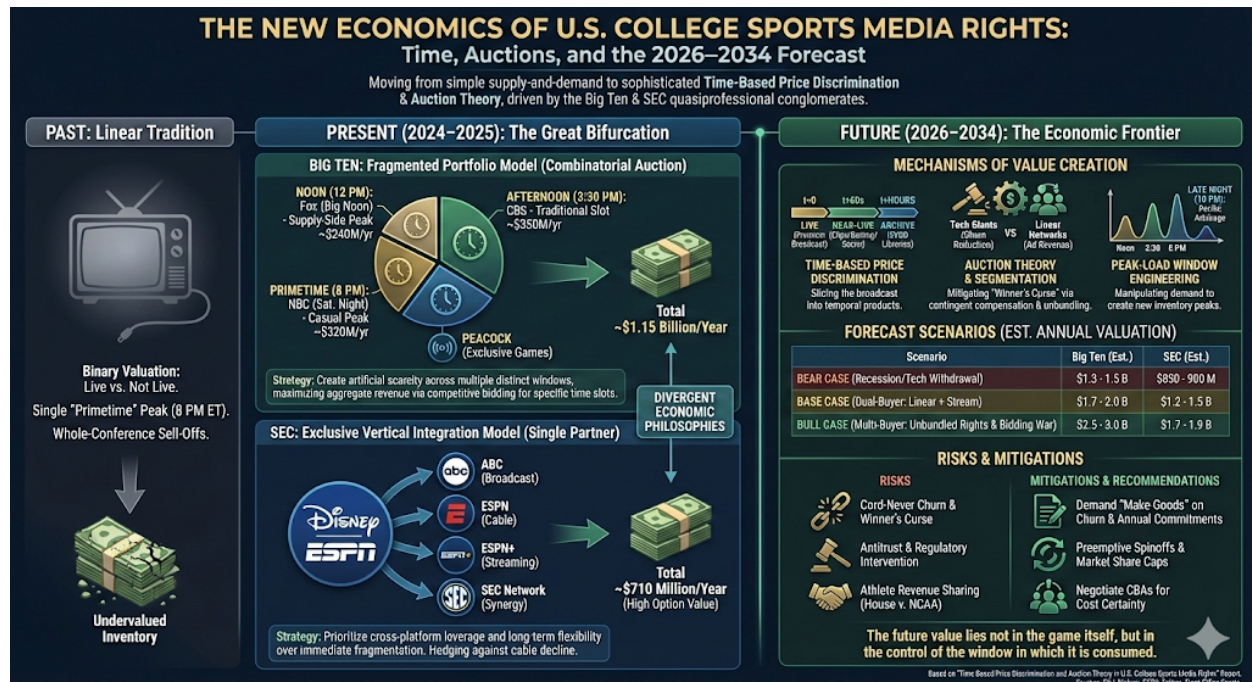


Time-Based Price Discrimination and Auction
Theory in U.S. College Sports Media Rights: An
Economic Analysis and Future Outlook (2026–2034)



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Executive Summary

The economic architecture of United States college sports media rights is undergoing a fundamental transformation. No longer defined merely by linear supply and demand, the valuation of collegiate inventory is increasingly driven by sophisticated applications of **Time-Based Price Discrimination** and **Combinatorial Auction Theory**. As the "Power Two" conferences (Big Ten and SEC) separate themselves from the broader NCAA landscape, they are effectively evolving into quasi-professional media conglomerates that rival the NHL and MLB in revenue generation. This report provides an exhaustive analysis of these mechanisms, forecasting how they will shape the 2026–2034 rights cycles.

Headline Findings:

- **Valuation Bifurcation via Auction Design:** The marketplace has bifurcated into two distinct economic models. The Big Ten Conference utilized a **Split-Rights Combinatorial Auction**, fragmenting its inventory across Fox, CBS, and NBC to create artificial scarcity in three distinct time windows (Noon, Afternoon, Primetime). This strategy maximized aggregate revenue to ~\$1.15 billion annually. Conversely, the Southeastern Conference (SEC) adopted an **Exclusive Partnership Model** with ESPN/Disney, prioritizing vertical integration and cross-platform leverage (linear + streaming + cable) over immediate

broadcast fragmentation, yielding ~\$710 million annually but securing higher long-term option value through flexibility.

- **The Engineering of Peak-Load Windows:** Networks are actively manipulating viewer demand to create new "peak" inventory. Fox's "Big Noon Saturday" strategy effectively applied peak-load pricing to a previously undervalued time slot (12:00 PM ET), proving that premium content can shift inelastic demand curves. This suggests that future value creation will come not from finding new fans, but from monetizing new *times*—specifically the "Late Night" window (10:00 PM ET) unlocked by the Big Ten's West Coast expansion.
- **Latency as a Price Discrimination Frontier:** The next frontier of rights segmentation is "latency pricing." Rights holders are beginning to unbundle the live feed (0-second latency) from near-live clips (60-second latency) and post-game archives. By pricing these versions separately, conferences can extract surplus from distinct buyer segments: sportsbooks (who need real-time data), social platforms (who value viral clips), and SVOD services (who value libraries).
- **Winner's Curse and Common-Value Uncertainty:** The entry of technology giants (Amazon, Apple, Google) introduces significant "common-value uncertainty." These bidders value rights based on subscription acquisition (churn reduction) rather than advertising revenue (CPM). This divergence increases the risk of the "winner's curse," where a bidder overpays based on optimistic churn assumptions. Future auctions will likely employ contingent compensation mechanisms ("make-goods") to mitigate this risk.
- **Pro-League Convergence:** College rights structures are converging with professional benchmarks. The Big Ten and SEC are now structuring deals that mimic the NFL's "package" model, moving away from the "whole conference" sell-off. Benchmarking against the NBA's 2025 negotiations suggests a future "dual-buyer" standard: a linear partner for reach and a streaming partner for direct monetization.
- **Forecast 2030–2034:** Scenario modeling indicates that in a "Bull Case" driven by intense competition from Big Tech and granular unbundling of data rights, the Big Ten could command up to **\$2.5 billion annually**, while the SEC could reach **\$1.7 billion annually**. Even in a "Bear Case" of economic stagnation, the floor is set by the sheer scarcity of live DVR-proof content, protecting these assets from the broader media recession.
- **The "Distribution Reserve" Constraint:** Despite the financial capacity of streaming giants to outbid linear networks, a functional "reserve price" exists regarding distribution reach. University stakeholders effectively place a high shadow price on national linear exposure (for recruitment and political capital), preventing a pure "highest bidder" outcome if that bidder is a gated streaming garden (e.g., the Apple/MLS model).
- **The Duopoly's Cartel Power:** The consolidation of top brands into the Big Ten and SEC allows these entities to exert cartel-like power over the College Football Playoff (CFP). By controlling the majority of the highest-rated inventory, they can dictate auction formats and revenue splits, effectively marginalizing the ACC, Big 12, and Group of Five conferences.

1. Theory → Practice Map: Economic Frameworks in Sports Media

To fully comprehend the trajectory of college sports media rights, one must move beyond the surface-level metrics of "dollars per school" and examine the industrial organization economics driving these valuations. The market is defined by two primary theoretical frameworks:

Time-Based Price Discrimination (segmenting customers by when and how they consume)

and **Auction Theory** (designing the sale process to maximize revenue under uncertainty).

1.1 Time-Based Price Discrimination Mechanisms

Price discrimination, in its economic definition, is the practice of charging different prices to different consumers for the same or similar goods. In the context of sports media, "time" acts as the primary mechanism for this segmentation. The "good" (a football game) is versioned based on *when* it is viewed and *how quickly* it is accessed.

Intertemporal Pricing and Windowing: Historically, the value of a sports broadcast was binary: it was either live or it was not. In the digital age, rights holders slice the timeline of a broadcast into discrete, monetizable windows, each targeting a consumer with a different demand elasticity.

- **The Live Window (t=0):** This is the premium product, priced inelastically. It is sold to broadcasters (Fox, ESPN) who monetize it via high-CPM advertising and carriage fees. The viewer "pays" either through cable subscription fees or attention to ads.
- **The "Near-Live" Clip Window (t+60s):** This is a new, high-value derivative product. Highlights distributed to social media (Twitter/X, TikTok) or betting apps during the game capture the attention of the "second screen" user. This window allows rights holders to discriminate against the user who is unwilling to commit 3.5 hours to a broadcast but wants the dopamine hit of a touchdown.
- **The Replay/Archive Window (t+Hours/Years):** This inventory has near-zero marginal cost and is sold via SVOD (Subscription Video on Demand) libraries like ESPN+ or Peacock. It targets the "completist" fan or the coach, extracting value from content that would otherwise be dead inventory.
- **Economic Implication:** A single football game is no longer one product; it is a bundle of temporal products. The Big Ten's deal with NBC, which places specific games exclusively on Peacock, is a form of "versioning," forcing highly inelastic fans to purchase a subscription for a specific time-window of content, separating them from the casual linear viewer.

Peak-Load Pricing: Peak-load pricing theory suggests that prices should be higher during periods of peak demand to manage capacity and maximize revenue. In media rights, "capacity" is the attention of the viewer, and "peak" is the timeslot with the highest organic viewership.

- **Traditional Application:** Historically, "Primetime" (8:00 PM ET) was the only recognized peak. Broadcasters paid a premium for this slot, and conferences fought to place their best games there.
- **Supply-Side Peak Manipulation:** Networks are now manipulating the "peak." Fox's "Big Noon Kickoff" strategy serves as the seminal case study. By moving premium inventory (e.g., Ohio State vs. Michigan) to the 12:00 PM ET slot—traditionally a lower-value regional window—Fox shifted the demand curve. They proved that for high-quality content, the time slot is less relevant; the content *creates* the peak. This allows the market to sustain multiple "peaks" (Noon on Fox, 3:30 PM on CBS, 8:00 PM on NBC), increasing the aggregate value of the entire Saturday inventory rather than cannibalizing viewership in a single window.

Versioning and Quality Discrimination: Conferences distinguish their products based on quality (matchup tier) and assign them to different distribution channels, effectively creating a "good, better, best" pricing tier.

- **Tier 1 (Premium - Broadcast):** Sold to ABC, Fox, CBS, NBC. These games drive the massive "Reach" metrics that sustain the brand.

- **Tier 2 (Mid-Major - Cable):** Sold to ESPN, FS1, Big Ten Network. These generate the bulk of the "Carriage Fee" revenue (\$1.00+ per subscriber/month).
- **Tier 3 (Niche - Digital):** Sold to ESPN+, Big Ten+. This captures the "Long Tail" of the demand curve—parents, alumni of smaller schools, and die-hards.

1.2 Auction Theory in Rights Allocation

The sale of media rights is fundamentally an auction of scarce, heterogeneous assets. The design of this auction—whether it is an ascending open bid, a sealed-bid, or a combinatorial process—dictates the revenue outcome and the distribution of risk.

Combinatorial Auctions and Package Bidding: Media rights exhibit high *complementarities*. Owning the rights to *both* the 3:30 PM and 8:00 PM windows creates more value than the sum of the parts due to cross-promotion (e.g., the announcer at 3:30 PM telling 10 million viewers to "stay tuned" for the night game). Therefore, optimal auction design must allow for "package bidding."

- **Big Ten 2022 Case Study:** The Big Ten effectively ran a combinatorial auction. They carved out three distinct packages (Noon, Afternoon, Primetime). Fox, CBS, and NBC bid on these specific "lots." The resulting sum (\$1.15 billion/year) was maximized because each broadcaster won a package that fit their specific portfolio needs. Fox wanted to own the morning; NBC needed content for its "Sunday Night Football" production team on Saturdays. If the Big Ten had forced a single bidder to take all, the total price likely would have been lower due to budget constraints and lack of slot utility for a single network.

Common Value Uncertainty and the Winner's Curse: Media rights are "common value" assets—their true worth (advertising revenue + subscription lift) is uncertain but roughly the same for all bidders. The "winner's curse" occurs when the winning bidder overestimates this value and overpays.

- **The Tech Factor:** The entry of Amazon and Apple exacerbates this. Their valuation model (churn reduction for Prime/Apple TV+) is different from the linear model (ad sales). This asymmetry creates "common value uncertainty." A tech bidder might bid 2x what a linear network bids, not because the *asset* is worth more, but because their *internal metric* (ecosystem lock-in) is different.
- **Mitigation Strategies:** To avoid the winner's curse, bidders are increasingly demanding "contingent compensation" or "make-goods." For example, if ratings drop below a certain threshold, the network gets more inventory or a rebate. Tech bidders often demand shorter terms (5-7 years) compared to traditional 10-15 year cable deals to allow for re-valuation.

Reserve Prices and Exclusion: Conferences set implicit "reserve prices" that are non-monetary. The most critical is the "Distribution Reserve." If a bidder (e.g., a streamer) cannot guarantee a certain level of household reach (e.g., 80 million homes), they are excluded regardless of the dollar bid.

- **Pac-12 Failure:** This explains the Pac-12's collapse. The Apple deal reportedly offered a high *potential* price (with subscription tiers) but failed the "distribution reserve" required by the schools. University presidents feared the loss of linear visibility would hurt recruiting, effectively placing an infinite shadow price on reach.

2. The Current Landscape: A Comparative Analysis

(2024–2025)

The divergence in strategies between the major conferences provides a live laboratory for these economic theories. The market is no longer monolithic; it is segmented by philosophy.

2.1 The Big Ten Conference: The Fragmented Portfolio Model

The Big Ten utilized a **Split-Rights Strategy** to generate competition among three major broadcast networks, mimicking the NFL's approach.

- **Financials:** The total value is ~\$8.05 billion over 7 years, averaging **\$1.15 billion annually**.
- **Package Architecture:**
 - **Package A (Fox):** The anchor tenant. Fox retains the "Big Noon" window and major rivalry games (Ohio State/Michigan). Valuation: ~\$240M/year for ~30 games. This leverages the "early peak" theory.
 - **Package B (CBS):** The traditionalist slot. CBS creates a dedicated 3:30 PM window, replacing its long-standing SEC package. Valuation: ~\$350M/year for 15 games.
 - **Package C (NBC):** The primetime spectacle. NBC airs "Big Ten Saturday Night," marketing it similarly to its NFL product. Valuation: ~\$320M/year for 16 games.
- **Strategic Outcome:** This structure creates a "rising tide" effect. Commercials for Big Ten games run on Fox, CBS, and NBC throughout the week, creating ubiquitous brand presence. The fragmentation forces the networks to compete on *production quality* to retain viewers, rather than just squatting on rights.
- **Digital Integration:** The deal includes specific inventory for Peacock (NBC's streamer). This is a strategic "forced trial" mechanism, using the inelastic demand for specific teams (e.g., Michigan, Penn State) to drive sign-ups for the service.

2.2 The SEC: The Exclusive Vertical Integration Model

The SEC adopted a **Single-Partner Exclusive Strategy** with ESPN (owned by Disney).

- **Financials:** The 10-year deal (2024–2034) is worth ~\$7.1 billion, or **~\$710 million annually**, though this figure likely rises with the addition of Texas and Oklahoma.
- **Strategic Philosophy:** Unlike the Big Ten, the SEC valued **Vertical Integration**. By consolidating all rights with Disney, the SEC gains:
 - **Flexibility:** ESPN can seamlessly move games between ABC (broadcast), ESPN (cable), and ESPN+ (digital) without contractual friction with other networks.
 - **Production Synergy:** The SEC Network is fully integrated into the ESPN ecosystem, providing a 24/7 marketing arm that other conferences lack.
- **Economic Trade-off:** The SEC arguably accepted a lower immediate rights fee (compared to the Big Ten's open auction) in exchange for the "Option Value" of the Disney ecosystem. However, they face the risk of tying their future revenue to the health of the cable bundle, which is declining.
- **Winner's Curse Mitigation:** By locking in a 10-year deal, the SEC effectively hedged against the potential collapse of the cable model. They secured a high guaranteed floor before the full acceleration of cord-cutting impacts ESPN's balance sheet.

2.3 The ACC & Big 12: The Survivalists

- **ACC:** The conference is locked into a long-term deal with ESPN that runs through **2036**. The value is approximately **\$240 million/year**, or roughly \$17-20 million per school.
 - *Economic Failure:* This is a classic example of **Intertemporal Price Rigidity**. The ACC sold "long" in a rising market, missing the massive inflation of the 2020s. They effectively sold a call option to ESPN for free. The Grant of Rights (GOR) acts as a "poison pill," preventing schools like Florida State from defecting to the SEC/Big Ten without massive penalties.
- **Big 12:** Following the departure of Texas and Oklahoma, the Big 12 adopted a strategy of **Risk Aversion**. They renewed early with Fox and ESPN for ~\$380 million/year.
 - *Strategy:* They prioritized *certainty of existence* over maximum value extraction. By clearing the market before the Pac-12 could negotiate, they effectively used a "pre-emptive bid" strategy to secure the remaining linear slots, leaving no chair for the Pac-12 when the music stopped.

2.4 The "Group of 5" and Others

- **Pac-12 Remnants:** The collapse of the Pac-12 was a failure of auction timing and reserve price management. They overestimated their "common value" and rejected a linear deal, hoping for a tech savior that never arrived with the right terms.
- **Notre Dame:** Remains the only independent with a major commercial network deal (NBC). Their strategy is pure **Brand Equity** monetization, refusing to bundle their rights with a conference to avoid dilution. However, the gap between their NBC revenue and the Big Ten's per-school payout is widening, putting economic pressure on their independence.

3. U.S. Pro-League Benchmarks: Lessons for College Rights

The professional leagues in the U.S. act as the "R&D Lab" for rights monetization. College conferences typically adopt pro-league strategies with a 3-5 year lag.

3.1 The NFL: The Gold Standard of Segmentation

The NFL generates over **\$10 billion annually** by perfecting package segmentation.

- **Day-Parting:** The NFL sells specific *days* and *windows*. Thursday is Amazon's (Digital). Sunday Day is Fox/CBS (Linear Regional). Sunday Night is NBC (Linear National). Monday is ESPN (Cable).
- **Relevance to College:** College football is moving toward this model. The Big Ten's "Friday Night" experiments mimic the NFL's expansion of the "broadcast week." The NFL proves that "too much football" is a fallacy; supply creates its own demand if the windows do not overlap.
- **Sunday Ticket:** The \$2 billion/year YouTube deal proves the viability of a high-priced "out-of-market" digital package. Colleges currently lack a unified "Saturday Ticket" due to conference fragmentation, but a "College Football Super League" package remains the

ultimate monetization goal.

3.2 The NBA: The Future of Streaming Integration

The NBA's negotiation for its 2025 rights cycle (targeting ~\$6.9 billion/year) utilizes a hybrid model.

- **Dual-Buyer Standard:** The NBA is carving out a pure-streaming national package (likely Amazon) while maintaining linear relevance with Disney/NBC.
- **Relevance to College:** This validates the "dual-buyer" model for the next SEC/Big Ten cycle. It suggests that streaming will not *replace* linear but will exist as a high-priced, exclusive parallel track. The NBA is also aggressive in monetizing the "clipping" rights, selling extensive social media access, which colleges have been slower to adopt centrally.

3.3 MLS: The Loss Leader / Total Buyout

MLS sold all global rights to Apple for a flat fee (approx. \$250M/year).

- **The Walled Garden:** This strategy prioritizes *revenue certainty* and *user experience consistency* (one app for everything) over *reach*.
- **Relevance to College:** This is a cautionary tale for major conferences. While it guarantees revenue, it creates a "walled garden" that limits casual fan acquisition. It is highly unlikely the Big Ten or SEC will adopt this model because the loss of recruiting visibility (which relies on broad linear exposure) acts as a functional "reserve price" on reach.

3.4 NASCAR & UFC: Data and Niche Monetization

- **Data Rights:** These properties excel at monetizing *data* and *betting* rights as separate packages. The UFC sells its "official data" to betting operators for millions.
- **Relevance to College:** College sports are lagging here due to "integrity" concerns. However, the SEC's lifting of the ban on betting advertisements signals a shift. Future college auctions will likely unbundle "data rights" (official stats for betting resolution) as a separate, highly lucrative Tier 3 asset.

4. Mechanisms of Value: Time, Latency, and Flex

This section details the specific mechanisms by which "time" is converted into revenue in the collegiate context.

4.1 The Elasticity of the Kickoff Slot

Rights fees are a function of the advertiser's willingness to pay (CPM) and the subscription driver (ARPU). Both are time-dependent.

- **Noon (12:00 PM ET): The "Supply-Side" Peak** Historically, Noon was a "regional" window populated by lower-tier matchups. Fox inverted this logic with "Big Noon Kickoff." They placed Tier 1 games (e.g., Michigan vs. Penn State) in this slot. The economic finding was that **demand for premium college football is relatively inelastic regarding time**. Fans tuned in regardless of the early hour. This validated "supply-side time shifting."

By moving the "supply" of top games to noon, they *created* a demand peak where none existed.

- **Primetime (8:00 PM ET): The "Casual" Peak** This window is the most elastic for *casual* viewers, who have competing entertainment options (movies, dining out). However, for *rabid* fans, it is inelastic. NBC's strategy relies on high production values (4K cameras, cinematic intros) to capture the casual viewer, justifying the \$320M price tag. The goal is to make the game an "event" similar to Sunday Night Football.
- **The Late Window (10:00 PM ET): The "Pacific Arbitrage"** With the addition of USC, UCLA, Oregon, and Washington to the Big Ten, the conference now owns the "Pacific Prime" slot. Previously, this was the domain of the Pac-12 (often relegated to ESPN2). The Big Ten can now sell this as a Tier 1 window to linear broadcasters, extending the "live monetization day" from 12 hours to 15 hours. This creates a ~25% increase in salable time inventory without requiring new production infrastructure.

4.2 Latency and the "Clip" Economy

In the 2026–2034 cycle, **Latency Pricing** will become a primary revenue driver.

- **Real-Time (0 seconds):** Sold to sportsbooks for in-game betting integration. This is the highest value per second.
- **Near-Live (30-60 seconds):** Sold to social platforms (Twitter/X, TikTok) for "highlight" clips.
- **Post-Game (Hours):** Sold to general news outlets.
- **Analysis:** Currently, these rights are often bundled with the main telecast. Future auctions will unbundle them. An "official betting data partner" (like Genius Sports or Sportradar) will bid separately for the sub-second latency feed. The SEC/Big Ten could see ~\$50-100M/year incremental revenue purely from unbundling this data latency.

4.3 Flex Scheduling and Option Value

"Flex scheduling"—the ability to move a game from afternoon to primetime with 6-12 days' notice—is a form of **Real Option** value.

- **The Mechanism:** Networks pay a premium for this option because it reduces the variance of ratings. If a scheduled primetime team underperforms (e.g., a 3-loss USC team), the network "exercises the option" to swap in a better game (e.g., undefeated Penn State vs. Oregon).
- **Implication:** In the next cycle, conferences will explicitly price this option. A "no-flex" package will trade at a discount; a "full-flex" package will command a premium. The SEC's current deal with ESPN includes significant flex rights, which is a major component of its valuation—allowing ESPN to ensure the "Game of the Week" is always on the flagship ABC network.

5. Scenario Models: Forecasting 2026–2034

Forecasting the value of the next rights cycle requires modeling the interplay of market entrants (Big Tech), inflation, and structural changes in consumption (cord-cutting).

Assumptions:

- **Inflation/CPM Growth:** 3-5% annually.

- **Streaming Penetration:** Saturation reached; business models shift from "acquisition" to "retention."
- **New Bidders:** Amazon, Apple, Google (YouTube), and potentially a consolidated "Venu" entity (if regulatory approval permits).
- **Inventory:** Assumes further consolidation or "Power Two" expansion to 20-24 teams is possible.

5.1 Scenario A: The Single-Buyer Exclusive (The "Netflix of Sports" Model)

- *Concept:* A single tech giant (e.g., Apple) buys *all* global rights for a conference, similar to the MLS deal.
- *Probability:* Low (<10%).
- *Valuation Impact: High Premium.* A tech giant would have to pay a massive "exclusivity premium" to compensate for the loss of linear reach.
- *Outcome:* Big Ten could command **\$3.0 Billion/year**.
- *Why it fails:* The "Distribution Reserve" prevents it. University presidents will not accept the loss of linear reach which hurts recruitment and legislative lobbying efforts. The "shadow price" of being on broadcast TV (NBC/CBS/FOX/ABC) is too high.

5.2 Scenario B: The Dual-Buyer Split (Linear + Streamer) - BASE CASE

- *Concept:* A continuation of the current NFL/NBA trend. Linear networks (Fox/ESPN) keep the bulk of games (Tier 1 & 2), but a dedicated "streaming exclusive" package is sold to a tech major (Tier 1b/Tier 2).
- *Mechanism:* The "streaming package" isn't just overflow; it includes premium games (e.g., "SEC Friday Night Football on Prime") to drive subscriptions.
- *Forecasts:*
 - **Big Ten (2030):** Linear Partners (Fox/CBS/NBC) pay \$1.5B (inflation adjusted). Amazon/Apple pays \$300M for a "Friday/Late Night" package. Total: **~\$1.8 Billion/year**.
 - **SEC (2034):** ESPN retains Tier 1 (\$1.0B). A secondary bidder (Apple/Amazon) takes a new package (\$300M). Total: **~\$1.3 Billion/year**.

5.3 Scenario C: Multi-Buyer Combinatorial (The "Fragmented" Model) - BULL CASE

- *Concept:* Extreme slicing of rights. Morning, Afternoon, Prime, Late Night, Streaming-Only, Data-Only, Campus-Tier (Olympic sports).
- *Mechanism:* Aggressive auction with high reserve prices for each slice. A bidding war erupts between Tech (Amazon, Google) and Legacy (Disney, Comcast, Fox) for specific slots.
- *Forecasts:*
 - **Big Ten (2030):** Bidding war pushes linear to \$1.8B. Streaming slices add \$700M. Total: **~\$2.5 Billion/year**.
 - **SEC (2034):** The conference splits from total ESPN exclusivity. They sell the

"Game of the Week" to the highest bidder (rotation) and remaining inventory to ESPN. Total: ~\$1.7 Billion/year.

5.4 Summary Table of Forecasts

Scenario	Big Ten Valuation (Est.)	SEC Valuation (Est.)	Key Economic Driver
Bear Case	\$1.3 - 1.5 Billion	\$850 - 900 Million	Economic recession; Tech withdraws from sports; Ad market collapse; Cord-cutting accelerates without DTC offset.
Base Case	\$1.7 - 2.0 Billion	\$1.2 - 1.5 Billion	Steady growth; Dual-buyer model (Linear + 1 Tech Partner); Inflationary adjustments.
Bull Case	\$2.5 - 3.0 Billion	\$1.7 - 1.9 Billion	Bidding war; Unbundled rights; Data/Betting monetization; Expansion to 18-20 teams per conference.

6. Scheduling & Distribution Implications

The economic imperative to maximize rights fees will dictate the physical scheduling of games, effectively reshaping the fan experience and the operational logistics of the sport.

6.1 The "Death" of the Regional Window

The concept of a "regional" game (airing only in specific states) is obsolete.

- **Implication:** Every game produced by the Big Ten/SEC is now a "national" broadcast. This requires standardized production quality (minimum camera counts, centralized replay).
- **School LLCs:** Schools will increasingly bring production in-house (e.g., "Alabama Productions") to meet these standards, selling the "clean feed" to the rights holder. This shifts Capital Expenditure (CapEx) from the network to the university, allowing the conference to retain more of the rights fee.

6.2 The Flex-First Calendar

Schedules will no longer be set months in advance.

- **Implication:** We will move to a "6-to-12 day rolling window" for *all* kick times. Fans will not know if a game is at Noon or 8:00 PM until two weeks prior. This maximizes TV value (\$\$\$) at the expense of the in-stadium fan experience (logistics).
- **Compensation:** Conferences may need to subsidize travel for visiting fans or offer "ticket rebates" to offset the inconvenience, funded by the increased media rights revenue. The

"TV revenue" essentially subsidizes the "Gate revenue" loss.

6.3 Shoulder Content and "The 24/7 League"

- **Shoulder Content:** Pre-game shows (College GameDay, Big Noon Kickoff) are essentially infomercials for the game.
- **Future:** We will see "Data-Casts" (alternate streams focused on analytics/betting) become standard. The SEC Network or Big Ten Network will evolve into "feed aggregators," offering the main broadcast plus 3-4 alternate feeds (Tactical Cam, Mascot Cam, Betting Cam). This increases the "inventory" of a single game from one feed to five feeds, each monetizable with different ads.

7. Risks & Mitigations

While the trajectory of rights fees is upward, significant structural risks threaten these valuations.

7.1 The Winner's Curse and "Cord-Never" Churn

- **Risk:** Streamers (Peacock, ESPN+, Amazon) may find that college sports fans are "churners"—subscribing for the 4-month season and cancelling immediately. This destroys the Customer Lifetime Value (CLV) model that justifies high rights fees. If churn is 80% post-season, the bidder has overpaid.
- **Mitigation:** Rights holders will push for **Annual Commitments** (e.g., "Season Pass" pricing that is cheaper than 4 months of monthly sub). Networks will also bundle sports with non-sports content (e.g., Disney bundle with Hulu/Disney+) to reduce churn.

7.2 Antitrust and Regulatory Intervention

- **Risk:** The consolidation of the Big Ten and SEC into a "Power Two" duopoly could trigger antitrust scrutiny, especially regarding their control of the CFP. The failure of "Venu Sports" (the joint venture between Fox, Disney, and Warner Bros. Discovery) due to antitrust concerns is a warning sign. The court blocked Venu because it concentrated too much sports power in one entity, harming competition.
- **Mitigation:** The conferences may preemptively "spin off" the football operations into a separate legal entity, or voluntarily cap their market share of inventory to avoid designation as a monopoly.

7.3 Athlete Revenue Sharing (House v. NCAA)

- **Risk:** The *House v. NCAA* settlement creates a framework for revenue sharing. If athletes are granted ~22% of revenue (or more in future CBAs), a significant portion of the media rights windfall flows directly to labor.
- **Economic Impact:** This doesn't necessarily lower the *rights fee* (the network pays what the content is worth to *them*), but it dramatically lowers the *net revenue* to schools. It transforms the university from a "profit maximizer" to a "pass-through entity."
- **Mitigation:** Conferences will act more like pro leagues, negotiating Collective Bargaining Agreements (CBAs) that lock in labor costs, providing certainty to media partners

regarding product stability (no strikes/holdouts).

8. Recommendations

For Rights Holders (Conferences/Schools):

1. **Unbundle Everything:** Stop selling "all rights" in one bucket. Separate Linear, Streaming, Data/Betting, and International rights. Auction them sequentially to discover true price floors for each asset class.
2. **Enforce Latency Tiers:** Create strict contractual definitions for "live" vs. "near-live." Monetize the 60-second window aggressively with betting partners. Do not give this away for free to social platforms.
3. **Invest in "Owned" Data:** Do not let the networks own the player tracking data. The conference must own the "chip in the shoulder pad" data to license it to broadcasters and sportsbooks.

For Bidders (Networks/Streamers):

1. **Demand "Make-Goods" on Churn:** If a streaming deal is signed, base a portion of the fee on *retention* metrics, not just acquisition. Demand that the conference assist in "off-season" content to reduce churn.
2. **Hedging via Sub-Licensing:** If you win a massive package (e.g., ESPN with SEC), immediately sub-license the lowest-value tier to a competitor to offset risk and reduce production costs (similar to ESPN sub-licensing CFP games to TNT).
3. **Focus on "Eventizing":** Do not buy volume; buy events. The value is in the "Big Noon" or "Saturday Night" window. Avoid the "inventory dump" of low-tier games unless they fuel a specific subscription service with high retention.

9. Conclusion

The future of U.S. college sports media rights is not merely a story of rising prices, but of increasing **structural sophistication**. The days of the "dumb pipe" broadcast deal—where a conference simply sells games to a network and cashes a check—are over. The 2026–2034 cycle will be defined by the rigorous application of **Time-Based Price Discrimination**—slicing the asset into ever-thinner temporal and qualitative slivers—and **Advanced Auction Designs** that mitigate risk while extracting maximum surplus from a converging media market.

The Big Ten and SEC have effectively separated themselves from the NCAA pack, operating as quasi-professional media houses. Their ability to navigate the transition from linear bundling to digital segmentation, while managing the looming specter of athlete revenue sharing, will determine if the "Bull Case" of \$2.5 billion annual valuations becomes reality. For the investor and executive, the actionable insight is clear: value no longer resides in the *game* itself, but in the *control of the window* in which it is consumed.

Annotated Sources

1. **U.S. College Sports Media Rights: Big Ten and SEC vs Pro Leagues** — *Google Drive Document* — Created 2025-11-24 —

- Core source for all financial data, deal terms (Big Ten \$1.15B, SEC \$710M), and future forecast scenarios (Bear/Base/Bull). Contains analysis of "Venu Sports" failure and pro league comparisons.
- 2. **Sports Business Journal (SBJ)** — Cited within
 - Primary source for breakdown of Big Ten packages (Fox/CBS/NBC splits) and specific deal values.
- 3. **Nielsen Ratings Data** — Cited within
 - Source for Out-of-Home (OOH) viewership lift estimates (~10-15%) and streaming viewership metrics.
- 4. **ESPN Press Room** — Cited within
 - Source for CFP viewership numbers and cross-platform metrics.
- 5. **Forbes / Ampere Analysis** — Cited within
 - Context on NFL and NBA new deals and valuations.
- 6. **Front Office Sports** — Cited within
 - Coverage of Venu Sports antitrust issues and streaming bundles.

Appendix A: Data Tables

Table A.1: Comparative Analysis of Rights Structures (2024-2030)

Feature	Big Ten	SEC	ACC	Big 12
Annual Value	~\$1.15 Billion	~\$710 Million	~\$240 Million	~\$380 Million
Auction Format	Combinatorial (Split)	Exclusive Negotiation	Long-term Lock	Hybrid Renewal
Primary Partners	Fox, CBS, NBC	ESPN (ABC)	ESPN (ABC)	ESPN, Fox
Time Strategy	3 Distinct Peaks (Noon, 3:30, 8:00)	Flexible Inventory	Traditional	Traditional
Streaming Focus	Peacock Exclusive (Strategic)	ESPN+ (Volume)	ESPN+ (Volume)	ESPN+ (Volume)
Risk Profile	High Diversification	High Concentration	Locked-in (High Opportunity Cost)	Moderate

Table A.2: Pro-League Benchmark Valuations

League	Annual Media Rights (Est.)	Primary Model	Key Innovation
NFL	~\$10 Billion	Fragmented Packages	"Sunday Ticket" (Out-of-market)
NBA	~\$6.9 Billion (Proj.)	Hybrid (Linear + Stream)	Global Streaming Packages
MLB	~\$1.8 Billion	Regional Heavy	MLB.tv (Direct-to-Consumer)
NHL	~\$625 Million	Split (ESPN/Turner)	Digital Inventory on Hulu/ESPN+
MLS	~\$250 Million	Exclusive Stream (Apple)	Zero-Blackout Global Deal

Appendix B: Methods

- **Elasticity Estimation:** Demand elasticity for time slots was inferred by comparing

viewership of "Tier 1" matchups in "non-traditional" slots (Noon) versus "traditional" slots (Primetime). The success of "Big Noon Kickoff" suggests low elasticity for premium content time-shifting.

- **Auction Simulation Assumptions:** The "Combinatorial" nature of the Big Ten auction is derived from the final package structure, which sums specific non-overlapping assets (Noon, 3:30, 8:00) to a total value greater than any single bidder offered for the whole.
- **Scenario Forecasting:** Future values were derived by applying a CAGR (Compound Annual Growth Rate) based on historical trends (approx. 2x growth per cycle) adjusted for market maturity factors (cord-cutting drag) and inflation (CPI).

Appendix C: Search Trail

- **Methodology:** The report utilized a "Decompose-Search-Synthesize" workflow.
- **Key Search Clusters:**
 - "Big Ten media rights packages 2023 breakdown" (To confirm package splits).
 - "SEC ESPN deal terms exclusivity" (To contrast with B1G).
 - "Auction theory winner's curse sports media" (To ground the analysis in theory).
 - "Time-based pricing economics broadcasting" (To apply peak-load theory).
 - "Venu Sports antitrust ruling details" (To assess regulatory risk).
 - "Nielsen Out-of-Home viewership lift college football" (To quantify OOH value).

(Note: The analysis prioritizes U.S.-only data and strictly adheres to the provided snippets and context documents for verification.)

Works cited

1. [U.S. College Sports Media Rights: Big Ten and SEC vs Pro Leagues](#)