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This Sports Streaming Service Aims for the Mainstream With Football Games

By TOM HUDDLESTON JR. July 6, 2017

Subscription-based streaming sports service FloSports has attracted a growing following of sports fans by putting under-the-radar events online, from amateur wrestling to jiu-jitsu to cheerleading. But the Austin-based startup has also been steadily expanding into more mainstream sports, like basketball, hockey, and—coming soon—football.

On Thursday, FloSports announced that it will begin streaming live football games starting in mid-July. The games stem from the company's new streaming rights deals with outfits such as [The Spring League](#), an independent professional football league comprised of former NFL and Division I college players, as well as USA Football, an NFL-partnered amateur football non-profit. Later this month, FloSports will stream live coverage of USA Football's 7-on-7 National Championship Series tournaments, which feature top U.S. high school players, while the streaming service will also stream match-ups between some of the country's top-ranked high school football programs, starting in late August.

“Today's announcement illustrates our commitment to building and maintaining the world's leading direct-to-consumer experience for all sports fans,” FloSports co-founder and CEO Martin Floreani said in a statement on Thursday. “Football is arguably the most popular sport in the country, but it lacks consistent and comprehensive live coverage across all levels of the sport, and we believe our model can fill this gap.”

“FloFootball” will be the service's 23rd “vertical”—the term FloSports uses for streaming channels dedicated to specific sports and live events—joining others such as gymnastics, track and field, and mixed martial arts, as well as live music. Subscribers who only want to follow one of the sports featured on FloSports can sign up for specific verticals with a monthly subscription (at roughly \$20 per month). For a \$150 full-year subscription, users get access to all content across every vertical, as well as archived footage, training videos, and documentary videos created to highlight specific athletes and sports featured on the service.

Co-founded in 2006 by Floreani (a former college wrestler who wanted a better option for watching the sport online), FloSports has grown to the point that the

service now streams “tens of thousands” of live sporting events and competitions each year. In the first five months of 2017, FloSports logged 24.4 million unique visitors, up 45% from the same period in 2016, and the company also says it has been averaging more than 30,000 new subscribers per month this year. (FloSports would not share its total subscriber numbers, though the company [reportedly](#) had roughly more than 100,000 subscribers around this time last year.)

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Floreani’s company has raised nearly \$30 million in funding thus far, including \$21.2 million in Series B venture capital funding [last year](#) that came from a [group](#) led by DCM Ventures and Bertelsmann Digital Media Investments, along with other investors including [Discovery Communications](#) and World Wrestling Entertainment. The FloSports CEO tells *Fortune* in a recent interview that the company could look to raise additional funding in the near future, but he’s content at the moment to focus on growing the company’s subscriber base and increasing revenue.

While Floreani will not discuss specific revenue figures, he says that roughly one-third of FloSports’ revenue comes from advertising (the rest is from paid subscribers). The company has been able to [attract big-name advertisers](#) like Gatorade and New Balance by offering access to its direct-to-consumer service that boasts a subscriber base full of athletes with clearly-defined interests, who could be more likely to buy athletic equipment and related products from specific sports.

That pitch to advertisers stems from FloSports’ core philosophy, according to Floreani, which is to align with users’ passions that are “an inch wide, a mile deep.” That philosophy, which is directly opposed to the type of content more likely to be found on broadly-focused cable sports networks like ESPN, takes root on the Internet. People go online to “follow their passions,” says Floreani, who feels that most sports fans don’t care as much about numerous different sports as they do about the one or two sports they follow most vigilantly. “With ESPN and the way sports were distributed before on cable, [viewers] were really watching programming that was a mile wide and an inch deep and really only covered their passions maybe a small, little bit,” he says.

As FloSports’ growth continues and the service expands further into more mainstream sporting events, Floreani looks to position his company to gain a foothold in the increasingly competitive world of digital sports media. Cable sports giant [ESPN’s struggles in recent years](#) have been well-documented, with the Walt Disney-owned network shedding [more than 12 million subscribers](#) in the past six

years as the number of cord-cutters has ticked upwards and cable providers have started offering slimmer bundles that don't always include ESPN.

Meanwhile, digital media companies like [Amazon](#), [Facebook](#), and Twitter have swooped in to secure [streaming rights deals](#) with [major professional sports leagues](#) at a time when younger viewers are increasingly looking online for live sports and highlight clips. (It is worth noting that ESPN parent Disney does [own a large stake](#) in the MLB's popular streaming video arm, BAMTech, but it's still too early to say how the company will use that asset and whether it will be successful in doing so.)

Rich Greenfield, a media analyst at BTIG Research who has been [notably bearish](#) on ESPN and Disney, sees companies like FloSports as having the advantage of "starting digitally fresh" that would be impossible for companies like ESPN, with their long-lasting ties to cable and satellite partners. A startup like FloSports can benefit from ESPN's struggles by siphoning a relatively small stream of viewers that prefer the choice of specific, narrowly-focused programming, but that doesn't mean FloSports' rise would necessarily hasten ESPN's demise. "This is not about FloSports destroying ESPN," Greenfield says. "It's basically just taking advantage of the fact that the legacy TV-based sports media companies are stuck in their model."

FloSports' Floreani claims that he doesn't even see his company ultimately trying to compete with ESPN, once the unquestioned leader in sports media. Instead, Floreani says that he sees those streaming giants as his eventual targets, especially with deep-pocketed tech companies like Amazon and Facebook now positioned to stream NFL and MLB games, respectively, while Twitter also has numerous [streaming partnerships](#) with professional sports leagues and the NFL [streams highlights](#) on Google's YouTube.

"I look at the future of sports media [and it] is going to be an ESPN-less world," Floreani says. He adds: "The real companies that are going to be our future competitors that we're looking at are going to be the Amazons, the Facebooks, the Googles." Like FloSports, Floreani says, the digital companies can deliver online sports content directly to consumers, which also gives them more access to user data that has become a precious commodity for streaming companies for the purpose of tailoring content and creating targeted ads.

Whether it's ESPN or Amazon, FloSports still has a long way to go to compete with those behemoths of cable and digital media—especially when those much larger rivals offer more popular professional sporting events. But Floreani clearly isn't shy about aiming high. Adding live football (even high school and amateur games) to FloSports' roster is the company's latest step toward the mainstream.

