventh, yet this changes when purchasing power is factored in. If revenues are put in relation to the country's population or GDP, LP rises to rank 4 and 3, respectively (Servir o Benfica 2022). Moreover, the Dutch and Belgian leagues have adopted a centralised model, and despite their greater purchasing power, they cannot generate even half the revenues from TV rights that LP does. These findings further cast doubt on whether collective bargaining is indeed effective in maximising total broadcasting revenues.

As stated by the LPFP's executive director, Tiago Madureira, the proposed distribution model aims to allocate broadcasting revenues more equitably by distributing 50% equally among teams, 25% based on performance, and the remaining 25% based on social impact. According to a study carried out by SL Benfica, assuming that social impact can be measured by fan attendance at teams' home games relative to the total fan attendance, or based on a survey of peoples' team preferences, revenues from TV rights would have to more than double to ensure that no club receives less than they do under the current individual negotiation model (Servir o Benfica 2022). That is, if overall broadcasting revenues do not experience substantial growth, all of SL Benfica, FC Porto, Sporting CP, and SC Braga will suffer significant declines in revenue. While this would reduce financial disparities between the top and bottom-earning football teams, therefore spurring competition within the league, it would do so by significantly weakening the top clubs. This could have far-reaching consequences, as it would weaken not only these teams in domestic but also international competitions, thus hurting Portuguese football as a whole. Currently, Portugal sits in seventh place in UEFA's country coefficient ranking, which determines how many places in UEFA's competitions are awarded to each nation (UEFA 2022b). Hereby, Portugal heavily relies on SL Benfica, FC Porto, Sporting CP, and SC Braga, which are responsible for 91% of all points obtained by LP and are, therefore, the basis of Portugal's UEFA coefficient rank (Servir o Benfica 2022). In the case that a centralised model does reduce revenues of these clubs specifically, naturally limiting their chances of success in UEFA's competitions, and thus, could substantially harm Portugal's

UEFA coefficient ranking. As a consequence, fewer teams would be allowed to participate in competitions, including UEFA's Champions League or UEFA's Europa League, which would cap additional revenue and restrict further international exposure. This becomes all the more important as revenues from UEFA's club competition continue to grow, with the number of games in competitions increasing in the coming years. As such, leagues outside of the Big 5 are anticipated to experience a growth in revenue of 62% relative to the previous cycle (UEFA Intelligence Centre 2021). Furthermore, guaranteeing international exposure through participation in such competitions should be prioritised as domestic markets are becoming increasingly saturated, making the penetration of international markets a key area for further revenue growth. These results suggest that LP should focus on solidifying the ability of Portugal's top footballing teams to compete internationally and raise serious concerns that this can be achieved by utilising a collective bargaining model.

For the benefits of a centralised model to materialise, it is evident that overall broadcasting revenues need to be increased substantially. In theory, this can be achieved through the increased bargaining power of football clubs together with the league, enabling them to demand high prices from broadcasters in exchange for their broadcasting rights. Nonetheless, this can only come to fruition if broadcasters can afford the resulting price influx. The additional costs would translate into lower profit margins affecting the broadcasters' bottom line. In Q1 of 2021, Sport TV, who holds the broadcasting rights for 17 of the 18 teams in LP, recorded losses worth €12.2 m, indicating that the increased prices will probably be offloaded to consumers (Alexandra Machado 2021a). Nonetheless, if consumers are unwilling to pay more, broadcasters will be forced to find ways to increase the number of subscribers or generate new revenue streams.

3.2 Advertisements in Football

Evolution of Advertisement in Football

Advertising as “a marketing communication that employs an openly sponsored […] message to promote or sell a product, service or idea” (Stanton 1984) is an essential part of today’s football industry. In the 2020/21 season alone, clubs of the top five European Leagues made revenue of €4.63 billion from advertising and sponsorship, which accounted for almost 30% of total revenue. The British Premier League recorded the highest turnover from advertising and sponsorship with €1.69 billion, followed by the Spanish LaLiga with a turnover of €0.90 billion, the German Bundesliga with €0.84 billion, Italian’s Serie A with €0.75 billion and the French Ligue 1 with €0.45 billion (Deloitte 2022). On the other hand, Portuguese clubs’ revenue from sponsorship and advertising is, as Deloitte (2021) shows, only a fraction of that of the big European clubs. As the highest revenue-earning football club in Portugal, S.L. Benfica accounted for a total turnover of €170.3 million in 2021, equating to approximately 69% of FC Barcelona’s commercial revenue only (Deloitte 2021).

However, modern football, as the multi-billion-dollar industry it is today, has its roots in England, with the first club, Sheffield FC, founded in 1857 as a non-profit organisation. The focus was exclusively on sporting enjoyment, whereby no revenues were generated initially (van der Burg 2014). Nonetheless, football became extremely popular rapidly, the founding of other clubs followed, and the first large stadiums were built to cope with the rising number of spectators. These stadiums were often loan-financed, and clubs were transformed into limited companies with shareholders in order to reduce the personal financial risks of club directors (van der Burg 2014). As such, the foundation for achieving revenues and profits with football was laid.

As spectator numbers continued to grow, more clubs and outside organisations saw numerous opportunities to capitalise on the popularity of football, and first partnerships between football organisations and businesses were formed. At the beginning of the increasing commercialisation of sport in the early 1900s, the focus was on ads and brand logos positioned on the main stands of stadiums. In the 1930s, the commercialisation of football continued, and the first brand logos were printed on team jerseys (Project11 2016). In the course of the increasing popularity of football and rising numbers of live broadcasts of football matches, companies intended to expand their engagement through sponsorship and advertising programs. As a result, clubs and associations developed additional opportunities to display brands, including static perimeter advertising boards (Project11 2016). One of the first companies to make use of this opportunity was Coca-Cola, which showed perimeter advertising at the World Cup in Brazil as early as 1950 and is still today a FIFA premium partner and sponsor (FIFA 2022). Initially, these perimeters boards were simple signs with static graphics, allowing only one brand per board to place its ad, and were predominantly provided to brands in per-season packages (Project11 2016). In the years that followed, new technologies, especially in TV and audio broadcasting, opened new opportunities for companies to advertise during football matches. In 1994, the advent of specially developed light-emitting diode (LED) displays significantly improved traditional perimeter advertising. First introduced by Real Madrid, LED perimeter boards gave clubs and companies the ability to produce eye-catching ads and switch between different brands anytime. These LED displays are still used in almost all stadiums today. However, their value is likely to decrease given today's possibilities in personalised and virtual perimeter ads (Project11 2016).

Current Trends of Advertising in Football

Advertising already represents a significant proportion of the revenue of football clubs and leagues. The top five European leagues generated €4.63 billion through advertising in the 2020/21 season. In addition to classic sponsorship deals such as jersey advertising, new technologies such as modern LED boards and virtual or personalised ads already play a substantial role or have the potential to significantly increase revenues within the football industry for both clubs and broadcasters (DFL 2022).

Perimeter LED Advertising

Advertising on perimeter boards is often the standard of a sponsor's package with significantly higher visibility compared to other advertising options, such as shirt exposure (Miles and Rines 2004). While the traditional static advertising boards were the preferred and cheapest option for clubs and brands in the early days of perimeter advertising, Real Madrid was the first club to implement the use of unique LED displays in 1994 (Miles and Rines 2004; Project11 2016). These displays consist of many LEDs closely positioned next to each other. By changing the light intensity of the individual LEDs, the diodes together form an image on the displays. LED displays consist of blue, green, and red LEDs that are arranged in a fixed pattern and form a pixel. By adjusting the diodes with each other, millions of possible colours can be created, and countless images can be displayed. Moreover, LED displays are a technology that combines computer and microelectronics technology as well as information processing and offer numerous benefits, such as high brightness and long operating duration. Consequently, LED displays have become the most competitive and preferred display medium in the past decade and have been widely applied in various industries (Appendix 4) (Nguyen 2001; Hong 2010; Expromo 2020). Although the costs for dynamic LED perimeters are significantly higher than for static boards, they provide substantial economic benefits for clubs and brands. Due to the dynamic design, many different ads can be displayed, which increases a club's revenue, attracts more advertisers, and increases exposure. According to research, spontaneous memory recall is 3.5 times higher than static advertising (Miles and Rines 2004). Despite the high initial costs, dynamic LED boards are therefore considered much more profitable than static perimeters and have become a fundamental platform for brand ads and partnerships in football and are used by most clubs from the big European leagues (Miles and Rines 2004; UEFA 2022a).

Virtual Perimeter Advertising

A further development of LED perimeter advertising which has opened new marketing opportunities and revenue streams for clubs and brands, is virtual advertising. Although it is not yet widely adopted in European football, virtual advertising has been used in the United States since the mid-90s, especially during major sporting events (Sander and Altobelli 2011). Cianfrone et al. (2006) define virtual advertising as the insertion of brands, products, or slogans by means of digital, computerised TV signal processing. It is a technology that allows specially calibrated LED advertising boards to be overlayed digitally, thereby enabling clubs and brands to tailor the ads displayed across perimeter boards to different target groups (Fraunhofer-Institute 2021). This technology is predominantly being used to display ads in different languages to reach target groups in various countries (Appendix 5).

While virtual advertising has been used in America since the mid-90s, and FIFA published regulations for the use of virtual ads as early as 2000, the technology has only been able to take root in European football in recent years (Miles and Rines 2004). The first European league to use virtual advertising was Spain's LaLiga, which began using the technology in 2013 for international broadcasts of Real Madrid's and FC Barcelona's away matches. Since then, LaLiga has steadily expanded its partnership with Supponor, the leading virtual advertising technology and solutions developer (Claxton 2017). The technology was utilised for the first time in England's Premier League in 2016 and successfully implemented at Watford (Claxton 2017). The first German club to deploy virtual advertising was Borussia Dortmund. The technology went through a 2-year tender and design process. The Finnish company Supponor was finally contracted to supply the unique advertising boards used for the first time in the Bundesliga during Dortmund's match against FC Augsburg on 26 February 2018. As such, Dortmund's marketing partner Lagardère Sports, was able to address four continents simultaneously, all through the pitch-side LED monitors (Williams 2019). The use of virtual billboards in the 2018/19 season brought Dortmund a 76% increase in advertising revenues

(Borussia Dortmund 2019). After the successful pilot project with Borussia Dortmund, Supponor was the first company to pass the German Football League's quality check. As a result, from the 2018/19 season onwards, all German clubs from the first and second divisions were given the opportunity to use virtual advertising for international live broadcasts (DFL 2018). In France, Paris Saint-Germain started to install digital overlay technology at home matches in 2018. Shortly afterwards, Ligue 1 followed suit and signed far-reaching contracts with Supponor (Holmes 2018). In 2021, Italy's Serie A formed a new partnership with Supponor, enabling virtual perimeter ads to be placed in all 380 league matches (Cronin 2021). The technology is currently not used in Portugal.

Targeted and Personalised Advertisement

An additional marketing medium with high commercial potential but which is currently hardly used in football broadcasting is the display of personalised advertising. Boerman et al. (2017) define the concept of usage-based and personalised advertising as „the practice of monitoring people's online behaviour and using the collected information to show people individually targeted advertising". This includes the evaluation of search histories, browsing behaviour of website visitors including click behaviour and communication content such as written emails and media consumption behaviour (Prof. Dr. Kneuper and Perlitz 2019). In this process, so-called cookies are the most important tracking technology. Cookies are small text files that are stored by web servers on the client side via the browser of the internet user. When a user visits a website, information such as the preferred website language or session duration, but also unique identifiers for recognising a user, are stored in cookies and can be retrieved when the website is re-accessed. This way, information about the user's surfing behaviour and interests can be used to display personalised ads tailored to the respective user (Prof. Dr. Kneuper and Perlitz 2019).

So far, personalised ads have only been shown on sports streaming providers such as Sky Go or DAZN. In this context, DAZN (2022) states that advertising spots displayed during a broadcast are tailored to the user's interests. Clubs have used personalised ads mainly for social media programmes and to build stronger fan relationships. Virtual perimeter advertising is not tailored to the individual user at this stage.

3.3 Making Use of Interruptions

To maximise the financial value of advertising for clubs, broadcasters and advertisers, new advertising opportunities need to be developed, and advertising recall increased. Advertising recall is one of the longest-researched topics in marketing and is used both to measure the effectiveness of ads and to identify whether the portrayed information has been processed in the long-term memory of consumers (Turley and Shannon 2000). Advertising recall can be measured with two approaches: aided or unaided recall (Bovee et al. 1995). In aided recall, subjects are given the company or product name and then asked to name the ad. In unaided recall, however, subjects are simply given a category and must indicate which ads they recall that fall into that same category (Berkman and C. Gilson 1987).

In this context, Ahrnbom and Parfelt (2013) examined which factors affect the cognitive impact of LED perimeter advertising, measured by advertising recall. The results suggest that, above all, game interruptions were of great importance in achieving a cognitive effect. Furthermore, Ahrnbom and Parfelt (2013) were able to show that brands with high brand relevance and animation effects were best at breaking the first-hand task (watching the game). In addition, results revealed that increased advertising repetition could potentially increase recall. These results further suggest that interruptions, such as foul plays, drink breaks or video assistant referee (VAR) reviews, are ideal for displaying ads. As match interruptions in football have hardly been used for targeted or personalised virtual ads so far, there is significant financial potential for clubs, broadcasters, and brands in this area.

4 Strategy Plan

4.1 Partner Introduction: Sports Alliance

Sports Alliance, founded in London in 2002, is a global operating fan data management, and digital marketing solutions provider, with just under fifty employees and operating globally from its offices in the United Kingdom, Spain, and the Netherlands (Sports Alliance 2022). For more than twenty years, Sports Alliance has been developing and customising fan data solutions for professional sports brands. These technologies allow companies to access, analyse, and activate data faster, while AI-driven insights inspire new campaigns and engagement ideas to increase brand loyalty and efficiency (Rieder 2022). Moreover, the Sports Alliance platform enables marketing teams to create unique and personalised fan experiences in a single interface, from email marketing and loyalty programme integration to complete multi-channel orchestrations, single sign-on and contact management (Rieder 2022). Using this platform, brands can achieve an average of 35% growth in follower value and a 22% annual growth in the customer database (Sports Alliance 2022).

Since its founding, Sports Alliance has created more than 50,000 customised marketing campaigns, delivered 3.5 billion digital communications, and registered 60 million profiles for its more than 140 global clients. Clients mainly comprise football teams and leagues, including FC Barcelona and the LP, however, Sports Alliance also serves customers from other sports, such as the Cognizant Aston Martin Formula 1 team. Most recently, Sports Alliance and the Professional Squash Association have agreed to a long-term partnership (Sports Alliance 2022). In July 2022, Sports Alliance was acquired by the global leader in engagement marketing solutions, KORE Software. KORE’s two-sided network connects corporate sponsors, sponsorship properties and their fans, enabling teams to improve the fan experience and maximise revenue (Rieder 2022).

This work can be used by Sports Alliance to present solutions to clients for the challenges ahead, to introduce new revenue models and to support them in their implementation.

4.2 Project Definition and Objective

Football in Portugal is about to change. With the announcement by the LP, the PFA and governmental authorities that a collective agreement has been signed to centralise the TV and multimedia rights for football matches of the two top Portuguese professional leagues, especially the best Portuguese clubs, will face severe financial challenges. With the introduction from the 2027/28 season and the currently proposed distribution model of TV revenues, the big three clubs in Portugal would see a significant drop in revenues and thus be weakened in European competition (Servir o Benfica 2022). These losses can only be compensated with significantly higher revenues from TV and media rights. Despite the supposedly increasing bargaining power of clubs and the league, it is not expected that broadcasters or consumers can finance a price increase of TV rights (see chapter 3). For the centralised model in Portugal to succeed and to ensure equal opportunity and international competitiveness, football, in general, and broadcasters, in particular, must follow new paths and develop new sources of revenue.

The strategic plan developed in this chapter proposes new ways in which TV revenues can continue to rise and more money can reach the clubs while ensuring football remains affordable for both fans and broadcasters. In pursuit of this ambitious goal, recent technical advances and developments must be implemented consistently, and new paths must be taken to bring sports broadcasting into the 21st century. In this context, the strategic plan intends to help clubs, broadcasters, and sports marketers to achieve this goal.

4.3 Project Idea – Bringing Sports TV into the 21st Century

To guarantee further advancement of Portuguese football, it has become evident that there is a growing need to increase profits, not only by maximising current revenues but also by generating new revenue streams. To this end, two ideas have been established. For one, the goal is to introduce a new advertising-based subscription model that aims to attract additional subscribers and, thus, provide broadcasters with a new source of revenue. For another, through enhanced targeting and personalisation of ads, further potential can be extracted from advertising revenues.

Offering consumers a menu of choices has proven financially beneficial, enabling companies to take advantage of different consumer preferences. For this reason, many media platforms offer their consumers multiple subscription options, starting with a basic (often free) model to a more expensive premium model with significant quality improvements (Carroni and Paolini 2020). By introducing an advertising-based subscription model, broadcasters can offer consumers a cheaper (basic) option that contains additional ads during football games. In turn, the absence of these ads within the current subscription model can be associated with quality improvements, enabling broadcasters to market the current model as a more expensive option. Subsequently, broadcasters can attract additional consumers by targeting those with a lower willingness to pay but higher tolerance toward ads. Since Portuguese consumers already pay the highest subscription fees within Europe, a cheaper option is likely to be welcomed by many Portuguese football fans. Furthermore, the new subscription model will not only attract additional consumers but also provide broadcasters with additional advertising space that they can sell to brands that seek to market their products and services during football games. While additional advertising benefits both broadcasters and brands, it is crucial to preserve customer experience. To achieve this, non-intrusive display ads that only take up part of the screen shall be utilised. In this case, ads can be shown in parallel with the game, preventing fans from missing crucial moments of a match. Additionally, since the aforementioned findings indicate that ads displayed during match interruptions may be more effective, ads shall be displayed more extensively, i.e., more frequently and for longer durations, when matches are interrupted.

Research has repeatedly shown that the ability to target potential customers with personalised ads is crucial for maximising return on ad spend. Today, companies leverage the latest technologies and techniques to collect large amounts of data on users, which allows them to provide highly tailored advertising and curated messages, thus resulting in significantly higher response rates than traditional advertising (Parliament et al. 2021). Moreover, companies can significantly enhance customer experience by personalising online interactions, including marketing communications, which in turn improves conversion rates and drives profits. In fact, according to a study conducted by McKinsey, 76% of customers are frustrated when their interactions with companies are generic. In comparison, 72% of customers expect companies to know their personal interests and to be recognised as individuals (Arora et al. 2021). These numbers suggest that consumers prefer ads tailored to their needs and interests, thereby enhancing customer experience. To facilitate the effective implementation of personalised ads, however, broadcasters require large amounts of data about their audience. Broadcasters that can create detailed profiles of their customers offer immense value to brands, as it allows them to deliver personalised advertising only to those who fit their target audience. Nonetheless, personalised advertising during live streaming of football games is not yet prevalent, hence there is a potential that has yet to be exploited. Consequently, broadcasters should take advantage of their customer data to further drive revenues, which they can then monetise through selling advertising space.

4.4 Industry Overview

An overview of the individual stakeholders and the various environmental factors is required to develop well-founded measures for new revenue streams. All stakeholders (persons and organisations) with a justified interest in a company or a project are considered. In a systematic process, information about these stakeholders is collected and analysed to identify critical actors and assess their interests, positions and importance related to the policy (Schmeer 1999). Since this paper does not serve a specific company, no conventional stakeholder analysis is conducted. For a customised analysis of the individual players in the industry, however, parts of the process and the stakeholder characteristics are adopted.

Stakeholder Overview

Broadcaster

There are three larger sports channels on the Portuguese market, namely Sport TV, Benfica TV, and Eleven Sports. The most important information about the broadcasters has been compiled and analysed in the table "Broadcaster in Portugal" (Appendix 6).

Two broadcasters televise the Portuguese national league. Sport TV broadcasts all live matches except for the home matches of Benfica and is the biggest and oldest football broadcaster in Portugal. Sport TV is owned by several media and telecom companies and operates internationally. Several sports, such as football, futsal and basketball, are presented on seven channels.

The home matches of S.L. Benfica are shown by Benfica's own sports channel Benfica TV, which is unique in Europe. Benfica TV screens its content, including home games of Benfica and other sports shows, around the world and is available on different media channels such as NOS, MEO or Vodafone and has a streaming service. Until 2016, the channel also streamed content from the Premier League, Serie A and Ligue 1. In 2015, Benfica sold its rights for the home games to NOS, and the contract was valid for three years and earned Benfica €40 million per year. NOS decided to continue running S.L. Benfica's home games on its premium channel Benfica TV (Paulo Curado 2015).

Another Portuguese sports channel is Eleven Sports. It is a premium sports channel which also has an OTT service and holds the rights to the UEFA Champions League and other top

European leagues in Portugal. Eleven Sport further broadcasts other sports and operates internationally.

For broadcasters, the centralisation of TV rights brings many changes. These transformations are associated with uncertainties and risks, and the business model is shifting, resulting in at least two TV broadcasters (Sport TV and Benfica TV) facing financial pressure and having made losses in recent years. In addition, in Portugal, customers pay the most to watch matches compared to their purchasing power (Servir o Benfica 2022). This indicates that demand is elastic, and the market is already saturated. New revenue streams are to be developed, thus relieving the financial situation of broadcasters and making them competitive when bidding for LP’s rights. Furthermore, broadcasters must expect more challenging competitive conditions due to the possible introduction of a no-single-buyer clause and the intensified market entry of social media companies (Facebook) or streaming services (Amazon). One advantage for the broadcasters is that they have proficient knowledge of the Portuguese market and have years of experience broadcasting live football matches in Portugal.

Liga Portuguesa de Futebol Profissional

The two best Portuguese professional leagues in Portugal (LP and LP 2) are managed by the umbrella organisation Liga Portuguesa de Futebol Profissional (LPFP). The LPFP is a state organisation and an autonomous organism under the authority of the LPFF. The LPFP, along with the PFA, was one of the main drivers of centralisation, which according to President Pedro Proença would ensure growth, stability, and sustainability for Portuguese football, and signed a memorandum of understanding in 2021 (Liga Portugal 2021). It is vital to the LPFP that the Portuguese teams are successful in Europe and continue to play an essential role in the UEFA coefficient rankings. Furthermore, it is committed to enabling financial growth and a more balanced league. The league will also assign the TV broadcast rights for the 2027/28 season in a centralised form for the first time.

Teams

The teams of LP are important stakeholders and can be separated into two groups: the three big teams (Benfica, Sporting, Porto) and the remaining 15 teams in the league. The three big teams are both financially and sportingly superior to the other teams, are supported by a large proportion of football fans in Portugal and receive significantly more TV money. This is reflected in particular in the fact that the difference between TV revenues of the top and the middle teams is greatest in Portugal compared to other European leagues. The differences are also echoed in the number of spectators in the current 2022/23 season, where nine teams had an average of less than 5000 stadium spectators per match (transfermarkt.com 2022).

To further ensure competitiveness in European tournaments, the three big teams are hoping for more income with the centralisation of TV rights to keep up financially with the European clubs and pay necessary player transfers and salaries. In the future, Benfica, Sporting and Porto will insist that as much money as possible is distributed according to sporting merit. Benfica additionally faces the challenge of restructuring its own sports channel (Benfica TV) and adapting it to the new circumstances. On the other hand, the 15 remaining teams hope for a more equitable distribution of the TV money, hence more income, and to make the league more balanced. In contrast to the big teams, it is unlikely that smaller teams (except Braga) will lose money by changing the system for TV rights.

Furthermore, it must be mentioned that the three major teams have significantly more bargaining power which is likely to strongly impact the allocation of TV rights and income distribution.

Sports Alliance

As a digital marketing solutions provider specialising in fan data management, the agency can be commissioned to develop new marketing strategies for teams and leagues. Especially the trends and new features in the area of commercials in live matches on TV are interesting for all players in Europe. On the one hand, Sports Alliance has know-how and experience in Portugal; on the other hand, it is well-connected throughout Europe and in sports in general. This makes it the ideal partner for teams and associations in Portugal in transitioning to a centralised TV rights system. Further, Sports Alliance is the unifying element and brings all stakeholders together to implement the idea.

Fans

Football is the most popular sport in Portugal, is culturally ingrained, and fans have the highest interest in football compared to the primary European markets, according to a report by Socios (2019). In addition to a high quality of Portuguese football, it is in the interest of fans that the matches are consumed as conveniently as possible. However, fans must be prepared that more than one subscription will be necessary to view all games. Moreover, it is important to note that fans have little influence on the new TV broadcasting rights and will have to adjust.

Sponsors

Since the Portuguese football market is relatively large in comparison to the biggest leagues in Europe, it is desirable for sponsors and brands. In this context, brands are especially interested in new technologies that make advertising more personalised and thus reduce unnecessary expenditure. How TV broadcasting rights are allocated is of secondary importance.

Existing Subscription Models

Subscriptions to two broadcasters are currently required to watch all matches of the Portuguese first division. Sport TV broadcasts all competition matches, except for SL Benfica's home matches, which are the responsibility of the club's own channel, Benfica TV (Ernst & Young 2021). In order to access Sport TV, users can purchase a voucher for €25.99 per month and redeem it with their pay TV provider[1]. Alternatively, major pay TV broadcasters offer their own paid packages[2] that allow their customers to receive Sport TV and Benfica TV (Sport TV 2022a). The cheapest package of the pay TV operator NOS to watch all matches costs per month €34.89 and includes the Sport TV Premium HD Multiscreen annual subscription (€24.90/month) and the monthly Benfica TV subscription (€9.90/month) (NOS 2022b). The providers Vodafone and MEO additionally offer the annual premium HD package for a monthly price of €19.99. However, additional costs for the pay TV operator may occur (MEO 2022a; Vodafone 2022). At MEO, users can also subscribe to a package that includes both Benfica TV and Sport TV for a monthly price of €30.99 (MEO 2022b). Moreover, Sport TV offers various subscriptions which differ in scope, quality (high or standard definition), contract duration, and price. The 5-day subscription costs €14.99, the Sport TV Multiscreen annual pass €24.99 and the Sport TV Premium HD Multiscreen €29.99 (NOS 2022a). That shows that despite the individual negotiation model in Portugal, only two subscriptions are necessary to watch all LP matches live.

Unlike in Portugal, where TV rights are negotiated individually, customers in Germany currently require two subscriptions to watch all Bundesliga matches. The pay TV operator Sky and the streaming provider DAZN have acquired the rights for all matches of the 2022/23 season. DAZN currently offers two subscription alternatives, which only differ in terms of contract duration and price. The monthly subscription costs €29.99 after a price doubling in August 2022. The annual subscription is slightly cheaper, with a monthly price of €24.99 (DAZN 2022a). Pay TV operator Sky offers a wide range of subscriptions, which differ mainly in the number of available channels and the visual experience. The cheapest subscription currently costs €20 per month and increases to €32 after one year. Therefore, if the two

[1] Pay TV is widespread in Portugal. In 2021, almost 95% of all households subscribed to pay TV services. The three largest pay TV operators in Portugal currently are MEO, NOS and Vodafone (Easton 2021).
[2] All prices were documented in November 2022 and may deviate slightly at the time of publication.

subscriptions are booked independently, users pay under €45 to watch all Bundesliga matches. In addition, Sky offers a 2022/23 season package for €38.99 per month, including access to a DAZN subscription at no additional cost. After the first year, the price increases to €61.99 (Sky 2022). Therefore, prices are similar to those in Portugal.

In both examples analysed, the subscriptions vary in available channels, visual experience, and contract duration. Freemium models, where the price can be reduced by displaying additional advertising and are often used by music or video streaming providers, do not currently exist.

4.5 Action Plan

New Subscription Model

The action plan further outlines the two proposed ideas in greater detail. First, the current subscription model will be expanded from a one-tier to a two-tier model. Broadcasters shall offer a premium and lower-priced basic option that will feature additional advertising. All current customers will initially keep their current (premium) subscription, which will be priced similarly to the current price. Switching between the two models shall be easy, convenient, and possible on a monthly basis.

The following table shows the characteristics and differences between the two new models.

	New "Premium model"	New Basic "Advertisement model"
Relation to the current system	The premium subscription model replaces the current model, although the content will remain the same and the price may vary slightly.	A new ad-based model will be introduced with a lower price than the premium model.
System Requirements	To watch the broadcast, a conventional TV or an internet-enabled device such as a smart TV, computer, phone or tablet is required.	To watch the broadcast, an internet-enabled device such as a smart TV, computer, phone or tablet is required.
Login	The registration and login process requires a unique username and password.	The standard registration and login process requires a unique username and password, and provides the additional option of connecting a social media account (Facebook). By connecting a social media account the user is rewarded with a fan merchandise of their favourite team.
Football content	Both models show the same content. This includes full games, highlights and the usual sports programme.	
Advertisement	The premium model contains only conventional advertising, including ads on perimeter boards and commercials outside of match time.	In addition to the advertising within the premium model, the ad-based model includes longer advertising breaks during half-time, advertising during longer interruptions (injuries, VAR), and non-intrusive display ads during match time.
Price	The premium model costs €30 per month.	The ad-based model will be cheaper than the basic model. Netflix has introduced a similar ad-supported subscription model that is about 40% cheaper than the basic model and over 60% cheaper than the standard model (Netflix 2022). More detailed analysis and information is explained in chapter 6.
Advertising personalization	Personalized ads shall be displayed and are described in further detail in the following chapter.	
KPIs	Several key performance indicators should be considered to measure the performance of the respective subscription models that include the number of subscribers, advertising revenue per subscriber, and administrative costs per subscriber	

Table 1: New Subscription Model

How Broadcasters can Drive Revenues with Targeted Advertising

As mentioned above, targeted advertising has yet to receive much attention from broadcasters in football, which presents broadcasters with an opportunity to extract further potential from advertising revenues. Consequently, to maximise advertising revenues, broadcasters should incorporate targeted advertising within the above-mentioned ad-supported subscription model and perimeter boards by leveraging virtual advertising technology. Currently, providers of virtual advertising solutions, for instance, Supponer, are already working with football clubs to display different advertising for fans watching in different regions. Although this technology is used to target audiences based on their geographic location, it has yet to be adopted to display customised ads for individual fans. This is where broadcasters can provide value by sharing data about their audiences, thus, allowing for personalised advertising. Moreover, Supponer claims that the existing technology could already achieve this (Kelham 2020). Each fan streaming a football game would see different ads on perimeter boards explicitly tailored towards them. This would further allow broadcasters to enhance customer experience by personalising marketing communications and promotional offers. For instance, a fan watching on their birthday would see a “Happy Birthday” message displayed along with special discounts for specific products.

To achieve this, broadcasters are required to have detailed understanding of their customer base. Broadcasters that can effectively generate detailed profiles of their customers provide much more value for brands and advertisers, particularly those that seek to target individuals based on their behaviours and interests. As such, broadcasters should utilise all techniques at their disposal to gather customer data. To this end, broadcasters should prioritise the collection of first-party data, especially in light of growing privacy concerns that have led to the demise third-party cookies. Moreover, data that comes directly from customers instead of third parties is deemed more reliable for companies to generate accurate insights about their customers. To this end, broadcasters can focus on gathering data during the registration and purchasing phases, whereby consumers are likely to share important personal information regarding their name, age, gender, address, and billing information. This data can be used to gain a demographic understanding of the client base. Another common practice to derive first-party data that broadcasters can utilise, is the implementation of first-party cookies. First-party cookies allow broadcasters to collect and analyse information on users’ online activities while they are visiting their websites or streaming football games. This data can further provide broadcasters with information concerning content consumption, device-type, location, date, and time (Ahuja et al. 2022). Furthermore, for broadcasters to better understand the interests and preferences of their users, it is crucial for them to expand on the number of touchpoints throughout the customer journey, in which users directly or indirectly provide information about themselves. For instance, broadcasters can incorporate quizzes or customer feedback surveys. Accordingly, broadcasters should consider incorporating customer feedback surveys or gamified quizzes. Additionally, it is perceived that customers' willingness to share data is increased if they are offered value in exchange. Consequently, broadcasters should find ways to offer special discounts, rewards, or exclusive access to specific products, in return for users' data.

Nonetheless, while first-party data is valuable, broadcasters should also take advantage of additional data sources to enrich their existing data. To this end, broadcasters should also emphasize the collection of second-party data. Second-party data can be defined as first-party customer data from other companies. Broadcasters can supplement their customer-level data by sharing data with other companies that have information pertaining to the same customers (Schneider et al. 2017). To achieve this, broadcasters should focus on creating strategic partnerships, e.g. with football clubs where their customers are members or with ticketing platforms through which their customers buy tickets. Similarly, to obtain further insights, broadcasters should allow users to register via their social media accounts. Broadcasters and social media platforms can then exchange additional data. To date, the most popular social login is Facebook (Krämer, Schnurr, and Wohlfarth 2019). If users link their Facebook accounts, broadcasters will have access to users' public profiles, which contain contact information, demographic data, and, if permitted, more advanced information on users' web activity, including liked posts and comments. As such, to incentivise users to log in via their Facebook account, broadcasters can reward them with fan merchandise of their favourite team.

Once collecting sufficient data, broadcasters need to ensure they have appropriate data management and analytics systems in place. Only then will broadcasters be able to accurately aggregate and analyse the data to create detailed audience segments and customer profiles. Broadcasters can then leverage their knowledge of their customer base to sell their advertising space to brands and advertisers at higher prices, thus boosting revenues.

Implementation Plan

Due to the changes in the allocation of TV rights, broadcasters should aim to introduce the new subscription model and personalised and targeted advertising by the 2027/28 season to counter-finance higher prices for TV rights. To ensure success, this paper proposes an eight-step plan, which includes the most critical milestones for implementation and serves as guidance for broadcasters.

In order to complement the subscription model with a more affordable basic option and to implement targeted advertising, broadcasters should first define a clear strategy with goals and objectives and determine key performance indicators. Moreover, a pricing model should be elaborated. The following phase should focus on the development of a data strategy. This includes establishing a data governance plan that ensures compliance with data regulations such as the General Data Protection Regulation (GDPR), determining relevant data types and sources, and defining a data management plan that governs how data will be collected, stored, processed, and managed. Subsequently, all technical requirements necessary to handle data, create display ads, and insert personalised advertising should be identified and the required technical infrastructure built. In the fourth phase, strategic alliances should be established with companies from various sectors. In particular, partnerships should be entered with social media companies in order to be able to display individual and personalised ads. Additionally, partnerships with potential brands and advertisers should be pursued. Cooperation with technology providers (i.e., Supponor) should be intensified to expand possibilities of placing ads and improve quality. In the fifth phase, broadcasters should gain a deep understanding of their user base. In this context, data analytics tools should be used to segment their audience and create detailed customer profiles. Thereafter, the sixth phase should focus on building a frictionless media experience. To safeguard a flawless football streaming experience, broadcasters and brands should determine where and when additional ads can be placed (see chapter **Error! Reference source not found.**) and which advertising means will be used. In this regard, broadcasters and advertisers have a wide range of options. These options include short commercials inserted during match interruptions, split-screen advertising (this option is already established in Formula 1), or personalised ads shown via virtual LED boards. In the penultimate seventh phase, negotiations with advertising platforms and brands about the sale of data and advertising space should be held. Once these have been successfully completed, personalised advertising across all channels and the new subscription model should be deployed. In the eighth phase, broadcasters, brands, and the technology providers should review and analyse performance of the new advertising strategy to ensure continuous improvement. The new advertising strategy should be fully integrated by the 2027/28 season at the latest. This will ensure that the necessary increase in the price of TV rights can be financed by higher revenue.

5 User Acceptance of New Subscription Models

A quantitative survey was conducted to understand how customers feel about additional advertising in football and whether they accept the new model. The survey questions are designed to explore the opinions and attitudes of potential customers regarding the proposed ad-based subscription model. The resulting responses are evaluated to gauge customer interest and provide a basis for the financial evaluation that follows.

Utilising a quantitative survey, the opinion of the relevant target group on topics including (personal) advertising in football broadcasting is identified, and the acceptance of new subscription models evaluated. According to Davis (1985), the acceptance of a new offer by users depends on two factors: perceived usefulness and perceived ease of use. Both factors are from the customer's point of view and are subjective. In this regard, perceived usefulness describes the added value of the product for the customer or what problem it can solve. On the other hand, perceived ease of use is the degree to which a person believes that using a system or product will be effortless (Davis 1989). In this context, perceived usefulness serves as the basis for assessing the user acceptance of the proposed advertising and subscription model. More specifically, the survey tests whether customers see an added value in a two-tier subscription model and whether they are interested in it.

To optimise a product, it is vital that customers are integrated into the process. With direct feedback, for example, a product can be developed with a more targeted approach and lead to increased customer satisfaction (Abramovici and Schulte 2007). As such, the integration of feedback allows for early product validation prior to production/market launch, thus ensuring higher sales at product launch (Nörr 2016). To this end, the online survey was developed following the guidelines of Callegaro, Manfreda, and Vehovar (2015) to collect customer feedback at an early stage of the project.

The Google survey tool was utilised to conduct the questionnaire and was carried out from November 2 to November 15, 2022. Participation in the poll required an interest in football to help ensure that the survey's target group resembled that of the football broadcasters. If this condition was not given, the corresponding responses were not evaluated in the analysis that follows. Conversely, participants did not need to own a sports TV subscription at the time of the survey.

The survey comprises 13 questions and is divided into three main parts (Appendix 7). A total of 51 people participated in the survey. The first section aims to understand the customer base and the current situation of football subscriptions. This part includes demographic and broader questions about participants' existing football broadcast subscriptions. These questions provide targeted information about the customers and help to better define the target group. To get an accurate overview of users’ current subscriptions, they were asked to name their subscriptions, including country/league and price. This allowed the different customer groups to be segmented and compared with each other later. Moreover, to get a better understanding of customers’ current price sensitivity, participants were also asked about their price perception of current subscription prices. It is worth noting that participants who were not subscribed to football broadcasts at the time of the survey skipped the corresponding questions (questions 3-6). The second part of the survey examines how the participants view the role of advertising in football today. The questions were used, among other things, to determine whether customers find current advertising to be distracting or whether they would be receptive to additional advertising measures. The third and final part of the questionnaire deals with the proposed subscription model with more advertising at a lower price. The goal was to determine whether a tiered pricing model would be of interest to the target group and at what price they would be willing to purchase the new subscription.

5.1 Analysis

Question 1: Age

The first question assesses the age of the participants. This question was answered by 49 out of 51 respondents. The following are statistical key figures:

Min: 18	Max: 43	Average: 26
Median: 25	25th Percentile: 23	75th Percentile: 27

According to the age distribution, the majority of questionnaire respondents are between the ages of 22 and 25 (Appendix 8). It is important to bear in mind that this cannot be used to conclude the average age of a football TV subscriber. In fact, the English Premier League figures show that the average football fan is 41 years old (BBC Sport 2016). Similarly, in Germany, the age groups 31 to 40 and 41 to 50 are overrepresented amongst Bundesliga fans when compared to the general population (AIlon 2022). Consequently, for the further assessment of this survey, one needs to consider that the results correspond to an age group that has fewer financial resources than older age groups. This is underlined by a BBC Sport survey, which reveals that 4 out of 5 fans between the ages of 18 and 24 view high ticket prices as an obstacle to attending football matches at a stadium (BBC Sport 2016).

Question 2: Income

The second question asks respondents to specify the range of their annual household income, which helps to better understand customers' capability and willingness to pay. This question was answered by 49 out of 51 participants. For the purpose of preserving consumer privacy, participants had the option to withhold their average annual household income. In this case 14% of the participants chose to conceal this information. As such, these responses are not reflected in the corresponding figure (Appendix 9). The evaluation of the responses shows that the participants' annual household income is distributed evenly, with more than half of the respondents earning less than €20,000 a year (Appendix 9). Moreover, if one were to take the mean value for each category, e.g. €7,500 for the category €5,000 to €9,999, the average annual household income of the participants would be €35,000 and the median €30,000. For the first category (below €5,000), €2,500 was used, and for the last category (over €100,000), €100,000 was used. These results further underscore that the respondents' young average age coincides with limited financial funds which should be taken into account when drawing inferences about consumers' willingness to pay.

Question 3: Number of Subscriptions

The third question asks respondents how many football broadcast subscriptions they own. In total, this question was answered 50 times. Notably, 64% of respondents had at least one subscription to a sports broadcaster, while 36% stated they either had no subscription or streamed illegally. Moreover, the results show that most participants are subscribed to one or two football broadcasters, with the average being 1.16, as seen in Appendix 10. Compellingly, the highest number of subscriptions held by two survey participants was four. These findings demonstrate that the survey respondents correspond to the target group of sports broadcasters, providing additional weight to the survey results. In addition, the new strategic concept of a two-tier subscription model should ideally be tested on fans who already own a football broadcasting subscription. These people are existing customers and part of the desired target group for the new subscription model.

Question 4: Subscription Specifications

In the fourth question, the respondents were asked to list their existing subscriptions, including the name of the broadcaster and the corresponding football league. Since this question only pertains to individuals who hold subscriptions, only 37 responses were provided. The following table shows in which countries consumers have a subscription and which leagues and competitions are available for them to watch.

Country/League	UEFA Champions League	Premier League	Bundesliga	Ligue 1	LaLiga	Primeira Liga	Other Leagues
England	2	3					
Germany	8	4	12	3	3		
Portugal	3	2	2	1	1	5	
Switzerland	4	3	2	2	3	1	
France	1	3	3	4	1		
Other countries	1	2	1	1	1		5

Table 2: Subscription for watched league

The results of this question show that most people buy a subscription to watch the respective domestic league. These responses reveal that most participants have subscriptions in Germany, followed by Portugal, England, and Switzerland. More notably, the domestic league is watched the most within each country. In this regard, only Switzerland is an exception, presumably due to the fact that the Swiss league is significantly weaker than all of the other leagues in the table. These results highlight the importance of national leagues for domestic markets, which broadcasters should prioritise. Furthermore, the findings highlight that the Premier League is the most popular league outside of England. As such, the high popularity may be a justification for the significant television revenue in the Premier League, as mentioned above.

Question 5: Payments per Subscription

In the fifth question, participants were asked how much they currently pay for their subscription(s). Thirty-seven people responded to this question, and only responses from people who had previously stated that they had one or more subscriptions were considered (Appendix 11). According to the results, survey participants spend, on average, €40 per month on their subscriptions, while the maximum amount people spend is €80 per month. The information provided by participants indicates that, regardless of the country and league, prices often range between €10 and €30. In France, Portugal, and Germany, one pays approximately €30 to watch most matches, whereby €10 suffice for selected offers such as Benfica TV or Amazon Prime Sport. Nonetheless, it becomes considerably more expensive if one wants to watch all the league games, for instance, with prices rising up to €53 in Germany and €40 in Portugal. Moreover, in England, one has to pay more for Premiere League subscriptions than in the rest of Europe. In England, one must pay almost €80 for a combined package of Sky and BT for the Premier League games, which only gives access to roughly half of the matches. This is due to the aforementioned blackout rule, which is still in place in the Premier League. It is important to mention that subscription providers and their respective offers constantly change, often from season to season. Consequently, customers are frequently presented with new individual offers that differ in price, contract duration, content scope, and individual bonus programs (for example, loyalty programs).

Question 6: Subscription Prices

Question 6 asks whether respondents believe current subscription costs are too high. A total of 42 people responded to this question.

Of the respondents, 55% consider current prices too expensive, while 45% feel they are appropriate. Compellingly, all participants that stated they do not own a subscription, also noted that the current prices are too high, while the majority of these participants explicitly mentioned the current prices as the reason, they do not have a subscription. Of the people who possess a subscription, 51% feel that the prices are not too high, while 49% think that the prices are too high. These results indicate that the target group is price sensitive. This reinforces the finding that Portuguese TV broadcasters could not simply raise their prices for subscribers to generate the additional revenues they need. Customers could react strongly negatively to this, which is why alternative methods must be sought. Furthermore, these findings indicate that price is a deciding factor when acquiring football broadcast subscriptions, implying that a more affordable subscription model will appeal to many fans.

Question 7: Willingness to Pay

The seventh question explores the participants' willingness to pay for watching the majority of matches in their favourite league. The question used the term "majority" rather than "all" matches because as mentioned above, due to the no-single-buyer rule, leagues provide TV rights to several broadcasters, resulting in consumers only being able to watch some of league's games with a single subscription. Fifty people answered this question. The results show that, on average, participants are willing to pay €23, while 64% of survey participants are willing to pay no more than €20 to watch their favourite league (Appendix 12). The most common answer was €20 (28%). Assuming that the league to which consumers are currently subscribed is also their favourite, there are considerable variances in the maximum amounts that customers are prepared to pay for the different leagues. While people are willing to spend an average of €37.5 per month on the Premier League, this figure is only €18 for the LP, and €26 in Germany.

These answers may be related to the strength of the league. On average, people are willing to pay more for the best league in the world (Premier League) than for a smaller league like LP. These findings indicate that LP fans (the majority of whom live in Portugal) are interested in a more affordable subscription model. In addition, a large difference exists between the price that survey participants are willing to pay monthly for a sports subscription (€18) and the actual monthly price for a Sport TV subscription (€25.99). The results must be put into perspective, as they probably represent wishful thinking, since the willingness to pay is unrealistic considering market prices. It should also be taken into account that the survey participants are, on average, 26 years old and therefore tend to have fewer financial means available for sports TV subscriptions. In chapter **Error! Reference source not found.**, a financial model was calculated with more feasible subscription prices.

Questions 8: Ads in Football

The second part of the survey focuses on advertising during football matches. In the first question of this part (question 8), the participants were asked how prevalent they perceive advertising during football matches. Participants had the option to choose a number on a scale that ranges from 1 (not at all) to 5 (very common). All 51 participants in the survey answered this question, whereby 4 was the most common answer, chosen by 35% of the participants (Appendix 13). The majority of the participants in the survey feel that advertising is prevalent in football and are aware that advertising is an essential part of the income of modern football clubs. Nonetheless, the question does not yet give an indication of consumer sentiment and attitudes towards it.

Questions 9, 10: Banner Ad and Virtual Advertising

Questions 9 and 10 asked respondents about two current advertising opportunities in football and were answered by all 51 participants. Question 9 focuses on respondents' perceptions of banner advertising at football matches. Question 10 is dedicated to the level of knowledge of spectators about virtual perimeter advertising. For clarification, participants were each shown a picture with an example of the corresponding advertisement mean with an explanation (Appendix 7). The two answer options were shown in random order.

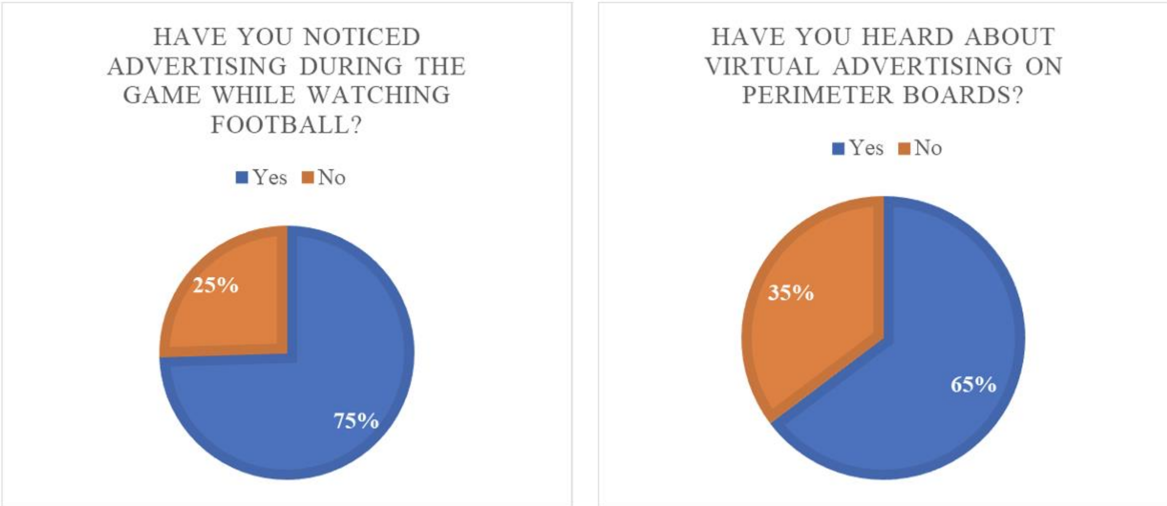

Figure 1: Perception of Ads and Virtual Ads during Football Matches

Both questions were answered with yes by well over 50%, showing that the majority of survey participants have already become aware of newer advertising methods and their applications. In this regard, virtual perimeter advertising is not as well-known as banner advertising during the game. However, this could simply be due to the fact that the banners are easier to recognise, while virtual advertising on TV is, in most cases, indistinguishable from classic perimeter advertising. As with question 8, it can be seen that football broadcasters' customers generally have good knowledge of advertising in football.

Question 11: Interest in New Model

The third and last part of the survey, the idea of a possible new subscription model is explored. All 51 participants answered the questions. After introducing the proposed new advertising and subscription model, the participants were asked to indicate their interest in this model. Hereby, participants had the choice between the options yes, no and unsure.

The results of question 11 document a clear interest in the new model, with over 75% of respondents answering with yes (43%) or unsure (24%). Furthermore, it can be ascertained that the interest in the new advertising model is significantly lower among people who already have a subscription, with only 38%. On the other hand, the group of respondents without a subscription expresses significantly higher interest, with 53% of respondents answering yes. The offer is also appeals to just under half of the participants (48%) who feel that the current price is too high (Appendix 14).

Question 12: New Ads

Question 12 is designed to elicit which new advertising option would have the most negative impact on the football streaming experience. The participants are given 4 options to choose from: 1. commercial sequences during match interruptions, 2: advertising banners during the match, 3: longer commercial sequences before the match and at half-time, 4. personalised advertising on perimeter boards. The results indicate that viewers are particularly critical of advertising interruptions during the game, with 68% stating that this advertising option would bother them the most. In addition, just under one fifth (18%) consider advertising banners during the match to be particularly distracting. The other two advertising options received only few responses (Appendix 15). Furthermore, the results reveal that the two advertising measures during the match are significantly less well received than personalised advertising and advertising before and after the match.

Question 13: Price of New Model

In the last question, participants were asked to indicate by what percentage the new ad-supported would have to be cheaper than the premium option. An assumption was made that the premium model would cost €30. The participants had the choice between 10 and 60%. All 51 people answered this last question, and more than half of the respondents stated that the basic option should be 50% or 60% less expensive than the premium option. The average was 41%. Considering only the participants who indicated the Primera Liga as their favourite league, the average is 48% (Appendix 16).

In conclusion, the online survey provides insights into how customers react to new advertising measures and a new subscription model. The results of the survey indicate that there is a justified interest in a new subscription model with more advertising and a reduced price. 78% of respondents showed no active disinterest in this model. At the same time, many respondents are critical of showing advertising during the game but seem more accepting of personal advertising. The survey also reveals that such a subscription model would have to be significantly cheaper (approximately 50%) for users to be willing to use it.

6 Conclusion

In the past decade, most European football leagues have adopted a centralised model for the sale of broadcasting rights which has resulted in growth in total revenues and a more equitable distribution of these revenues among teams. As such, the PFA has decided to adopt the same approach. However, research shows that this would have an adverse effect since the four largest Portuguese football teams would likely suffer substantial revenue declines, harming Portuguese football as a whole. To avoid this, broadcasters are under pressure to find new ways to increase revenues.

The findings of this paper reveal that the potential of advertising in football is yet to be fully harnessed and suggest that broadcasters can boost their earnings by introducing an advertising-based subscription model and targeted advertising. The results suggest that while football fans are critical of advertising there is significant interest in a cheaper ad-supported subscription model, indicating potential to gain additional subscribers. Moreover, the findings highlight that football fans prefer advertising that is tailored towards them over generic advertising. By leveraging consumer data to generate detailed insights about their audience, broadcasters can demand higher prices from brands and advertisers in exchange for their ad space. Nonetheless, while this would be a substantial increase in revenue, given the proposed distribution model, it would not be sufficient to prevent the four largest Portuguese clubs, namely SL Benfica, FC Porto, Sporting CP, and SC Braga, from sustaining revenue declines. Since broadcasters would need to increase revenues by roughly 100%, this solution only provides an important step towards preserving Portuguese football under a centralised broadcasting model.

7 Limitations and Future Research

Due to the limited access to data, this work project is subject to limitations. A restriction is the small sample size of the survey that was conducted to determine the acceptance of the idea among football fans. While the survey captured the opinions of 51 different football fans, it is not representative of the entire Portuguese football community. Since the success of this idea is dependent on user approval, future research should incorporate a more extensive poll. Finally, our findings imply that greater effort should be directed toward identifying an effective distribution model and alternate revenue streams for football broadcasters in order to ensure the long-term viability of Portuguese football.

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Appendix

Appendix 1

Illustration and Application of SCQA Framework

Source: Own illustration based on Minto (2010)

Appendix 2

Distribution Broadcast Revenues in European Football Leagues

In some cases, it is difficult to obtain exact figures from the various leagues, so local newspaper articles have also been used.

Spain, LaLiga, Season 2020/2021		
Total Revenue	**Distribution System**	**Best and lowest earning team**
€1,445 m	50% equally, 25% sporting merit, 25% fan base No difference between domestic and international distribution	FC Barcelona, €166 m SD Huesca, €47 m

Source: (LaLiga 2021; Deloitte 2022; UEFA Intelligence Centre 2021)

England, Premier League, Season 2020/2021		
Total Revenue	**Distribution System**	**Best and lowest earning team**
£2,518 m	Domestic: 50% equally, 25% sporting merit, 25% TV ap-pearance International: 90% equally, 10% sporting merit	Manchester City, £153 m Sheffield United, £98 m

Source: (Premier League 2021; UEFA Intelligence Centre 2021; Deloitte 2022)

Netherlands, Eredivisie, Season 2022/2023		
Total Revenue	**Distribution System**	**Best and lowest earning team**
€74 m	Domestic: 100% sporting merit International: 100% equally	Ajax Amsterdam, €9 m FC Volendam, €2 m

Source: (Yvonne van Beek 2022; UEFA Intelligence Centre 2021; Deloitte 2022)

Turkey, Süper Lig, Season 2021/2022		
Total Revenue	**Distribution System**	**Best and lowest earning team**
no data	Domestic: 37% equally, 63% sporting merit International: no data	Fenerbahçe Istanbul, $13 m no data

Source: (Daily Sabah 2022; UEFA Intelligence Centre 2021; Deloitte 2021)

Germany, Bundesliga, Season 2021/2022		
Total Revenue	**Distribution System**	**Best and lowest earning team**
€986 m	Domestic: 53% equally, 42% sporting merit, 3% young development, 2% clubs' popularity International: 25% equally, 50% sporting merit, 25% sporting merit international	Bayern Munich, €90 m SpVgg Greuther Fürth, €28 m

Source: (Fernsehgelder.de 2021; DFL 2020; UEFA Intelligence Centre 2021; Deloitte 2021)

Italy, Serie A, Season 2021/2022		
Total Revenue	**Distribution System**	**Best and lowest earning team**
€966 m	Domestic: 50% equally, 30% sporting merit, 20% clubs' popularity No difference between domestic and international distribution	Inter Milano, €73 m Salernitana, €27 m

Source: (Matteo Spaziante 2022; UEFA Intelligence Centre 2021)

Appendix 3

Revenue from Broadcast Deals

Country / League	Total Revenue from Boradcast Deals per Season in € m										Growth Rates	
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2012/13 vs 2021/22	2016/17 vs 2021/22
England Premier League	1.255	2.256	2.442	2.505	3.643	3.512	3.555	3.602	3.635	3.635	190%	0%
Spain LaLiga	845	927	947	862	1.688	1.688	1.808	2.049	2.049	2.049	142%	21%
Italy Serie A	967	967	967	1.151	1.151	1.151	1.313	1.313	1.313	1.132	17%	-2%
Germany Bundesliga	444	669	669	794	794	1.335	1.440	1.440	1.440	1.249	181%	57%
France Ligue 1	640	640	640	640	771	771	818	818	652	660	3%	-14%
Portugal Premiera Liga	63	65	77	84	119	126	172	198	198	198	214%	66%
Turkey Süper Lig	259	259	256	328	328	453	453	371	371	371	43%	13%
Netherlands Eredivisie	46	107	118	118	118	118	119	119	119	119	159%	1%
Belgium First Division A	61	61	75	75	75	83	83	83	103	103	69%	37%
Poland Ekstraklasa	28	28	26	32	32	32	32	50	50	50	79%	56%

Source: own illustration based on (UEFA Intelligence Centre 2021)

Appendix 4

LED Advertising Perimeter Board

Source: Atelier für Mediengestaltung (2022)

Appendix 5

Virtual Perimeter Advertising

Source: DFL (2018)

Appendix 6

Broadcaster in Portugal

Criteria/Broadcaster	Sport TV	Eleven Sports	Benfica TV
Website	https://www.sporttv.pt	https://elevensports.com	https://www.slbenfica.pt/pt-pt/btv/adesao-online
Launch	1998	2018	2008
Ownership	25% Olivedesportos 25% Altice Portugal 25% NOS 25% Vodafone Portugal	MP & Silva	S.L. Benfica
Subscriber	≈ 550,000	-	300,000
Monthly cost	€25.99	€9.99	€9.90
International	Yes	Yes	Yes
Other Sports	basketball, volleyball, futsal, surf, athletics,	basketball, futsal, motorsports, paddel	-
Streaming possible	-	Yes	Yes
Broadcasting rights	**Sport TV**	**Eleven Sports**	**Benfica TV**
Primeira Liga	X		X
UEFA Champions League		X	
UEFA Europa Liga			
Premier League		X	
LaLiga		X	
Serie A	X		
Bundesliga	X		
Ligue 1		X	
Eredivisie		X	

Source: own illustration based on (Alexandra Machado 2021; Sport TV 2022b)

Appendix 7

Survey

Survey on advertising in football broadcasts

Hello,
we are a group of students from Nova SBE currently writing our thesis about the football broadcasting.

The survey asks about your opinion and behavior towards football broadcasts and advertising. The survey contains 13 questions and takes less minutes to complete. The survey is anonymous. All responses are highly confidential and shared only internally.

Note: Fill out survey only if interested in football

Thank you for taking the time to fill this survey, it will greatly help our research.

Contact: 51034@novasbe.pt

yannick.schad@gmail.com wird nicht geteilt Konto wechseln

2. What is your approximate annual household income?

- ◯ Below 5,000 EUR
- ◯ 5,000 to 9,999 EUR
- ◯ 10,000 to 19,999 EUR
- ◯ 20,000 to 39,999 EUR
- ◯ 40,000 to 59,999 EUR
- ◯ 60,000 to 100,000 EUR
- ◯ Over 100,000 EUR
- ◯ I prefer not to say

3. How many subscriptions do you currently have to football broadcasters?

If you do not have a subscription, please specify the reason why.

Kurzantwort-Text

4. Please specify the country and the league where you have one or more subscriptions.

If you do not have a subscription, please skip this question and continue with question 7.

Meine Antwort

5. How much do you pay for each subscription?

E.g. DAZN: 30, Sky Sport 25, Total: 55

Meine Antwort

6. Do you think the current price is too expensive?

- [ ] No
- [ ] Yes

7. How much would you be willing to pay per month for a majority of the games in your favourite league?

Auswählen

Advertising during football matches

8. On a scale from 1-5, how prevalent would you say ads are during football games?

	1	2	3	4	5	
not at all	○	○	○	○	○	very common

9. Have you noticed advertising during the game (as in the picture) while watching football?

- ◯ Yes
- ◯ No

10. Various leagues and broadcasters deployed virtual advertising on perimeter boards. This allows locally different advertising to be played (see picture). Have you heard about this advertising opportunity?

- ○ Yes
- ○ No

New subscription model

Suppose your football broadcaster offered an additional subscription model with more advertising at a much lower price.
Among other things, the new model could show short commercial sequences of a few seconds during long interruptions of the game (e.g. VAR review, injuries or substitutions). But you would not miss any playing time or important scenes such as the VAR decision of the referee.

11. Would you be interested in such a new model?

- ○ Yes
- ○ No
- ○ Unsure

12. Which of these new advertising elements would annoy you the most?

- ○ Commercial sequences during interruptions in the game
- ○ Commercial banner during the game
- ○ Longer commercial sequences before the game and during the half-time break
- ○ Personalized advertising on perimeter boards

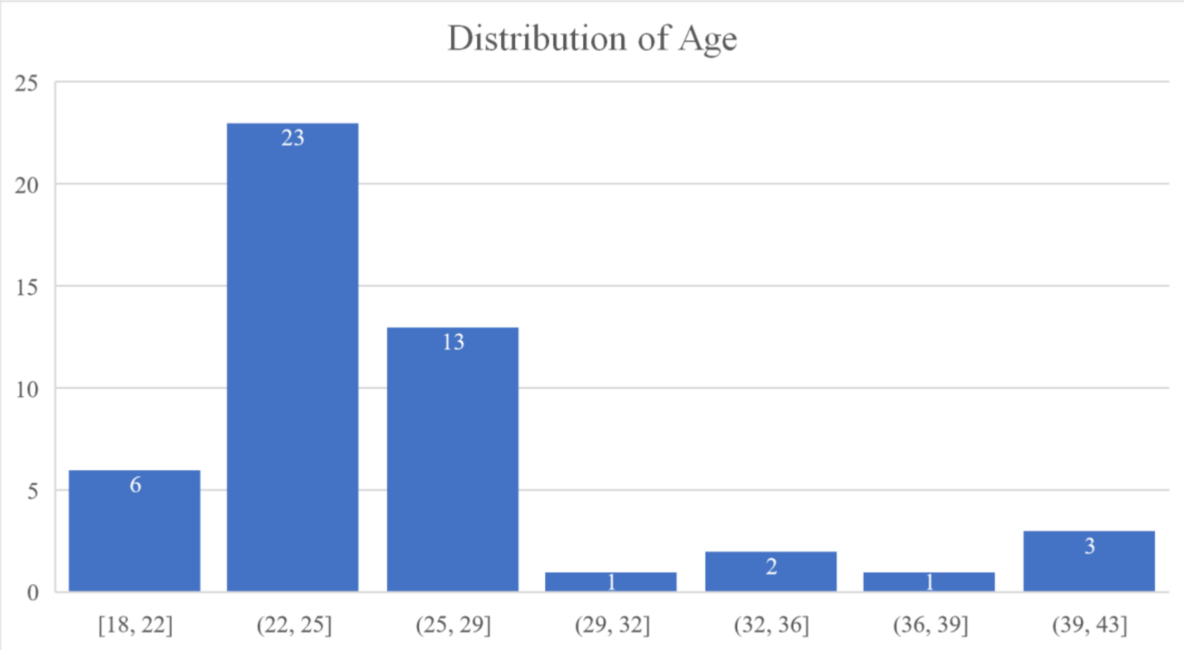
13. By what percentage would the cheaper advertising subscription model have to be cheaper than the basic model for you to sign up for it?

Note: Assume that the normal subscription model costs about 30 EUR

- ○ 10%
- ○ 20%
- ○ 30%
- ○ 40%
- ○ 50%
- ○ 60%

Appendix 8

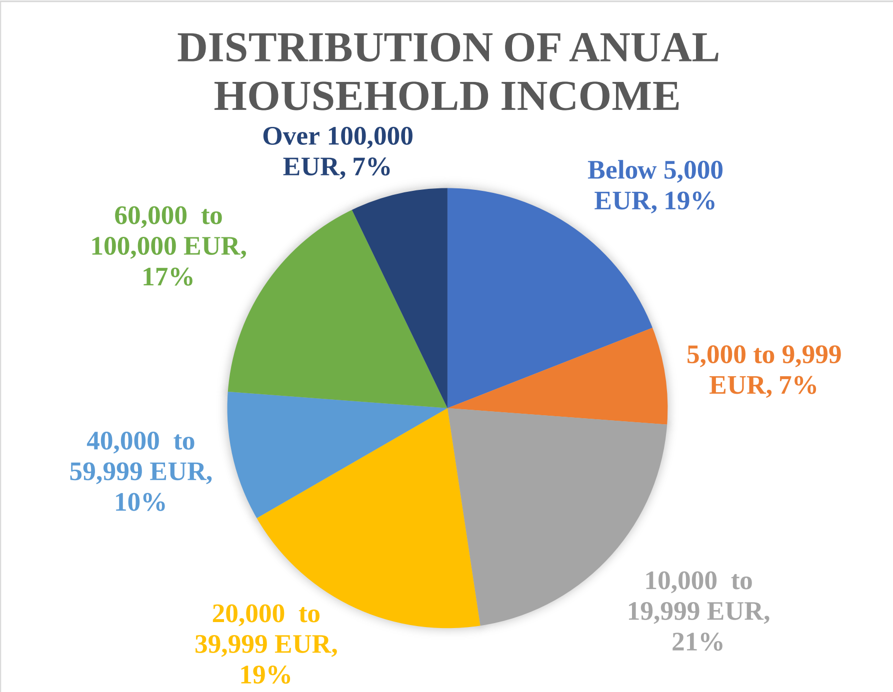
Distribution of Age



Source: own illustration, based on survey

Appendix 9

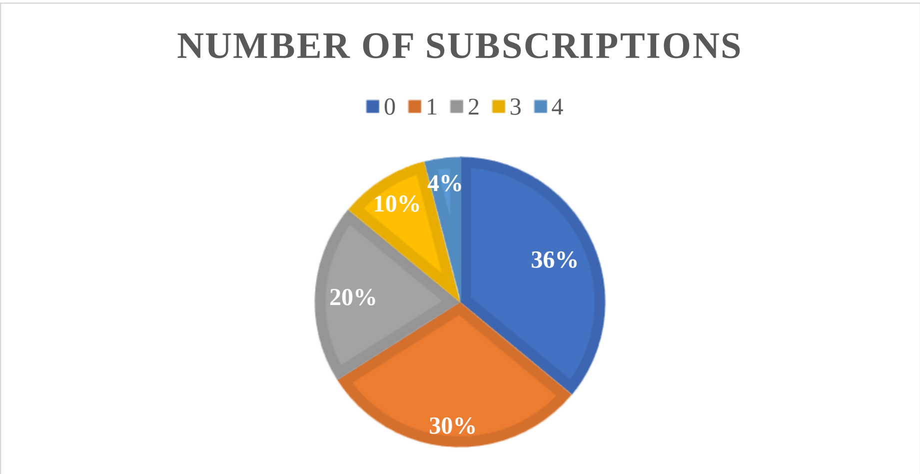
Distribution of Annual Household Income



Source: own illustration, based on survey

Appendix 10

Number of Subscriptions



Source: own illustration, based on survey

Appendix 11

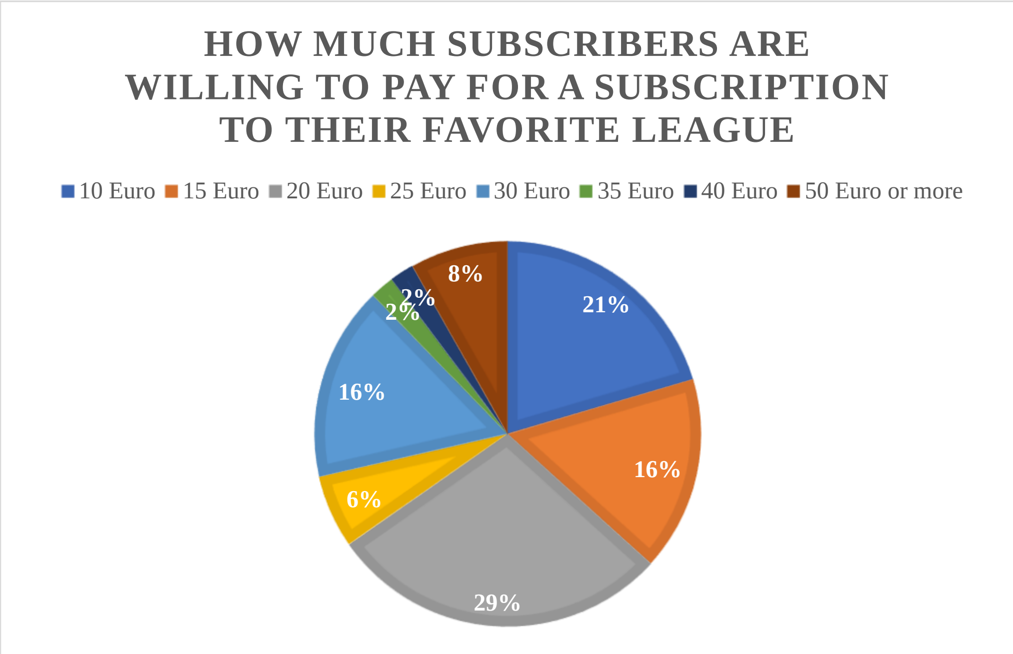
Payments per Subscription

First Subscription	Second Subscription	Third Subscription	Forth subscription	Total
29,00 €	40,00 €	8,99 €		**77,99 €**
30,00 €	25,00 €			**55,00 €**
30,00 €				**30,00 €**
30,00 €	30,00 €	7,00 €	5,00 €	**72,00 €**
20,00 €	30,00 €	15,00 €		**65,00 €**
only total value available				**70,00 €**
20,00 €	26,00 €	5,00 €	5,00 €	**56,00 €**
30,00 €	20,00 €			**50,00 €**
20,00 €	26,00 €	9,00 €		**55,00 €**
20,00 €				**20,00 €**
9,00 €	10,00 €			**19,00 €**
12,00 €				**12,00 €**
16,00 €				**16,00 €**
10,00 €				**10,00 €**
30,00 €				**30,00 €**
40,00 €				**40,00 €**
25,00 €				**25,00 €**
26,00 €				**26,00 €**
30,00 €	12,00 €			**42,00 €**
30,00 €	25,00 €	5,00 €		**60,00 €**
40,00 €	25,00 €			**65,00 €**
10,00 €				**10,00 €**
12,00 €				**12,00 €**
50,00 €				**50,00 €**
30,00 €				**30,00 €**
10,00 €				**10,00 €**
30,00 €				**30,00 €**
only total value available				**80,00 €**
50,00 €				**50,00 €**
26,00 €				**26,00 €**

Source: own illustration, based on survey

Appendix 12

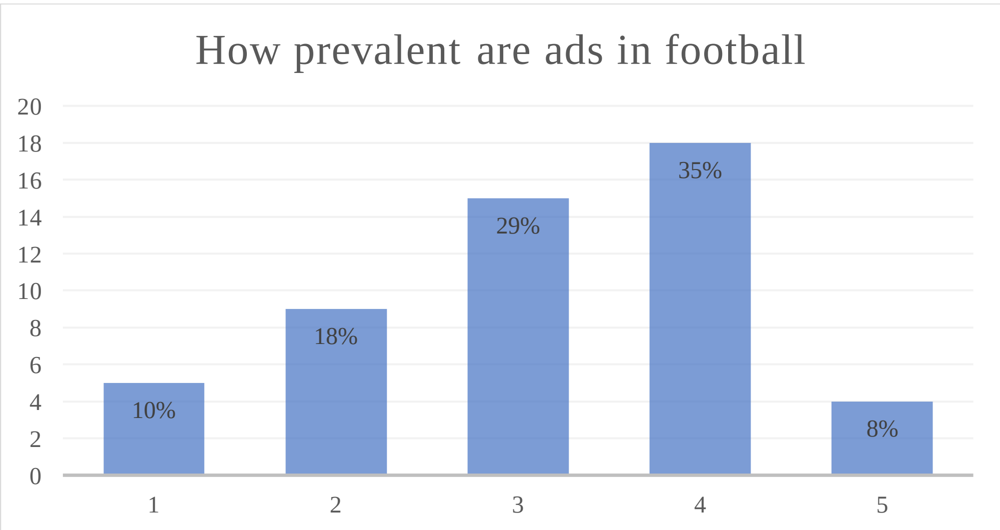
Willingness to Pay



Source: own illustration, based on survey

Appendix 13

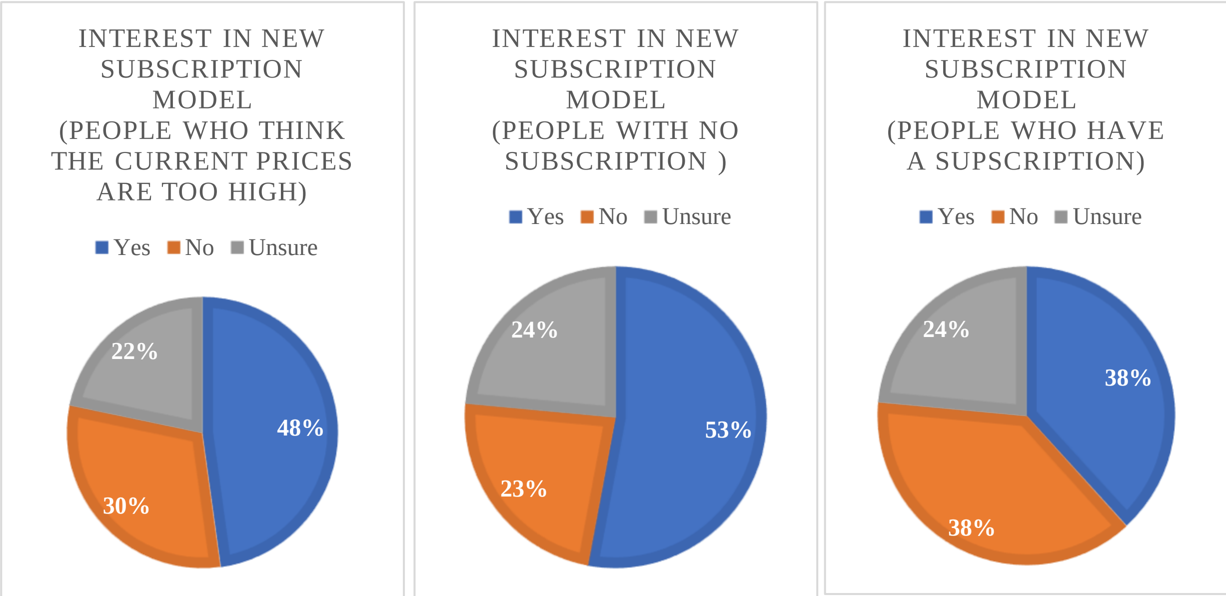
Perception of Ads in Football



Source: own illustration, based on survey

Appendix 14

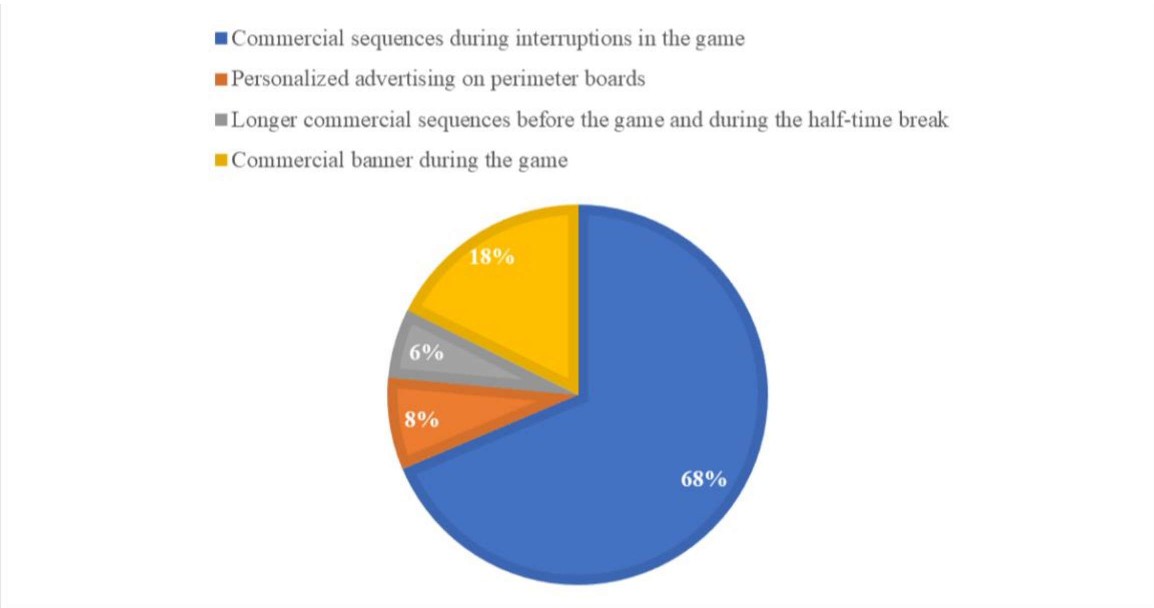
Interest in new model



Source: own illustration, based on survey

Appendix 15

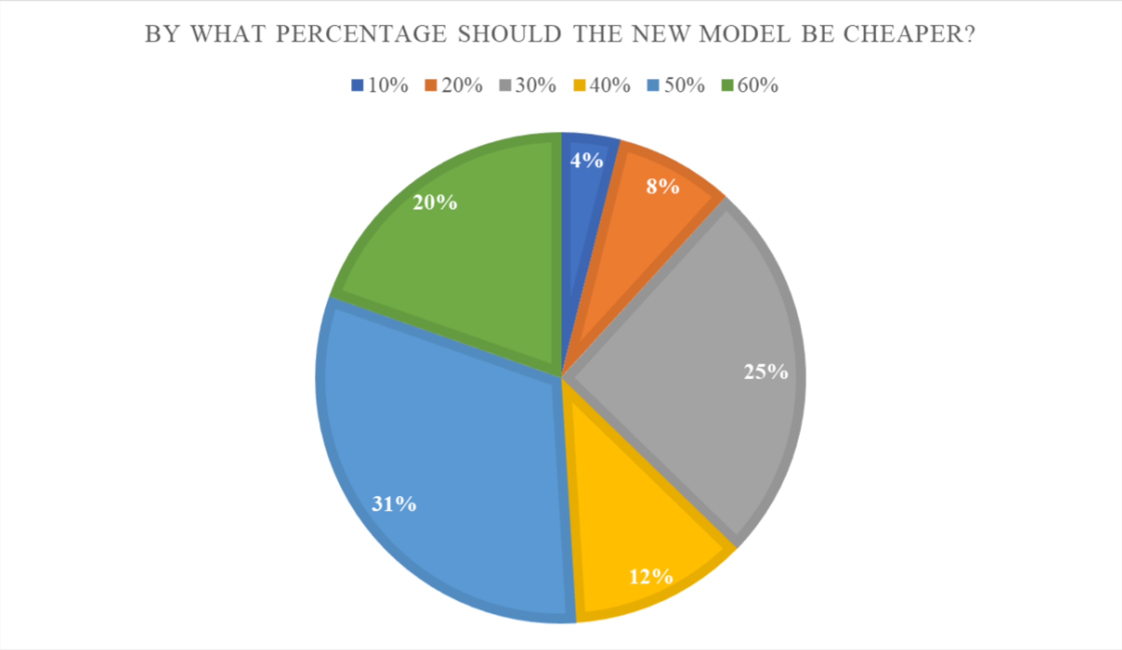
Most Annoying Advertisement Element



Source: own illustration, based on survey

Appendix 16

Price new Model



Source: own illustration, based on survey