

Question of the Week:

There are an increasing number of partnerships between media companies and sports betting operators. How have these deals evolved and changed over the past two years?

November 17, 2022

“At Proskauer, we had the privilege of a front row seat at sports betting’s “first pitch,” which was the strategic alliance we worked on between The Stars Group (TSG) and FOX to form FOX Bet. At least in the US, we are still in the early innings of all this, and the sports betting market is still taking shape. Conceptually, the idea was to combine a best-in-class operating platform with a major US-based media company that held significant sports rights. Since then, the focus has been on finding a way to integrate sports betting features and functionality with the live streaming of in-game content. I would expect we will see additional “bet & watch” services launched in the coming years as rights and technology issues get sorted out.”

Rob Freeman, Co-head of Technology, Media & Telecommunications, New York

“Sports-betting operators in the US are launching live sports streaming in their apps and websites, allowing users to watch and bet on games in one place. Typically, bet & watch rights in Europe and Latin America generally feature lower quality feeds licensed from streaming rights aggregators. However, some operators are seeking U.S. streaming rights for sports media content directly from media partners in the context of broader media partnerships. These rights are more costly than basic bet & watch rights, but give operators that highly sought-after edge over competitors by negotiating a level of exclusivity, a broadcast-quality feed, and access to sports media content beyond live game play. Availability of these broader rights varies because leagues often want to decide how their events will be streamed for betting purposes.”

Laura Goldsmith, Technology, Media & Telecommunications, New York

“It’s clear that there is no “one size fits all” approach, as sports-betting operators have explored a number of strategies in sports media depending on the market and other factors. For example, FanDuel struck a wide-ranging partnership in Canada with Bell Media that includes the integration of FanDuel on TSN networks and platforms. In the U.S., FanDuel has doubled down on their owned and operated (O&O) media assets with the rebranding of linear network TVG as FanDuel TV and the launch of OTT platform FanDuel+. These platforms will include live streams of international basketball and other “niche” sports, as well as sports betting studio programming, to drive more betting on FanDuel Sportsbook. Featuring live sports on a sportsbook’s O&O linear and digital networks, outside of the sportsbook app, is a unique model worth watching.”

Jason Krochak, Sports Group, New York

“We have seen a variety of deal frameworks between media companies and sportsbooks emerge over the past few years. Each deal typically involves the integration of the sportsbook into the media company’s platforms and studio programming. Some involve brand naming rights (e.g., TSG’s partnership with FOX Sports to create FOX Bet; Sinclair’s partnership with Bally’s to rebrand its RSNs). We have also seen some significant M&A activity in the space (e.g., Penn’s acquisition of Barstool Sports). However, we are still in the early stages of the integration of gambling into sports media. As sportsbooks begin to tighten their advertising budgets, it will be interesting to see how these types of partnerships develop and whether sportsbooks push for more integration into top-tier live sports programming.”

Ben Freeman, Sports Group, New York

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