



SPORTEL AT 20

Within this special 30 page special section, we celebrate 20 years of the SPORTELMonaco market and a momentous 20 years for the sports TV industry.

PERHAPS NOWHERE has the old adage that 'if you stand still, you'll never move forward' been more true than in the media market and especially in Sports TV.

The last two decades have seen a complete revolution in the use of media and re-invention, followed by more revolution, followed by more of the same.

Digitisation, HDTV and 3D... Through the explosion of the internet, the widespread use of mobile and the relatively recent phenomena of social networking...

And that is just for starters. So where to begin? Perhaps, as Michel Masquelier suggests in an interview on page 34, it all kick started with the expansion and growth of Pay-TV services, in Europe at least, with Canal Plus and then BSKyB.

Then you have the growth of ESPN and Fox in the US, both buying into the NFL and virtually building US network son the back of it. Back to Europe and the launch of

the Eurosport, pan-regional channel - also celebrating its 20th birthday this year - changed the landscape for many sports.

Another 20-year old, the Champions League has emerged and matured over the last two decades into one of sport's premium products. In fact, the way the Champions League was established and has evolved almost directly tracks the developments in the sports media industry over the period... These are just a few examples and over the course of the next several pages, we attempt to identify, celebrate and assess many more, through the eyes of several of the people who have influenced and led these developments.

The Sportel Market itself has both lead and followed the trends. Its very existence over a 20 year period is testament, not only to the growth of the sports TV industry, but also to its role within the broadcast landscape.

Richard Russell, a sports TV

industry veteran now running his own consultancy, RARConsulting was there at the very first SPORTELMonaco. For him, SPORTEL, since its inception in 1990, has not only carved its place in the history of sports television but has generated a band of unbelievably loyal supporters.

"To my own way of thinking, Sportel is a Family Affair. A family of like-minded buyers and sellers who, year after year and sometimes 'under new management,' meet for business but combine it with the pleasure of renewing acquaintances

"Back in 1990 a mere 121 individuals, representing 82 companies, sauntered around just 15 Stands housed in the Loews Hotel (now the Fairmont), just down from Casino Square. Two years at The Loews were followed by three (1992-4) at the Monte Carlo Convention Centre. By 1995, SPORTEL had found favour with no fewer than 663 individuals from 301 companies who built a record (at that time) of 63 stands from which to promote their wares.

"As a consequence, even more space was required and SPORTEL's

third venue became the Sporting Centre in the Place du Casino. Two years there were followed by three (1997-9) in Espace Fontveille, the big 'tent' situated at Port De Cap d'Ail. In 2000, the still wandering but truly established SPORTEL moved to its present location, the rather more conveniently located Grimaldi Forum from where it hosted almost 2,000 participants from 792 companies.

"Sadly but not surprisingly, the terrorist attacks of 2001 and the bursting of the dot.com boom impacted on both the economy and SPORTEL's growth but by 2004, a resurgent Sportel had attracted 20 per cent more participants than twelve months previously - a trend that continues today, evidenced by the breaking of the 2,000 barrier (2,120) in 2006 when Sportel had more stands (153) than it had attendees when it had all began back in 1990! Sportel's burgeoning growth continues to this day with further escalations in 2007 (2,360) and 2008 (2,495) when no fewer than 80 countries sent their representatives to the Grimaldi Forum for our annual 'family reunion.'"



THE GAME CHANGER

George Bodenheimer on the people, the philosophy and the strategic vision over the last 20 or so years that underpin ESPN's position today and its desire to constantly raise the bar in sports coverage.

Who are the individuals from the sports / broadcast industry who you think have made their mark over the last 20 years?

For me it is really the sports, in particular the athletes, who have made a mark - Tiger, Jordan, Gretzky, Serena, Hamm, Rice - they provide us with the intriguing stories we tell the fans every day.

What has been the key marker in the development of ESPN over the past 20-25 years?

Our broadcast of the America's cup in 1987 changed the course of our network forever. We wanted to change what previous Cup coverage was like - a few highlights - and personalise it for viewers and connect them with the action unfolding live. We did that by adding on-board cameras which

showed the sailors as strategic, strong, persevering athletes. This changed the perception of not only yacht racing - but of ESPN - as content owners realised what we could bring to the table. Shortly after the cup concluded, ESPN was awarded its first NFL contract.

Could you give a few examples of how you would say you have proactively led the way in the last 20 years?

It's part of our strategy to be on the bleeding edge of what our fans want, and to harness the technology that will not only serve them, but also grow our business. This is the approach we took with the advent of HD. Our efforts to proliferate HD sports played a role in consumer adoption. No other genre has had such an impact on HD viewership.

We now have four HD networks in the US plus HD services in Brazil, Australia, and more on the horizon. We've also been perfecting our 3D capabilities for the last several years and will be ready when it rolls out on a mass scale.

Obviously, emerging digital technologies are craved by consumers. How do you decide what is a real trend and what is just a blip?

Our mission to serve sports fans is our guidepost. We talk that very seriously. Listening to fans is absolutely core to making decisions, and we have a whole host of ways we do that. Our research department is extremely active in both primary and secondary research, both quantitative and qualitative in nature.

We have a viewer response team that takes calls and emails from viewers around the world. We have multiple customer care touch points online and off. And we recently brought our third ombudsman onboard.

In the end, we follow the changing media behaviours of these fans. It is incumbent upon us to programme in ways we meet, and hopefully exceed, our customers' expectations across all the media they use.

What's the key for ESPN?

At ESPN, serving sports fans has been our mission since day one. Every single one of our employees around the world wears this mission on their ID badges. It's simple, it's powerful, and it works.



A PEOPLE'S BUSINESS

Michel Masquelier, IMG Media's Head of Acquisition and Sales, talks **Miriam Sherlock** through the events and developments that have affected and shaped the sports TV business we see today... And about the one thing that never changes, the value of people.

"**IMAGINE RUNNING** this business without a computer and a mobile phone, without pay-TV, with only a handful of channels showing only mainstream sport, mostly on a weekend." That, points out Masquelier, was the reality not so very long ago. And for Masquelier, the remarkable transformation of the sports TV market over the last 20-25 years has been an evolution of three clearly defined stages, the first of which he describes above.

"The second began with the explosion of the pay-TV market, led in Europe by Canal Plus, with BSkyB backing the charge. Suddenly there was a demand for sports content to fill 24/7 sports windows. The visibility that gave so many sports and the money that came pouring in

as a result changed the very nature of the sports business. The impacts were technological, financial and social. The revolution made stars of sports men and women, bringing in a new wave of commercial possibilities when brands recognised the sponsorship possibilities."

It was a bloodless revolution, from which, Masquelier says, literally everyone in the sport's business benefited. And this transformation led organically onto stage three. "It bred a consuming passion in sports fans that is still growing today. The desire for content, led to the creation of new platforms and outlets that in turn are engaging fans more actively and for longer than ever before.

"Looking forward we can already

see the launch of new DTT services and yet more channels, the take off of multiplex, triple play, personal screens, more growth for archive channels, dub channels, dedicated sports channels, betting channels etc.... And that is just what we can see. It is all developing in parallel with the enhanced fan experience offered by the web, in terms of encouraging new social behaviours.

"It is a never-ending story of content creation which even the credit crunch had done little to change. Fundamentally the model remains the same. After all, live sport on TV is still one of the cheapest forms of entertainment, better value than the cinema or eating out. You can get a 24/7 bouquet of sports channels for a

month for the price of a theatre ticket. In an era of consumer choice, sport has been the winner."

How then has the agency business evolved over the last twenty years. Masquelier says the nature of the deals has evolved, away from the aggressive buyouts, leaving significant margins for the broker. "Rights holders with time and experience have built on their in-house expertise and this has led the agent to work on a more complex servicing minded relationship.

"This service is rewarded by a commission based incentive. One has to constantly work to earn and keep the respect of the paymaster. Competition has driven the commission levels down and expectations up. However when the

"Rights holders with time and experience have built on their in-house expertise and this has led agencies to work on a more complex servicing minded relationship."

managing agent loses his margin, he loses his motivation.

"To keep the loyalty of your clients one needs to continuously impress them, not only by generating revenues but also by providing a range of technical services, exploitation of new rights segments, consulting, market information, analysis of audiences and so on. It's a people's game."

For Masquelier, IMG is so embedded in the fabric of the sports business that it was market leader before the revolution and remains so today. This he puts down in large part to the team that has been assembled at IMG Sports Media.

"We have surfed the wave of the transformational changes in the media industry and on many occasions have led the charge. Over the last 20 years IMG Sports Media has adapted and grown into the production, distribution and technology company you see today.

"We started, as everybody knows, in athlete management, expanded into event management, into sponsorship and consulting and into media content, production, distribution and sale. Over the last five years we've tripled our rights catalogue in volume, we've exploited more content across more segments and we've added value and exposure to lots of sports that have never had international exposure.

"None of the competitors we had 10 years ago are still in the market. We have not only followed the twists and turns of the sports TV market, but have actively led many of them. We were the first, 20 odd years ago to sign a consultancy agreement with pay-TV broadcasters. We understood the importance of customising content to these emerging platforms and since then we have been the first to bring production and distribution under one roof, the first private company 'to focus on technical services and help provide TV signals across the globe, the first private company to bring cameras into the Chinese and

Indian markets, the first to launch live sport on ships at sea, the first to turn archive management into a profit centre, the first to bring sports content to iTunes, the first to create and distribute channel blocks and the first to sign a j-v with CCTV in China... to name a few examples.

"Over the years, we have been constantly copied and imitated and I view that as a sincere complement.

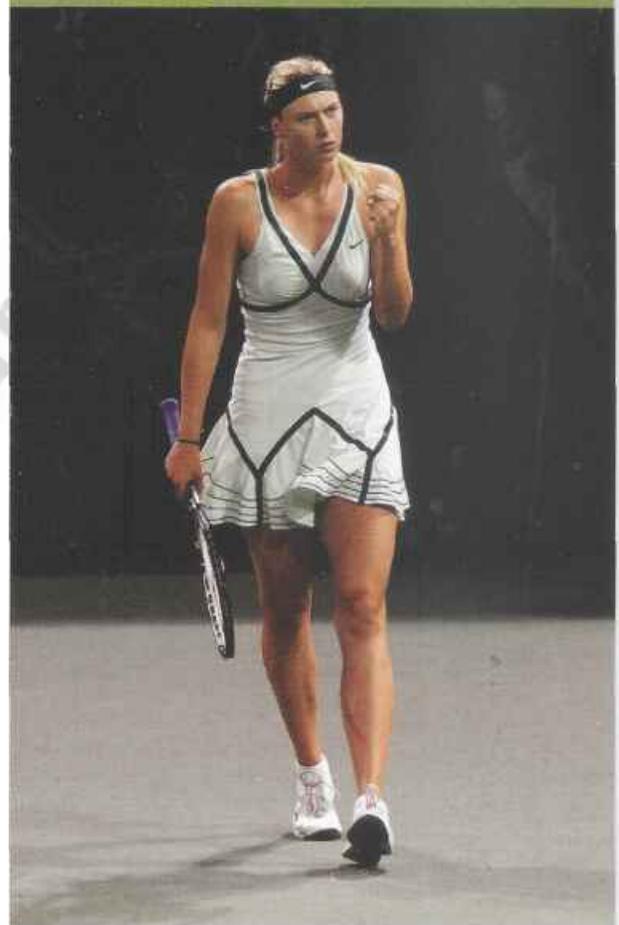
"Going back 20-odd years again, we launched Trans World Sport International, a series that still exists today. It served the ambitions of the governing bodies in a way that had not been done before. And today - in a series of specialised offshoots, FIFA Football Mundial, Total Rugby, IAAF Athletix, Golfing World, Spirit of Yachting and others it continues.

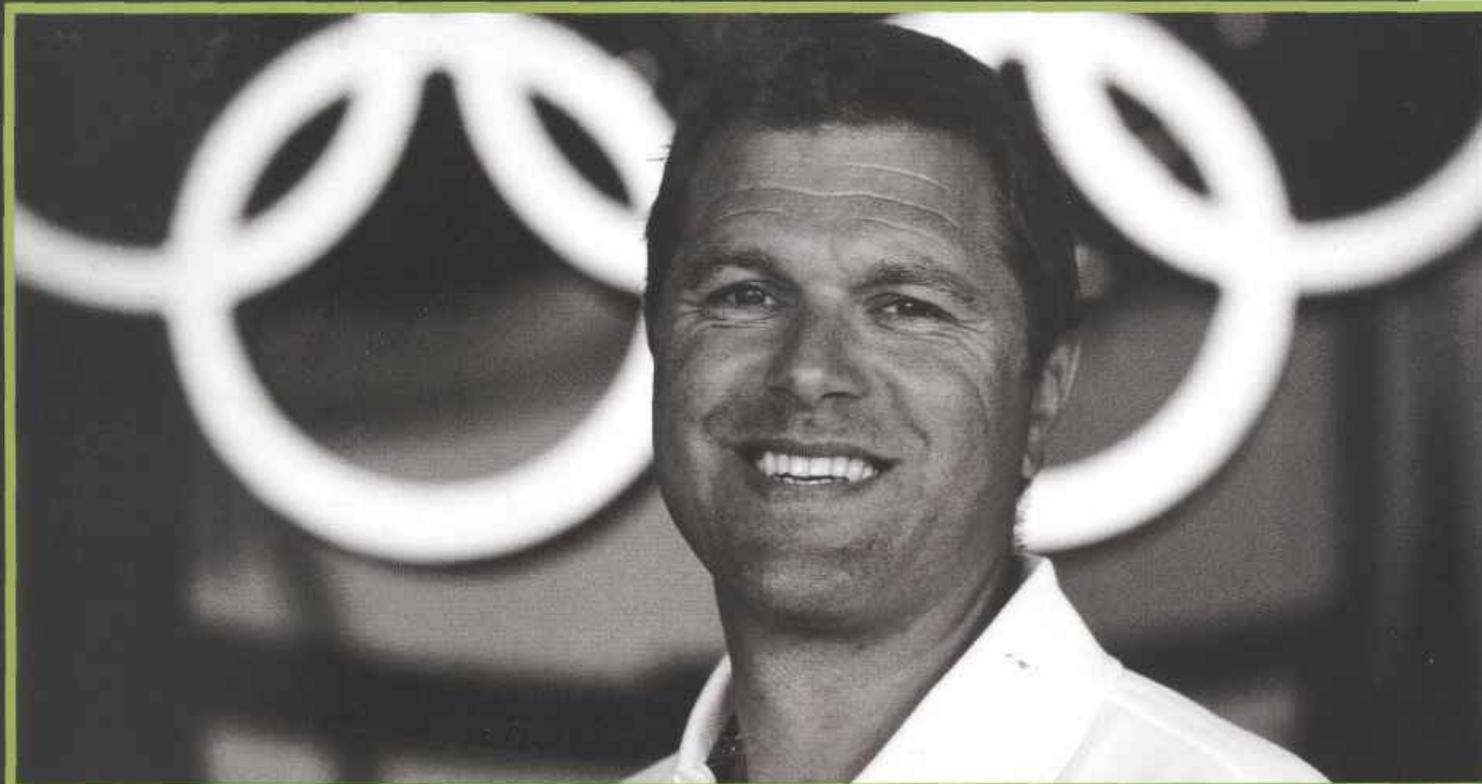
"The format, coverage and the distribution have all evolved, but the essential principle remains. Giving sports the exposure that allows them to reach new fan bases."

For Masquelier, all of the above explains why - despite the economic downturn - IMG is signing more clients than ever before, including, over the last year or so the FIVE, the ATP 500s, the Asian Tour, the NFL, FEI, Bayern Munich TV, MotoGP and the Diamond League.

"We have 40 years worth of relationships with governing bodies and that gives us a unique perspective, I think. IMG Sports Media 200 sales executives are present in some 30 offices around the world. We are involved in an average of seven live events a day and we have passionate, committed people that communicate and share their love for this business.

"They are the cement that holds the company's different units together and make a strength of our enormous scale... enable us to be constantly looking forward. Our partners and clients trust in us because, over the last 20 years and more, they can see that through our passion, our network and our people, we have been and remain ahead of the game."





A COMING OF AGE

Timmo Lumme, Director of Television and Marketing at the International Olympic Committee, tells **Kevin Roberts** how the developments of the last 20 years in the sports media space have created the means to allow fans to tap into a sports event and really live it.

HISTORY IS LITTERED with examples of people who have got things wrong: spectacularly hopelessly and, with the benefit of 20-20 hindsight, hilariously wrong.

There was the Warner Brothers executive whose reaction to the imminent arrival of sound to the cinema was to opine: "Who the hell wants to hear actors."

There was the record company man who heard a new group and concluded: "We don't like their sound and guitar music is on the way out." It was 1962 and he was talking about the Beatles.

Then there was the president of the Royal Society who, in 1895, announced to the world that "heavier than air flying machines are impossible."

With a record like that it would be unwise to have ask any of them to choose your lottery numbers but they are far from alone in the ranks of those who have mis-read the future.

Avery Brundage, president of the International Olympic Committee for 20 years from 1952, added his name to the list back in the 1960s when he suggested that the Olympic Movement had done perfectly well without television for the previous 60 years and was quite capable of doing very well without it for the next 60.

That's a story dose to the heart of Timo Lumme, Director of Television and Marketing at the International Olympic Committee, one of the world's most experienced and accomplished sports marketers and a man responsible for driving TV deals which have brought hundreds of millions of dollars into the IOC's coffers.

He understands better than anybody that the link between the Olympic Movement and broadcast and other media is not simply vital but growing in importance with every technical development.

"I remember watching the

Munich Olympics on television as an 11-year-old. It was in colour for the first time and was magical in the way it really brought the Olympics into the living room, allowing you to peek at something happening many miles away. Television allowed people to connect with and become lifelong fans of the Olympic Games," he explains.

"The way I see it now is that in the last 20 years or so the technology of broadcast has continued to enhance the way that you can experience sport through a screen. Television has effectively extended the stadium and, in doing so, created legions of new fans.

"Look at Manchester United for example. They have maybe 50-60 million fans outside the UK and that is essentially the result of television and the development of sports channels worldwide."

Lumme sees constant developments in production

quality as central to driving the popularity of sport. "If you look at the television archive and compare production values over the years you'll see that it's like comparing night and day. Television presents sport brilliantly and is largely responsible for sport really becoming entertainment. That's not just down to the way that the live action is shown but also because of the rich supporting content which sports fans have been offered and have now come to expect.

"Broadcast has really helped sport become the business it is today. It has made sport truly global and introduced new fans. Look at football. That's a sport which has a much greater reach than ever before, not only in terms of geography but gender. It reaches and entrances an awful lot of people

"The key thing is that in the last 20 years or so, sport has come of age as an entertainment medium.



"The continuing growth of sport will be helped by that quintessential sporting experience - of being part of a great moment."

It is now mainstream and that is reflected in viewing figures, scheduling and the sheer amount of sport which is available."

The cable and satellite revolution which brought ESPN to the USA and which has seen sports channels spring up across the world has significantly increased demand for sports content and enabled rights holders to develop new strategies for delivering content.

Organisations like the IOC, FIFA and the NFL which have carefully husbanded their archive, now find that the value of this important asset has been unlocked - not simply for use in background features but across Classic Sports channels, squaring a circle which starts with live coverage and continues to spin through sports news, magazine shows, previews, historic events and back to live. It's a virtuous circle which keeps the fan involved and better served than ever before.

Red Button digital services and the internet have also extended the ability to deliver sport to the world. Rather than being restrained by channel schedules capacity has become, in theory at least, infinite.

"The Olympic Games provides a particularly good example of this," said Lumme. "NBC's coverage from Beijing delivered 20 hours on the NBC broadcast channel, a further 1,000 hours on cable and a further 2,400 hours delivered via the Internet.

Together that represent more coverage than the sum total of every previous Olympic Games shown in the United States.

"It is recognition that you can serve sports fans in different ways and at different levels. Today it's possible to use technology not simply to serve fans who want to see a specific sport but to provide the support material, the facts and stats and background, which they may want.

"Everything is out there to allow them to tap into a sports event and really live it."

Lumme's own sports television memories go back to his childhood in Finland, in particular watching his compatriot Juha Vaatainen deliver an astonishing last lap to take 10,000m Gold in the European Championships in Helsinki.

"My life is peppered by these experiences, both televised and live," he says. "Being at Wembley for the Euro 96 semi-final between England and Germany, seeing Seve Ballesteros win his first major and Michael Phelps winning the 100 metres butterfly in Beijing in front of a screaming crowd were all magical sports moments."

So what of the future for that apparently symbiotic relationship between sport and television. "If you go back to the basics because of its unpredictability and because it is a shared experience, you go for the buzz," Lumme says.

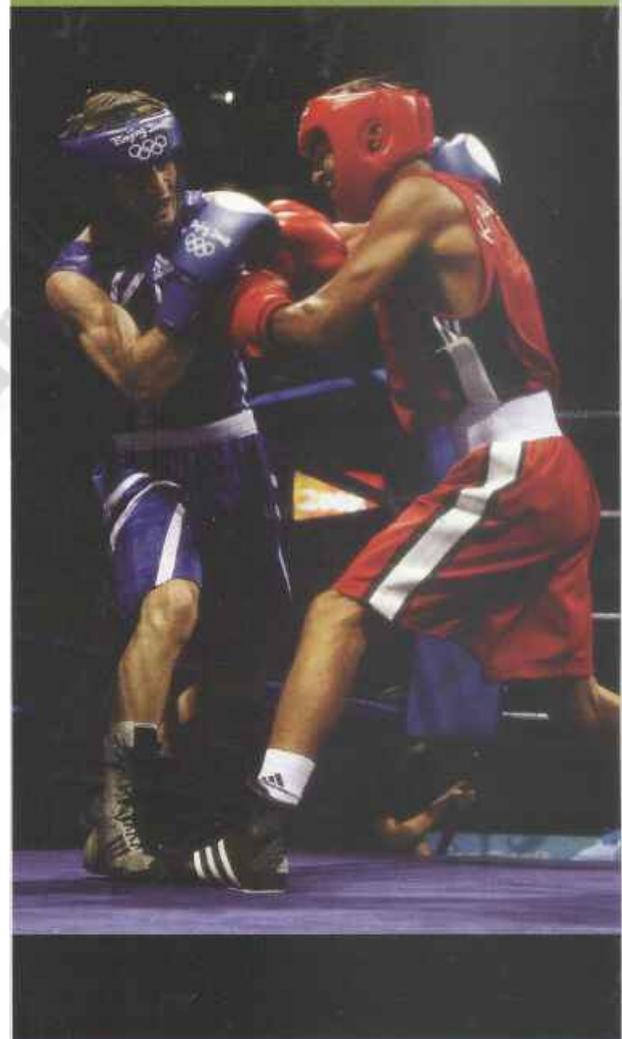
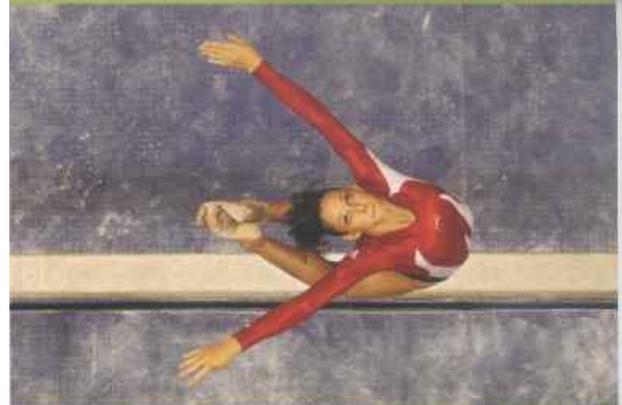
"The continuing growth of sport will be helped by that quintessential sporting experience - of being part of a great moment.

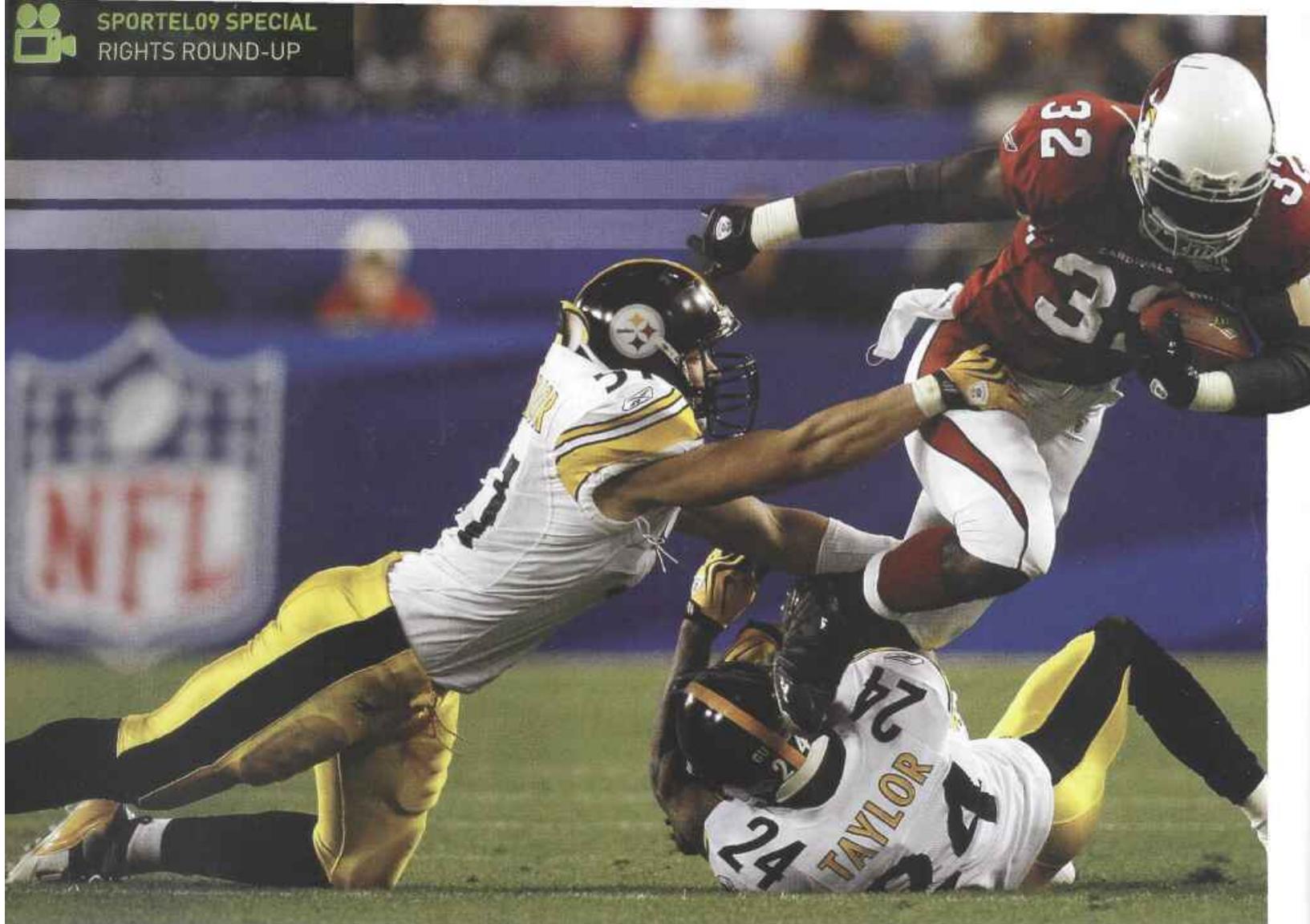
"Now you may not be able to be in the stadium but the development of technology means that you can still share those moments, whether watching on big screens outdoor or in pubs and clubs or at home with friends.

"The ability of technology to deliver those shared experiences in different ways and in different environments makes it a powerful facilitator and enabler.

"We have seen a media progression from radio through black and white to colour television and the internet. High Definition is proving important and High Definition Big Screens will be among the next Big Things while 3D could be the next after that.

"Whatever the technology, it has one thing in common - it allows people to connect around sport in a communal way."





Recession-buster...the Super Bowl took more than \$260m in ad revenue this year - Getty Images Sport

LOOKING FAST FORWARD

Andy Fry's guide to the most significant rights deals in the last 12 months of sports TV worldwide reveals a mixed bag of buoyancy and difficulty and shows the emerging economies of China, Brazil and India to be the forces driving the market now and in the future.

IT'S NEVER EASY to draw a coherent picture of the sports marketing sector. But in a period of global recession it gets even harder to identify meaningful industry-wide trends.

In part, this is because recessions produce both winners and losers. The collapse of pay-TV platform Setanta, for example, paved the way for Disney-owned ESPN to enter the UK market on the back of a euphoric and expensive ad campaign.

While some rights holders will be sorry to see Setanta go, the mood will clearly be more buoyant at Setanta's rival BSkyB - which has a much better working relationship with Disney.

Similarly, the implosion of

leading sports sponsors in the finance and automotive sectors has been counterbalanced to some extent by the continued dynamism of sportswear, mobile, FMCG and betting brands.

The loss of General Motors, for example, was a desperate blow to many US sports properties - including the US Olympic Committee. But within months, USOC had replaced the ailing firm with Procter & Gamble. Not only did that bring in \$15-20 million, it also gives USOC athletes the opportunity to promote their activities via a vast range of product lines from Pringles to Pantene.

You see a similarly mixed picture if you view the industry on a geographic basis. Europe and the

US may have been mauled by the downturn but India, China and Brazil have all caught the eye of the global investment community. Middle Eastern magnates continue to expand their interests while South Africa, for all its political and social troubles, is being buoyed up by the imminent arrival of the 2010 FIFA World Cup.

Recessions can also have a distorting view on our reading of a situation. When a company goes bust during a downturn, we may blame bad luck or bad timing rather than bad judgement. But often the real cause of collapse is a shaky foundation obscured by the macro-economic rubble sitting on top of it.

The collapse of Setanta, for example, was an almost inevitable

outcome of the way in which BSkyB and the FA Premier League have developed over the last two decades. So powerful and intertwined have this pair become that the prospect of Setanta gatecrashing the relationship was always remote - particularly since the company set itself up as an alternative to Sky. ESPN, despite having the deepest pockets on the planet, saw the risk of going that route and elected to work with Sky instead. That way, it has secured a decent position in the UK in return for a contribution of £80 million to Sky's coffers.

The truth, though, is that the Setanta story is not really about a feisty start-up that ran out of money as the financial markets tightened up. Instead, it's the latest skirmish

in a long-running battle between free market and regulatory forces within Europe. On one side of the fence are the likes of Sky and the FAPL clubs. On the other are the European Union, UEFA and UK regulator Ofcom - all trying to rein in their market power.

The EU has tried twice to curtail Sky's market dominance - by imposing restrictions on the number of FAPL games it is allowed to buy. Both times it has failed. Now it is the turn of Ofcom, which has decided to focus on the price that Sky charges rival platforms for sub-licensing its premium channels. If Ofcom is able to carry through its threat, then Sky could find itself having to sell its sports channels to rivals like BT and Virgin for two-thirds of the current price - a scenario that Sky views as an outrageously over-the-top intervention.

Interestingly all this is happening at the same time as UEFA and FIFA are attempting to bring leading Premier League clubs to heel. Here, there are two lines of attack - financial stability and transfer policy. On the former, UEFA wants to stop clubs spending more than they earn. On the latter, FIFA has just served Chelsea FC with a transfer ban because of the way it brought French teenager Gael Kakuta to the club.

Controllingsport

Combine these themes with the EU's increasingly restrictive line on sports sponsorship and it's clear that sports rights owners and broadcasters will be spending a lot of time and money on lobbying and legal fees during the next few years.

Various issues are at stake here. But the core of the conflict is the question of who really controls the sport - elected administrators or commercial powerhouses. Something analogous is occurring in motorsport - where the machinations within Formula One continue to resemble a Puccini opera.

Although the threat of an F1 breakaway circuit has revolved around strong personalities like FIA president Max Mosley, F1 commercial chief Bernie

Ecclestone and Ferrari chief Luca di Montezemolo, what's really occurring is a more deep-rooted disagreement about who truly represents the sport's fanbase.

Is it the FIA - which speaks to the grass roots of the sport via a vast and complex global structure? Or is it the big brands like Ferrari - which can appeal directly to their large fanbase?

It's a moot question - but one which becomes more and more acute as sports revenues gravitate towards global franchises and their allies (sportswear companies, broadcasters and agents). The Indian Premier League and the Tour De France have both shown that it is possible for the commercial side to gain the initiative - and now it looks like Fi teams are poised to do the same. How long before billionaire-backed soccer clubs begin to tire of UEFA or FIFA and exert their will on the structure of the sport? How long before their structure and governance comes to resemble that of the NFL or the NBA?

Politics aside, the sport's sector's big brands (both governing bodies and commercial operations) don't seem to have lost the knack for making deals during the downturn. The IAAF, for example, has just extended its partnership with Tokyo Broadcasting System (TBS) in Japan through until 2019. That deal, brokered by Dentsu, follows other high-profile deals in the USA, China, South Korea, Brazil and the Middle East.

Golf's US PGA is also locking down some important contracts - notably a new deal with Turner Sports which runs to 2019. At the same time, it is hard to recall a period when international cricket rights were ever in such great demand. While the majority of attention has been on Indian cricket rights controlled by the BCCI, others have seen their stock increase, including West Indies Cricket and Cricket Australia.

The International Olympic Committee is another organisation whose recent rights deals seem to defy the downturn. A couple of months back, the IOC took the decision to sell Olympic rights direct to a number of Europe's

big territories rather than *sub*-contracting to the European Broadcasting Union. Although this was a disappointment to the EBU, that decision is now paying off as the big international deals start to roll in.

Olympic deals

In September, for example, Spanish pubcaster RTVE paid the IOC \$100 million for free-to-air, pay-TV, internet, mobile and radio rights for the 2014 and 2016 Games. The UK, France and Germany are yet to sign but there are reports that German broadcasters have tabled bids in the region of \$100-120 million for the two events. Also signed up for a combined total of \$250 million are Sky Italia and Fox in Turkey.

These aren't the only deals which reflect the resilience of the Olympic offering. Also in the bank is a \$342 million deal with agency Sportfive (for the rest of Europe) and, according to TV Sports Markets, \$170 million from TV Globo, TV Rede and TV Bandeirantes in Brazil.

The latter deal is particularly interesting because it represents a real step-change in the value of Brazilian Olympic rights. Buoyed up by the robust state of the Brazilian economy and the excitement surrounding Rio de Janeiro's bid for the 2016 Summer Games, Brazilian networks paid \$210m more than they did for Vancouver 2010 and London 2012. Go back to 2006/2008 and the whole of South America was sold for just \$30 million - a reflection of the region's economy back then.

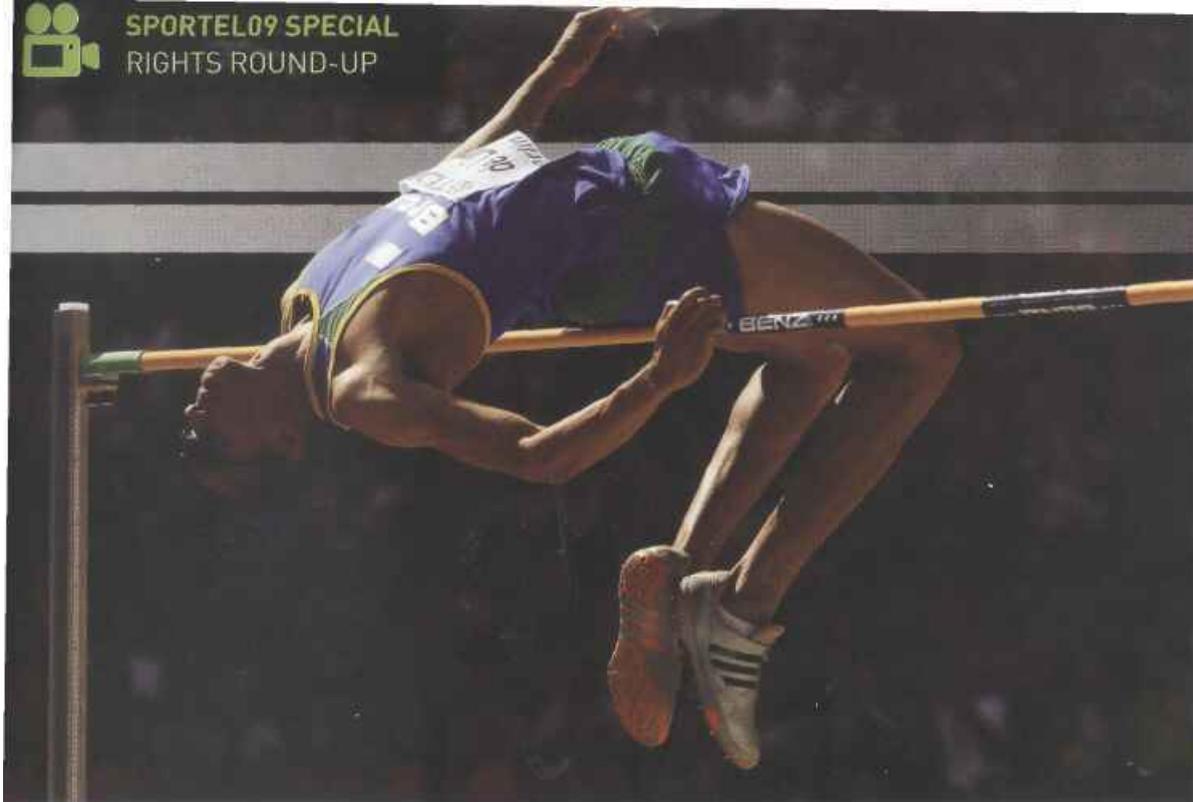
While 2009's headlines have tended to be dominated by the BCCI in India, the emergence of sport-mad, oil-rich Brazil as a key buyer of rights is clearly catching the industry's attention. UEFA, for example, has just signed deals with four Brazilian broadcasters for rights to the Champions League and Europa League between 2009/10 and 2011/12. This year also saw rights agency Kentaro open for business in Brazil and DFL Sports Enterprises sell Bundesliga coverage to three broadcasters (ESPN, Band Sports and Esporte Interativo).

So why is sport so resilient in the face of the downturn? Well it's the same old reasons really. Firstly, sport sits at the heart of the pay-TV landscape - providing the industry with a stable revenue stream even during a downturn. As numerous pay-TV platforms have demonstrated through their financial results, consumers are much more likely to cut back on going out than subscription TV when they are looking to make savings.

Secondly, live sport is one of the few genres able to attract the huge one-hit watercooler audiences that advertisers love. Not only that, but sport is beloved by sponsors. Because it is scheduled so far in advance of transmission, brands can build entire marketing philosophies around sport - secure in the knowledge that digital audience dilution won't be a problem.

This is why, in the grip of recession, NBC was able to attract a stunning \$261 million in ad revenue on the day of Super Bowl 2009 (Feb ist). It's also why Taj TV-owned Ten Sports was able to generate a decent advertising yield around its Indian broadcast of the India-West Indies Test series. No surprise either that Zee-backed Taj has been able to sell on television rights for the Test series to broadcasters like Fox Sports Australia, Supersport in Africa, Zee Sports America for North America, BSKyB in the United Kingdom and Starhub in Singapore.

Taj TV is based in the Gulf - and it's notable that this region continues to play a pivotal role in the sports industry's new global order. This is evident both in Abu Dhabi United Group's backing for FAPL club Manchester City and Abu Dhabi Media Group's acquisition of FA Premier League rights for 2010/11-2012/13. Through deals like these, not to mention plans for an Fi Grand Prix, Abu Dhabi has emerged as a hugely important investor. But it's not alone. Kuwait, Bahrain, Dubai and Qatar are all forces to be reckoned with - the latter through both events and media. Qatari-backed Al-Jazeera for example has acquired numerous live rights



Rising high...Brazil's economy and event hosting plans are buoying rights fees - Getty Images Sport

and recently announced plans for an Arabic-language sports news channel.

If anything, sport's appeal to brands is growing as its flagship properties and top talent become global in appeal. Partly this is the result of on-the-ground activities such as the NBA's investment in China or MLB's activities in Japan. But it's also a lot to do with the 24/7 nature of digital media. These days, more than ever, it is possible to track the progress of top stars where ever they are competing in the world - with the result that audiences are more emotionally engaged. It's interesting to note, for example, that NBC Sports' coverage of this year's Wimbledon men's final between Roger Federer and Andy Roddick was the network's most-viewed Wimbledon men's final in 10 years - notwithstanding the choices consumers now have. The point is also underlined by Lance Armstrong's return to the Tour de France - which was followed avidly on the internet before exploding into life on TV screens. Despite the time difference, Armstrong helped viewing in the US double year-on-year. His duel with Spain's Alberto Contador also helped drive ratings up in most major European markets.

Of course, it would be naive to suggest that the recession is having no impact on the sector. Martin Sorrell, chief executive of advertising giant WPP, warned recently that 2010 events such as the FIFA World Cup and

Vancouver Winter Olympics would not trigger a sudden turnaround in the ad market.

This note of caution is also evident in the behaviour of major rights holders. In the US, where many sports rights purchasers are ad-funded networks, rights holders are having to show restraint. The IOC, for example, has decided to delay negotiations on the sale of 2014/2016 US rights until the economy picks up. Even the NFL, the most desirable of all US sports properties, has acknowledged the severity of the downturn by reaching a compromise with its media partners.

Bells and whistles

In this case, rather than force networks to bid for costly six or eight year contracts, it has extended existing deals with Fox, CBS and NBC by two years until the end of the 2012/13 season. By offering short-term contracts with modest price increases, the NFL is giving them all a chance to recover.

Recession or not, rights deals these days tends to come with a range of bells and whistles. The Brazil IOC deals, for example, included a \$40 million commitment towards media and promotions (an approach which echoes the General Electric-NBC sponsorship/TV rights deal for the 2010/2012 period). Another interesting example of a multi-faceted sports partnership was Orange's decision to sponsor major competitions organised by the

Confederation of African Football (CAF) over the next eight years. That deal, brokered by Sportfive, also saw Orange pick up TV and mobile rights in France for CAF competitions and mobile rights across Africa. Turner Sports' deal with the PGA of America is also typical of the way media owners and rights owner try to extend their relationship into new areas.

In this case, for example, Turner doesn't just air PGA golf, it also handles the delivery of online destinations such as PGA.com and Rydercup.com (covering everything from video distribution to advertising sales). Furthermore, there is also a licensing deal through which Turner-owned Cartoon Network Enterprises will seek to promote golf to the youth market. This, for example, could see the use of CN logos in golf apparel and accessories.

Digital clearly impacts on all aspects of deal-making these days. Turner Sports, for example, recently agreed to provide Yahoo with video and text for its NBA, golf and NASCAR web channels. Turner will also manage advertising sales on these websites.

Meanwhile, Rupert Murdoch-owned Fox Broadcasting recently took a 20 per cent stake in the Open Sports Network fantasy games website. Fox will provide \$20 million of online and on-air promotion across its portfolio of TV and online channels. At the same time, Open Sports and Fox Sports will work together

to develop fantasy games. The activities of big players like these are always of interest because they have such a dramatic impact on the shape of the sector. So it's worth looking again at the way ESPN has been expanding its influence in Europe. At first sight, its acquisition of Setanta's FAPL live rights looks quite opportunistic - since it came about as the result of a fire sale. But the reality is that it is part of a more structured attack on the European market. Aside from FAPL rights, ESPN has snapped up Bundesliga, Major League Soccer and NFL rights to flesh out its proposition. Running in parallel, it also has a range of robust sports websites and its archive TV channel ESPN Classic.

None of this is enough to scare the likes of Sky. But it does start to pose a threat to pan-regional players like TFi-owned basic channel Eurosport - a service which ESPN used to own a minority stake in. With ESPN linking up with Canal Plus Events and Tignes Ski & Snowboard Resort to launch a Winter X Games in Europe, one has to wonder if ESPN's long-term strategic goal is to usurp its former ally.

Other developments of interest include the continued trend towards agency or federation-backed channels. USOC, mentioned earlier, still plans to launch a cable television network on Comcast in the US (pending discussions with the IOC) while marketing agency Total Sports Asia is partnering Octopus Media Technology to launch a sports broadband channel delivering content from the World Badminton Championships and US Open Tennis (subject to geo-blocking).

Another point of interest is the emphasis on marketing: a new business backed by the FIS, Infront Sports & Media and Tridem Sports, for example, is taking a centralised approach to better exploit rights.

Meanwhile, Mediaset-owned Endemol Sport is helping Manchester City develop a media strategy which will boost the club's global brand. That project will be watched with interest by others in the agency space.



In touch with the fans - Getty Images Sport

THE BALANCING ACT

Frank Dunne, author of the new TV Sports Markets report 'The Business of Sport and Television' on the art of maximising TV revenues and enhancing formats whilst also preserving sporting integrity.

THE RECENT COMMENTS by the Arsenal manager, Arsene Wenger, about behind-the-scenes plans for a European Superleague generated a few days of fevered debate about how such a competition might work and how it might dovetail with national leagues.

But the deeper questions - about the relationship between sport and TV - were largely overlooked. Perhaps the time is ripe for a serious debate about the extent to which sport is being run to make money from television. Put simply: is sport in danger of selling its soul for TV gold?

A super league is just one of the many ways in which sports

events can change, evolve, adapt, or reinvent themselves to increase exposure and revenues, and, over the last two decades virtually every sport has instigated some kind of change to become more TV-friendly.

For most sports bodies, media exposure is the Holy Grail for which they are prepared to consider changes to the calendar, format, location, time-slot, duration of event, rules, and scoring system. Even football and Fi, the most successful sports in terms of TV exposure, are constantly looking for ways to improve the spectacle, maximise exposure and boost revenues.

For those who work in the industry, it's a pretty straightforward

issue. In a digital media world where viewers can choose between hundreds of channels and numerous other forms of entertainment, sport has to provide broadcasters with content which is entertaining.

As Michael Payne, special adviser to Formula One boss, Bernie Ecclestone, puts it, "for all media operators, sport is simply another form of content. Good content will always find exposure and make money; bad content won't do either."

Or as Sebastian Coe, vice-president of the International Association of Athletics Federations, told SBI earlier this year, when discussing the future of athletics



on TV: "If we don't change, we die; that's the reality of it." The challenge for sports bodies is to make changes without damaging the integrity of the sport.

This requires dialogue and a profound understanding of why people are attracted to the sport in the first place, what fans want from their sport, about the changes they will accept and those they won't. Most of the dialogue around change tends to take place between rights-holders and their commercial partners, ignoring sport's most important stakeholders - the fans.

Changes to traditional schedules which disrupt the pattern of a fan's long-established event-day rituals are often controversial.

Changes to rules which have been in place for a 50 or 100 years are likely to be resisted unless fans can see the benefits. Sports fans tend to adopt an if-it-ain't-broke-don't-fix-it approach and changes which are viewed as being purely driven by money, with no consideration for their views or interests, are likely to alienate them.

Football Supporters Europe, a pan-European fans' body, said that in many countries there was still no dialogue between football institutions and fans. Daniela Wurbs, FSE coordinator, said: "By taking a purely business approach to football, something of the cultural value - things like social inclusiveness - is being lost."

In much of Europe, football has lost touch with the people who provide the atmosphere and make the business of football profitable. You see this in England, with high ticket prices and the fixture calendar, which is determined by TV contracts. Changes to kick-off times, sometimes at fairly short notice, can create real problems for fans and make it harder for them to follow their team."

The slow death of the collective Saturday afternoon football ritual at the hands of the TV schedulers — who benefit from games being spread across the weekend - raises an important question: When the interests of armchair sports fan are in conflict with those of the stadium-goer, whose interests should prevail? A quick look at the revenue streams of most major sports bodies and it becomes pretty obvious whose interests will prevail.

Organisations like the IOC, Fifa, Uefa, Formula One Management, Europe's top football leagues and the major US sports leagues, now earn much more from the sale of media rights than they do from ticket sales. Add sponsorship - which is heavily dependent on television exposure - to the commercial-revenue column and the money which stadium-goers - the really passionate sports fans - are putting into the mix becomes almost marginal.

Television is clearly paying the piper in professional sport and one of the potential dangers of TV calling the tune is an increasing focus on the elite to the detriment of all other levels of the sport.

English football's Premier League is often held up in the industry as an example of best practice and cutting edge media-rights management. However, for many English sportswriters, who fondly remember the old Football League, which the top clubs abandoned for a greater share of TV income, the Premier League is routinely pilloried as the 'greed-is-good' league.

Cricket's made-for-TV Indian Premier League (IPL) has been experiencing the same kind of ambivalent reaction. The Twenty20 league, launched in 2008, has been a spectacular success in India and beyond in terms of

audience ratings but many in the sport fear the effects its success might have. Writing in *The Times*, former Lancashire and England player, Mike Atherton, said: "The IPL was, and may well be again, a magnificent success, bold in its conception, brilliant in its inception and dramatic throughout, a testament to the innovation, drive and financial muscle that sums up modern-day India. But the IPL is not a gift to the game as a whole."

"Nobody, except the Board of Control for Cricket in India, the franchise investors and the players, makes a bean out of the IPL. It is, put simply, a private commercial enterprise, an utterly ruthless one at that, and, because there can be only one of its kind, owing to the crowded nature of the international fixture list, it is in competition with every other member nation of the International Cricket Council."

The possible long-term threat to Test cricket posed by the success of the 20-over format is not the only issue that the IPL's critics have raised. Some believe that the new format is undermining the skills at the heart of the game. Last year, Brian Close, the former England, Yorkshire and Somerset captain told the *Guardian* that the format was popular because "it is a couple of hours out of your life watching biff, bang and wallop from the stars of the game. How can you argue that Twenty20 develops players' skills and techniques if half the time they are mis hitting? It is a battle of the sloggers. The format does not teach the bowlers anything; it doesn't teach the batsman anything."

"All a batsman needs is a good eye and the ability to slog and you have bowlers running up, wandering in. In first-class cricket, it is the bowling and fielding side that asks the questions but in the limited-overs game the roles are

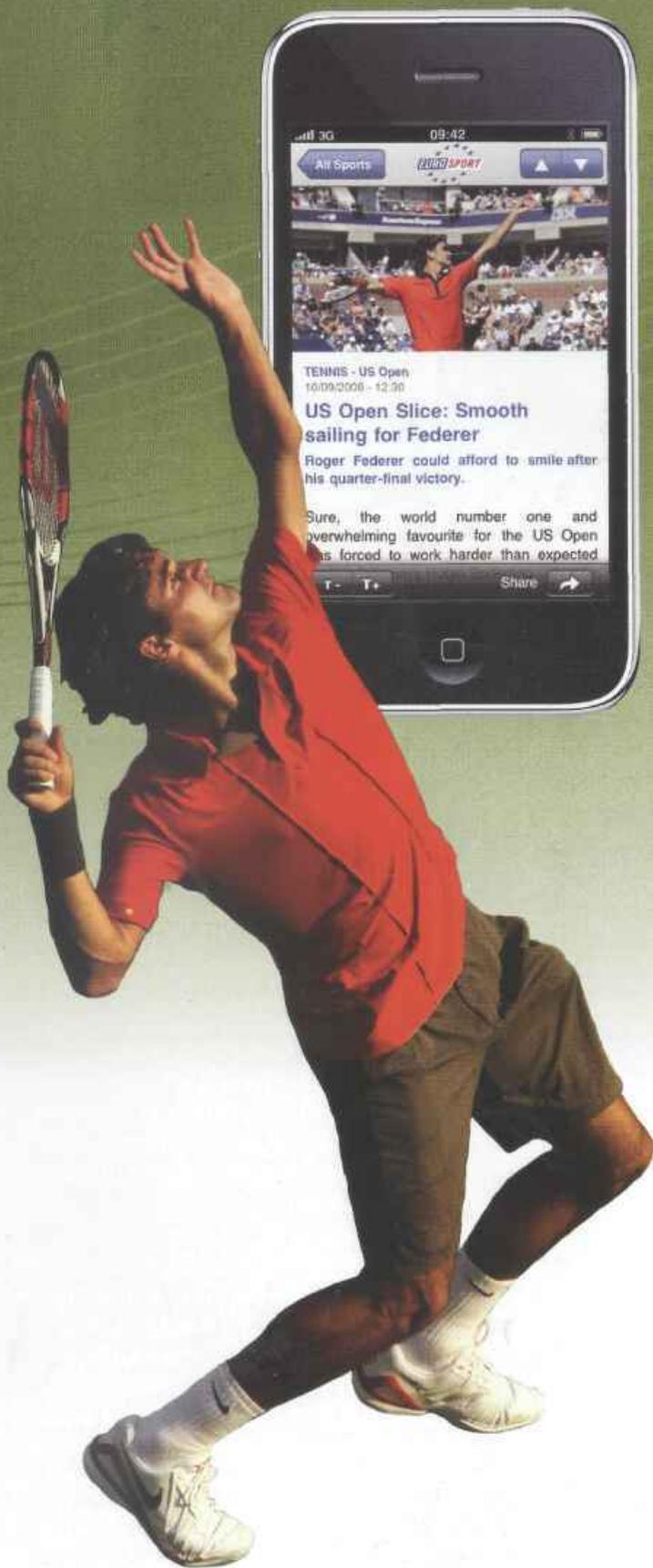
reversed. The bowlers wait on what the batsman is doing because they want to keep the scoring down. They are not concentrating on the things they would be doing to take a wicket but instead thinking, where can I bowl that he won't score? The bowlers only bowl four overs in a game while the batsmen slog and mishit every other ball. The team that wins is most often the team whose mis-hits do not go to hand as much as their opponents'."

Football has so far resisted some of the wackier ideas which marketing men believed would make it a better "TV product", such as making goals larger so more goals can be scored, dividing matches into four quarters to allow for more advertising time or staging a World Cup finals every two years.

The sporting, as opposed to economic, rationale of the Premier League's 39th game proposal - which involved adding a matchday to the 38-week calendar and playing the games in a plum overseas TV market - was lost on most people outside the office of the league's chief executive, Richard Scudamore.

But a plan which could raise an additional £200 million a season for the 20 league clubs is likely to resurface in some form or another. If nothing else, it may spark a much-needed debate about the future of sport in the digital age.

Sport has always evolved, always changed with the times, and if improvements can be made to everyone's benefit, with adequate dialogue and proper input from fans, tradition alone doesn't seem like a good reason to halt that process. Very few tennis fans want to go back to the days before tie-breaks and even fewer football fans yearn for the days when goalkeepers could pick up a back-pass. Probably not even Arsene Wenger.



MUCH ADO APP-OUT NOTHING?

Apple Inc's iPhone has been the platform for a boom in mobile internet use thanks to 'apps' - small programmes that can be downloaded to the phone to deliver games and internet functions speedily and in an easy-to-use format. **Kevin McCullagh** asks whether the sports industry can capitalise on their dramatic success.

APPS HAVE GONE from a twinkle in, to the apple of Apple Inc's eye in little more than two years. Figures show iPhone users have downloaded over 1.5 billion apps from a library of now around 65,000.

Although the download charts are dominated by games and gimmicks, sports-related apps are achieving significant download numbers, and sports media publishers and properties have waded in. Sports fans are now catered for in myriad ways, from the amateur golfer who wants a computer scorecard in their hand, to those simply wanting Saturday afternoon football results on their mobile.

The download numbers have grabbed headlines, but so has the disparity with the relatively paltry amounts of money which developers and Apple appear to be making from apps. And there are those that believe many apps are only a stepping stone on the way to better internet access on mobile phones through traditional browsers.

So why has a technology that has only really taken off on one mobile device created such a fuss, and what can apps do for the sports industry?

The foundation for the rise of the app, says Chris Bignell of mobile technology consultancy XL Communications, has been the increasing availability of fixed-rate data tariffs for mobile phone users and the increasing use of 'smartphones' - the latest generation of mobile handsets which, like Apple's iPhone, have large touchscreens and allow speedy internet access through 3G and Wifi connections. Worldwide smartphone shipments grew 13.4 per cent between Q2 2008 and Q2 2009, to 38.1 million.

But Bignell is not an app 'evangelist'. He believes that apps may turn out to have a short shelf-life, as web browser internet access for mobile phones improves. Anil Mahotra, of mobile technology company Bango, is of the same view.

"The browser is still the best app you can have on your phone," says Mahotra, "It is the only ubiquitous app."

Apps have exploded so fast, bewildering Apple and catching out their competitors, so much so that no-one knows yet how the app industry will develop.



¹ Much of their success is down to Apple allowing anyone to create their own app for submission to its App Store - Apple's portal for downloading them to the iPhone. This has resulted in an explosion of creativity from professional and amateur developers that has witnessed some ingenious uses of the iPhone's technology which have made headlines around the world.

Some of the more famous include the "iPinf, a gimmicky app created for brewer Molson Coors, which fills the iPhone screen with an image of a full pint of Carling beer. When the iPhone is tilted, the pint appears to drain away, so that those tipping the phone to their lips look as if they are drinking it.

Another celebrated app advises commuters on the London Underground which door of which carriage to enter to assure the speediest exit from their destination station. The success of apps is at the moment largely confined to Apple's iPhone, but other manufacturers are hastening to catch up with the Californian computer giant and release phones which can host their own versions of apps.

Business app-ortunities

Very few apps make money, and indeed Apple is widely believed to be losing money maintaining the service, and is doing so only to drive sales of the iPhone. So what are the benefits for sports businesses such as Eurosport, Orange, ESPN, and many others, who have leapt into publishing apps?

Sports content is in high demand on mobile phones, believes Anil Mahotra. In the UK, he says, the peak time for mobile internet browsing is Saturday afternoon, when the country's professional football leagues are in play.

Arnaud Maillard, new media director at Eurosport, and fan of French football team Paris St Germain, says, "There is no end to my appetite for information about my team," and he does not believe that he is alone.

Maillard believes that apps'

presence on the desktop - or 'home' screen - of the iPhone encourages the development of habitual use. He says that more than 25 per cent of the users of Eurosport's app - a free sports news and results service - use it every day.

Unlike when accessing a website via mobile, he says that users check the app out of habit, without having in mind the goal of finding out a certain piece of information.

Maillard says that, for Eurosport, publishing an iPhone app is a translation into the mobile world its effort to establish itself as a leading online sports media player. He says the explosion in the popularity of apps has created a platform in the mobile media market on which it can make a clear statement about such intentions, whereas previously there was no such obvious channel.

Eurosport's app is free, and users can get all the same information on Eurosport's websites, which Maillard explains are being developed to include more "mobile-friendly" content as part of a plan to stay open towards all platforms.

Chris Bignell and Anil Mahotra say that, for this sort of news content, apps are only an interim technology, before web browsers on phones get better, and more websites have mobile friendly versions. "Mobile friendliness" roughly translates into being easy to read and use on small mobile screens. But for the moment at least, if Eurosport's figures are anything to go by, apps are not just winning the battle with mobile web browsers, they are blowing the competition out of the water. Maillard says that 95 to 97 per cent of those accessing Eurosport's mobile content are coming via the iPhone app, as opposed to a browser.

It's a significant statistic given that iPhones only account for around 10 per cent of the global smartphone market.

The app is helping Eurosport push its media to more people, more frequently. Other major sports players are also apparently seeing the



App selection on the iPhone homescreen - Apple



Apple takes a 30 per cent cut from paid-for apps - Apple

value, or at least do not want to miss the boat, and are jumping on board with their own apps.

ESPN has launched a range of apps, some paid and some free,

some delivering news, others delivering games and utilities. Orange in France launched an app exclusively for the French Open at Roland Garros which delivered live video coverage of the matches.

The app, which was free to download for customers on certain mobile network tariffs, achieved 120,000 downloads over the two weeks of the competition. Orange is following it up with a paid-for app (6 per month) for France's top-tier football league, Ligue I, offering whole live match broadcasts. The company is already eyeing an app covering French rugby's Top 14 competition in a similar vein.

The revenue question

These investments are coming at considerable cost, without any great return as yet. Dominic Curran of sports marketing company Synergy estimates that companies are spending anywhere from tens of thousands to hundreds of thousands of pounds to develop, maintain and operate apps.

Bignell points out that it is very difficult to get to the top of the download charts at Apple's App Store, and that this is only place where apps can hope to make considerable money.

This is the main reason that so much scepticism surrounds apps - the money is not matching the hype and excitement of tech-savvy iPhone users. The two obvious

routes to revenues are from paid-for apps and advertising within apps.

Anil Mahotra says that the paid-for apps which are selling well are so far niche products.

They are succeeding where the content is compelling and exclusive, such as with games or sports video content, or where the apps help the user in some novel way, such as helping London commuters navigate their way quickly through the underground network.

On the advertising side, James Hickman of online sports media specialists Perform says that the yield is very low at the moment. Nevertheless, some high-profile names are involved in the sponsorships that do exist. EA Sports' Madden brand - an American football video game - has a deal covering ESPN apps. The official app released by the Wimbledon tennis championships this year was sponsored by IBM.

But with limited screen space, advertisers and app creators need to be very careful about not pushing advertising down the consumers throat, says Curran.

Apps make internet access quick and easy for mobile phone users, he says, and the advertisement will have a negative effect if it comes across as "one more hoop for the consumer to jump through".

However, Curran points out that apps represent a space for a sponsorship investment, which could be much appreciated by fans.

If a sponsor comes across as bringing something to the fan which would otherwise not exist, or would cost them money, it

could enhance the impact of the sponsorship. Indeed, he says, the modern sports fan will almost expect such an investment from a sponsor.

Apps are too new and have grown too fast to allow anyone to make safe predictions as to where the future for them lies.

Some, such as Anil Mahotra, see parallels in the obsolete technology of years past. He compares apps to the widgets which appeared on PCs around 15 years ago and which allowed home internet users, mostly on slow dial-up connections, to access internet functions through small programmes downloaded to their desktop exactly like apps are to iPhones.

As these fell by the wayside with broadband internet access, so too, according to Mahotra, will a large chunk of the apps industry fall away as better browsers allow users to access the much richer content available on websites.

As Dominic Curran says, apps are only a "shallow dive" into what is available on the internet.

Speeding this decline, says Mahotra, will be the cost of delivering content through apps - currently much more expensive than doing so through a browser.

There is considerably more work to be done creating and maintaining apps for all the different breeds of phone than there is for making a website mobile-friendly for all those phones.

The number of parties involved in delivering an app to a customer raises further headaches, such as who the customer contacts when

something goes wrong. The app developer? The publisher? The mobile network operator? Apple? The problem is exacerbated if the app is expensive, rather than, as most currently are, free or cheap, and fairly disposable in the eyes of the consumer.

The future of the app

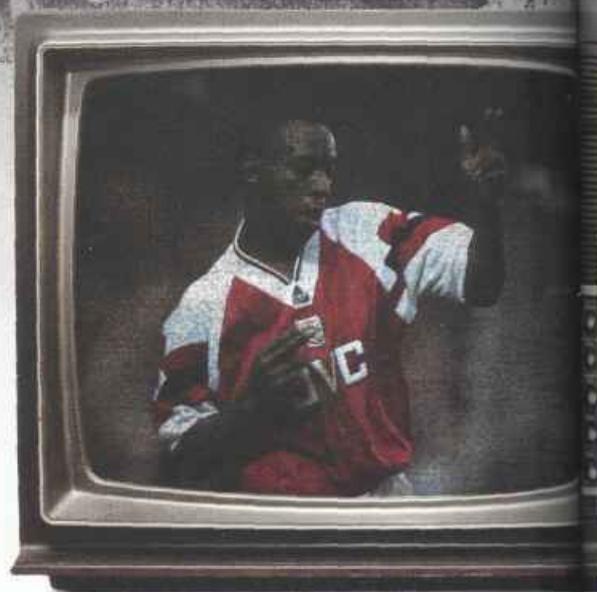
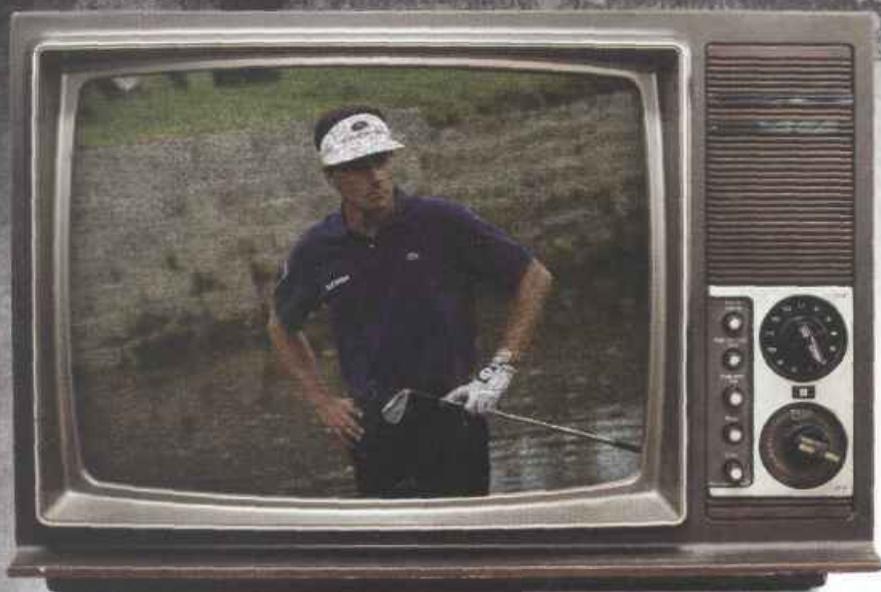
Apple currently takes a 30-per-cent cut of the revenue from paid-for apps - Mahotra notes that serious businesses will want to see more than 70 cents back out of every dollar or euro paid by the customer.

Despite the headaches and teething problems, apps have achieved such a scale and success that they appear to be a fixture on at least the next generation or two of mobile phones.

Eurosport's figures for app usage suggest that they have stolen a huge march on "mobile-friendly" websites, so the interim technology theory at least must accept there will be a significant interim period.

Consumers have shown a thirst for sports content on their mobile, and apps have established themselves as one of the best ways of delivering this content. Although expensive, and with perhaps limited scope as a paid-for product, there is potential for increasing advertising income as the app concept proliferates across different manufacturers devices.

For sponsors, apps present another channel through which to ingratiate themselves and engage the fan, even if it does mean stepping on eggshells when it comes to on-screen branding.



NEW PAST

Matt Cutler examines the ever-growing use of archive material and assesses the changing future of this type of content as more rights-holders discover the value of exploiting their past and consumers increasingly ramp up its commercial value.

JEAN VAN DE VELDE'S demise in the last round of golf's Open Championship in 1999 will forever be remembered. Needing only a double-bogey to become the first Frenchman since 1907 to win the tournament, the iconic footage of the golfer getting his shoes and socks off having hit water at the 18th keeps the moment in the legend of sport, repeated over and over on blooper reels, golf shows and any footage covering the history of the oldest major in professional golf.

The main participant may want to forget ending with a triple-bogey seven and losing the subsequent three-way playoff but the footage forever commands a demand from 'classic' TV channels and montages of the Open golf tournament.

And for rights-holders, this type of archive material and the exploitation of 'old footage' has become an increasingly important and profitable sub-sector of the media rights industry.

The concept of rights-holders selling and exploiting archive rights only came to prominence around a decade ago, when some savvy rights-holders realised that the old reels of film could be separately sold onto broadcasters, where before it was automatically bundled in with each new live TV rights deals.

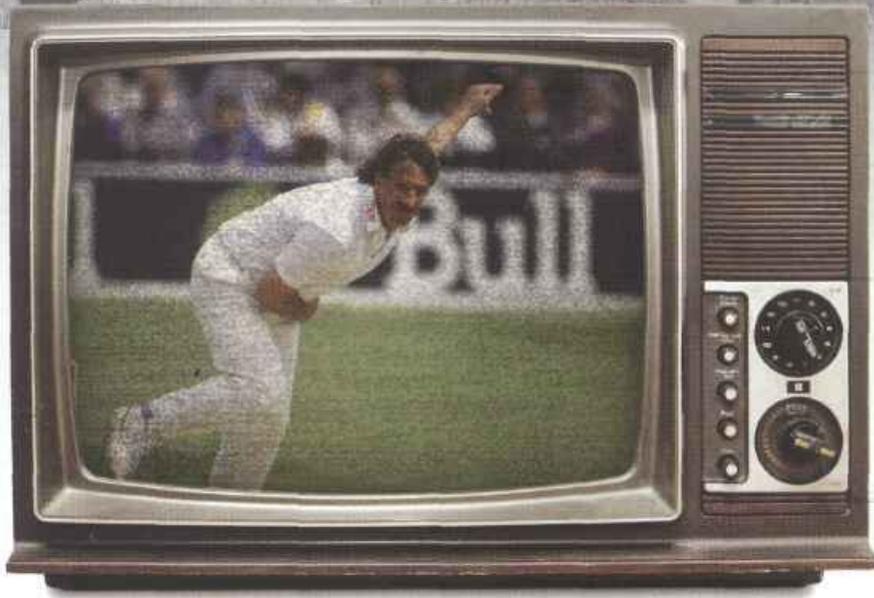
Today, the norm sees federations and leagues - which do not have the specific resources to store, improve and log archive material - sell-on the rights to agencies who can do so more effectively and profitably on their behalf.

No different to live rights deals, the value of these archive packages is decided through the addition of complex variables including how many people will see the footage, how many people it will be available to, how many times it will be played, and what territories it will cover, with the latter being particularly difficult to define as exploitation over the internet means many deals are made on a global broadcast basis.

But of course, while live rights deals regularly command six-figure sums, it is only recently that archive rights deals have come to do so - notably those involving old footage of the International Olympic Committee (IOC), FIFA, the English Premier League and the England and Wales Cricket Board (ECB).

So what is the driving force behind archive material commanding those sums? Simply put, the rise in archive values has been driven by an increase in business-to-business (B2B) demand. The rapid expansion of the media market both in

A utilização deste artigo é



TIMES MODEL

terms of size and the number of platforms through which TV can be accessed means there is now a huge amount of airtime to be filled. The internet in particular has proliferated demand - social networking and video-streaming platforms offer the opportunity for users to access a library of content from the depths of sporting history. Sports programming ticks the box in terms of interesting and varied coverage to fill programming slots for even non-sports broadcasters.

In addition, independent production houses play their role in pitching to broadcasters, offering clever and creative programming which uses the re-packaging of archive material. ESPN's Classic channel is, for example, shown across a variety of platforms in the UK, Italy, France, and pan-regionally across Europe, the Middle East and Africa, and depends solely on archive content. Launched in 2002 in Europe, the channel shows in-depth coverage of a variety of sport in a mix of full-length matches, highlights, documentaries, profiles and sports films from the past 30 years on a 24/7 basis.

Other large outlets for archive material include advertising agencies - such as Saatchi & Saatchi and Wieden & Kennedy who

will use the buzz surrounding a sporting event to promote products - computer games for example, which include footage as part of gameplay, and the video-sharing platforms on the internet that have swelled demand. According to Matt Wills, sports sales manager for the BBC Motion Gallery (BBCMG), corporate clients also account for a large part of the customer base: footage is sold for presentational use, not exploited on a widespread basis, meaning that clips can be bought and sold in transactions in the region of 1000 at a time.

The BBCMG is the UK public-service broadcaster's international clip-licensing arm under the BBC Worldwide umbrella which manages key archive clients including the Football Association and the English and Wales Cricket Board (ECB). Wills joined in October 2007 following a role as head of archive and acquisitions at Octagon CSI, and now runs a BBCMG archive that contains between 20,000 and 25,000 hours of sports footage. The BBCMG has been growing consistently for the past half a decade with sales year-on-year up by around 7.5 per cent thanks to the increase in demand for archive material.

Then there is the IMG Media

Archive, which owns a variety of footage - the English Premier League and golf's R&A (including Van de Velde's fall from grace) as two main properties. The Premier League has tapes for around 80 per cent of games played since its foundation in 1992 that IMG sells on its behalf across the globe.

"The Premier League is a big seller - there is so much from the Premier League requested it is hard to pinpoint any particular clip because everyone has a different favourite Ronaldo, Rooney, Torres or Beckham goal - but people look for the comedy moments too, whether it be Ilie Nestase at Wimbledon back in the 1970s or the bloopers such as the Mercedes flying off the track at Le Mans," said Charles Hope-Dunbar, IMG's London-based director of archive.

"At IMG Media Archive we start on January 2nd and finish on December 31st and are involved in over 12 events per day on average. The European Tour and Premier League are both ongoing throughout the Christmas period, leading up to the Australian Open tennis that we are heavily involved in, so people are starting their programming from then."

IMG's role involves a mix of rights acquisition, marketing,

footage-improvement and programme assembly. The IMG website details the library it owns, including individual client pages and a monthly newsletter with key dates and events relating to its broadcasting, advertising and production clients, therefore alerting them to which parts of the archive might be currently popular.

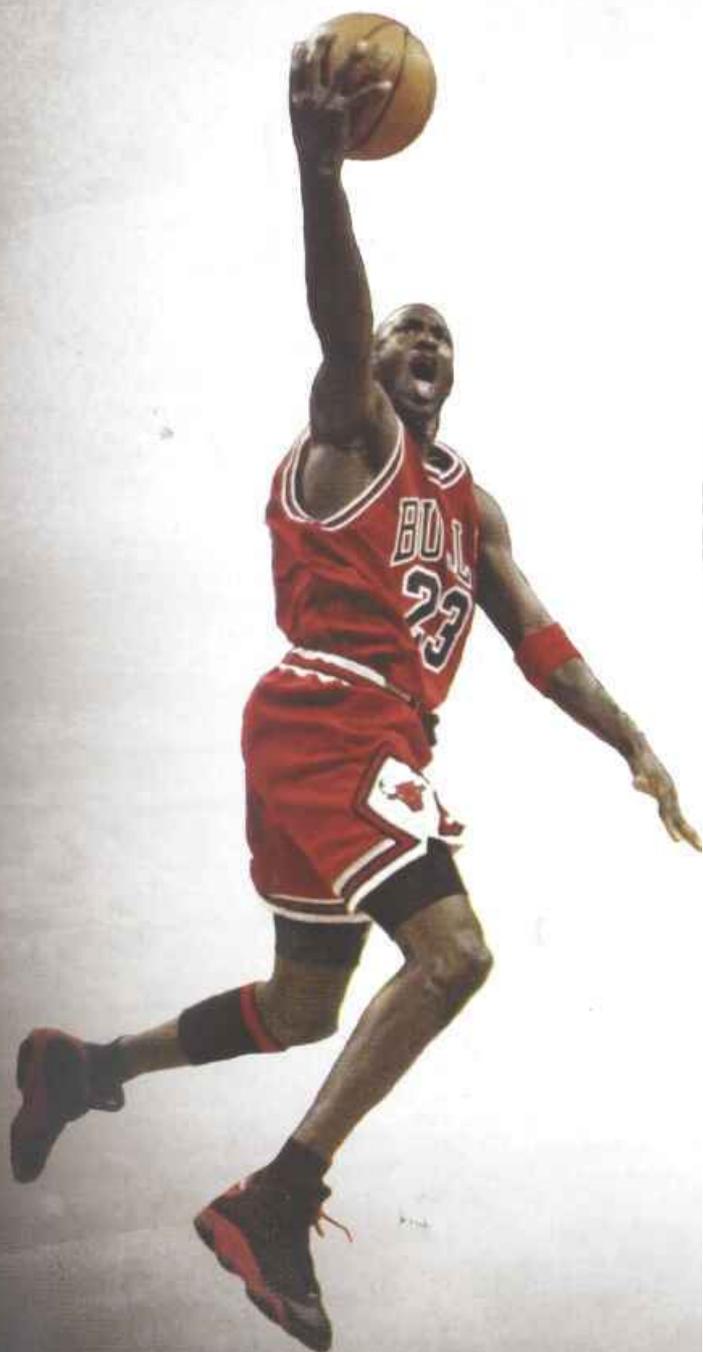
It also has a rights-acquisition arm, and a department which researches and finds unique film reels/clips that require restoration.

The improvement of footage is an important part of the business, with developments in technology and demand from digital media meaning that all coverage needs to be available at the highest broadcast quality possible and a film reel from a pre-digital age needs to be digitised and put into high-definition. "Film is the easiest form of high-definition and easiest to upgrade and so the demand for the older stuff not to be lost is very important," adds Hope-Dunbar. "I think that our clients realise that historical value and the heritage of older footage is as important as recent stuff which is obviously filmed in a format which is more likely to last a lot longer."

IMG was awarded at the 6th Focal International Awards in 2000



"The future of the marketing and selling of archive material is business-to-consumer as much as business-to-business"



- a ceremony hosted to commend the highest quality footage and services in creative media - for "Best Restoration or Preservation Project" following work it carried out on a series of Kinora reels of the Open Golf Championship from the early 19th century, in conjunction with Blue Post Production.

Each reel - in simple terms a flip-chart that when put together creates moving imagery - holds up to 640 images running for about 30 seconds and when shown in sequence, represent the earliest known forms of golf instruction in moving image. The footage - which has commanded significant interest in golf and historical circles alike - was made available for use in the R&A Open Championship in St. Andrews and for license as and when required by broadcasters.

The partnership between the Premier League, its archive rights partner IMG and Apple's iTunes multimedia platform has also been a major transformational development in the exploitation of archive material in the developing new media markets. At the end of the 2008-09 season up to 50 archive matches from five seasons of Premier League football were offered in various packages from a cost of between 1.49 and 9.99. According to Hope-Dunbar the programmes have been "big sellers" particularly immediately after release, maintaining a steady number of downloads with new releases throughout the year also reflecting the surge in sales.

BBC Worldwide also has partnerships with iTunes where footage is placed on the service at least eight days after TV broadcast and being placed on its online catch-up television service. It has also a deal in place for over two years with YouTube where clips are uploaded onto the video-streaming website in a revenue-share deal.

Whereas in the past rights-holders have seen their business models contained within a series of B2B partnerships, it is a consumer-driven model that rights-holders now see will grow alongside original relationships with broadcasters to offer different avenues of profit to drive the sector forward.

According to Hope-Dunbar, "the future of the marketing and selling of archive material is business-

to-consumer (B2C) as much as B2B. Archive has traditionally been providing B2B clips for production companies, advertising agencies and broadcasters. Nowadays the advent of the social networking sites such as Facebook, YouTube or even iTunes have played and will play a significant role in bringing archive footage to the masses."

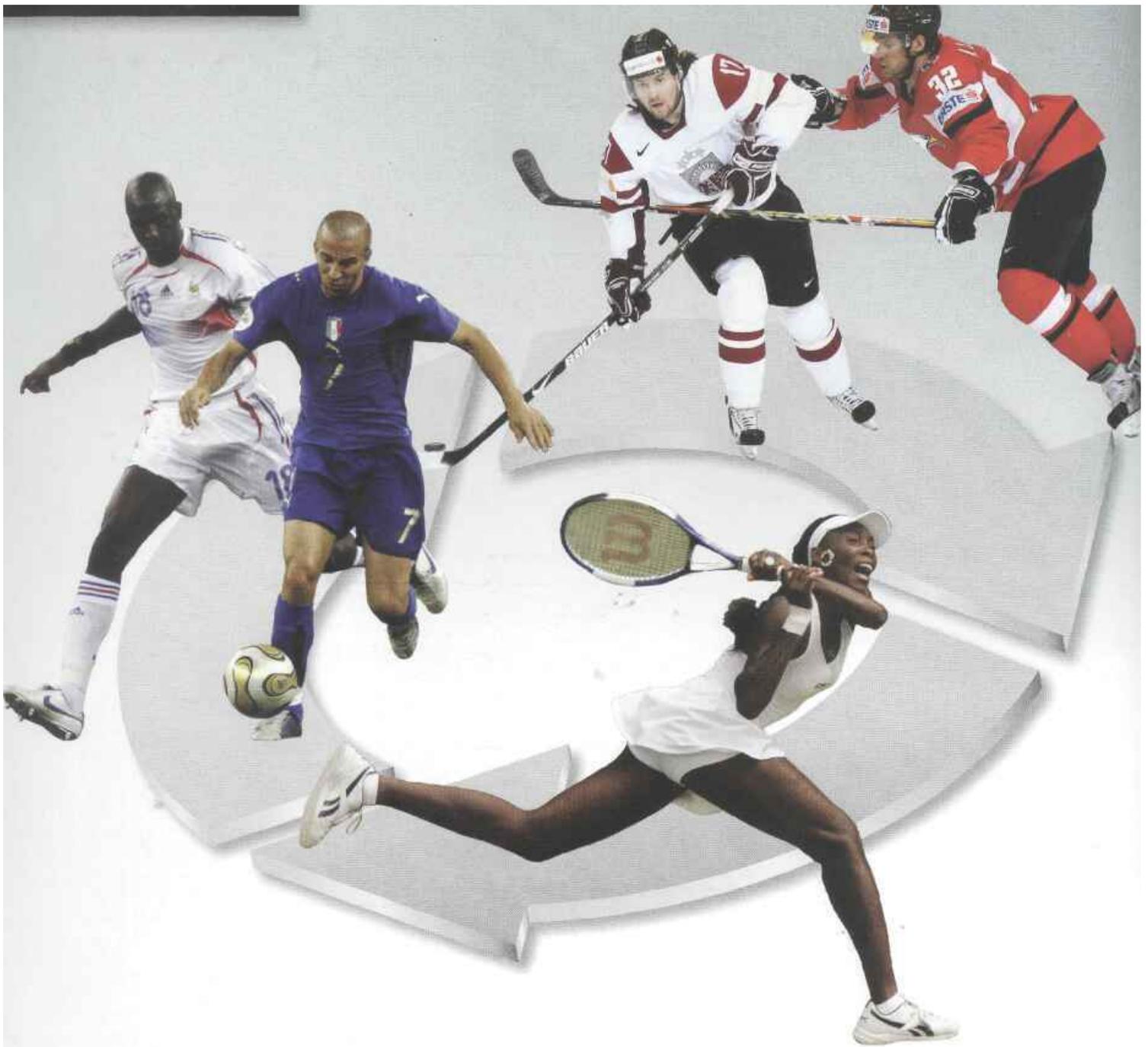
Wills agrees: "Demand is definitely growing, particularly with more online & IPTV channels coming onto the market, there's a need for material to populate these areas and archive is often seen as the answer. I think what is starting to develop is that archive rights-holders are looking at ways to exploit their rights on a B2C basis in addition to the traditional B2B ways of the past.

"For example, as a Queens Park Rangers fan I think there'd be enough people willing to pay a subscription for access to archive material; whereas there probably isn't a big enough market for this material to justify a full-scale DVD release. By making material available in this way you keep release costs down but make a lot more material available to the market."

The Infront agency - which manages over 30,000 hours of reels and video tapes of the FIFA Films archive covering footage from the tournament dating back to 1930 - is less committed to the B2C proposition but believes a safe bet will be that 'premium' sports content will flourish, driving a gulf between demand for popular and more niche archive material.

"On the distribution side, B2C models are something we have been looking at for a while. Currently there is not much exploitation in this way. It will be interesting to see how successful the Premier League iTunes offering will be," said FIFA's TV Director Niclas Ericson.

"We believe that the successful exploitation of archive material will remain pretty much limited to A-class sports properties in the short and medium-term. Footage of other, less popular niche events may not have the potential to generate significant revenues that would justify a professional, cost-intensive archive operation. This might change with the further increase of special-interest digital and IPTV channels."



CYCLE OF REPRODUCTION

Chris Britcher looks at the latest and most significant equipment and systems being deployed by broadcasters to enhance production values while lowering the cost of delivering high quality sports output.

IN A WORLD OF CUTTING edge technology and ever increasing rights fees, it may come as a surprise to learn that when the 2010 FIFA World Cup kicks off next year, those watching on old, black and white television sets, will be foremost in the minds of some of the broadcast operation's most senior executives.

Because while much of the world wakes up to the pixel sharp images of high definition, while others brace themselves for 3D, many

remain with one foot firmly rooted in the past.

"I don't think there is one country not taking the 2010 World Cup," reflects Francis Tellier, founder and CEO of Host Broadcast Services (HBS), "and as host broadcasters, we need to deliver to the most advanced broadcaster. But at the same time it must - technically and editorially - be used by the least advanced.

"So what we try to do is deliver a giant buffet with something for everyone. We need to think about

- even now - the black and white audience. So we need to check the colours of the shirt - that they are still different."

And that concern is sat within perhaps the most technologically secure and advanced operation you would expect for one of the world's premier properties.

Fortunately, however, the number of people still dining at that particular buffet with such retro tastes, is rapidly diminishing.

Today, the focus is very much

on delivering the latest and most significant equipment and systems to enhance production values. The challenge is balancing the costs involved with the costs of delivering high quality sports output.

It will surprise few, then, to learn that the advent and uptake of high definition across the globe, continues to drive much of the technical revolution going on in outside broadcast (OB) trucks sat in the car parks of the major stadiums and arenas right now. Yet still, while the likes of Japan may have embraced it, the end user uptake in Europe and the US is gradual rather than peaking.

Rates of development

"I'd say about 90 per cent of our market is still a standard definition (SD) market," explains David Shields, global director of engineering and technology at IMG Media. "But we are now beginning to see that demand. The US market now wants it very quickly. In Europe with Sky Italia, Sky in the UK, Russia, and Poland, for example, there is a big appetite for HD. So we now have to upgrade our gear.

"Two years ago we may have had five per cent of our output in HD. Now it is 30-40 per cent and in another couple of years 90 per cent. It is all supply and demand.

"But there's not quite the buzz around it as, say, there is with Sky working on 3D. But it will be years before we distribute that sort of content. We have to wait for the rest of the world to catch up. If we think we'd miss out on a sale, that's a big incentive to go out and do it."

It appears obvious, but for agencies such as IMG the eye must always remain on that bottom line and ensuring the margins are still there for ambitious technical productions to make sound commercial sense.

And, as Shields points out, while 3D may soon emerge as "the next big thing", until there's a big enough audience - or, more to the point, a broadcaster with deep enough pockets to take the plunge, it may just have to remain as a work in progress for the time being.

Input Media has worked with TEAM on the UEFA Champions League tournament for years. But

when UEFA revealed it wanted all output to allow broadcasters the option of using an HD feed, it sparked an outlay of some £1 million to keep up. But Input's executive chairman David Wood does not resent footing the bill. Despite the expense, he knows he will recoup the money via contract negotiations, and deploying the technology in other programming.

He explains: "When the decision was made that the Champions League would be exclusively HD and UEFA wanted us to continue with the services, we had to negotiate a new contract based on an upgrade of facilities. The investment gives us flexibility in other areas too. There are few places to handle live HD productions. We'll be able to use that on other programming we produce.

"It is our responsibility, as suppliers, to deliver up-to-date equipment. There will be a premium on the previous cost, but they're not paying for the kit. It is our duty to offer the high end.

And to provide the best on a regular basis." Wood estimates a five-six year "cycle of regeneration" in the industry - as one wave of change comes in and washes away the old way of doing things.

If 3D is around the corner, and HD is the current flavour, then the switch from analogue to digital was the last. Explains IMG's David Shields: "What's changed a lot in recent years is we used to buy equipment which lasted for ten years - now it tends to be much less.

"With computer stuff we buy we now say it will have around three years useful life. The computer itself runs faster if you buy a new one in three years, and the software will have changed.

"Most of our capital expenditure is run over three-to-five years. Some of the bigger broadcast items you could still expect if you're lucky in seven to eight years - studio cameras, vision mixers - but when it comes to editing equipment then it's probably three or four years.

"It's basically to do with software cycles. You think you have everything in place and then somebody in your work flow changes something which prompts you to upgrade things. The only

"Two years ago, 5 per cent of our output was in HD. Now it's 30-40 per cent and in a couple of years, it'll be at 90."

good thing is that it is relatively cheaper as we rely much more on mass market IT stuff rather than bespoke broadcast equipment.

"But this business is not for the faint hearted. You need deep pockets. You're often spending in the millions for a contract you're being for a month in arrears. So you need to be the size of company that we are to sustain that.

"Going back two years, HD was costing you 50 per cent more to produce. What we are seeing is the differential between SD and HD narrowing all the time. That's been the history of every technology change - similar to when we went from analogue to digital. Early adopters paid the price.

"Years ago it might have cost you £250,000 to build an edit suite, now you can buy one for £25-30,000. The cost of post-production has come down."

Well oiled machine

IMG is currently undertaking a major project to transform the archive of tennis Grand Slam Wimbledon and English soccer's Premier League so video tape becomes a thing of the past. It believes it is vital to improving the speed and ease of compiling sports programming. It also points to a boom in on-screen graphics and gadgets as useful value-adds made possible by the latest innovations.

Because if there is one thing technology excels at, it is making the scarcely believable look like child's play. "It's a well oiled machine now but we have had broadcasters who own the rights to it actually coming and visiting us to see how it was done as they couldn't work out how we did it," explains David Wood at Input.

In a nutshell, Input now ensures rights-payers have the fastest access to highlights and support programming. In addition to the live feeds on a match night, it is sending a constant stream of edited highlights from the night's other matches too. And it's ready

pretty much the minute the referee blows up for full-time. Of course, the ability to speed everything up is always a key component of technological advancement.

Yet in 2010, it will remember that other key selling point of all technology - making things smaller. Even the pictures they broadcast. Explains HBS' Francis Tellier. "When it comes to potential revenues derived through sport on cell phones, in 2002 it was more symbolic. By 2006, it had grown to significant, and in 2010 it is now important enough to produce a dedicated live feed, framed specially for small screens.

"It is a little more expensive, but when you watch the match on a small screen, you are not frustrated. Before it looked like the players were ants on the pitch. Now it is a good experience. It is up to us to ensure content and quality is there on the servers for rights-holders."

The media server is another of the innovations which were just emerging when the last FIFA World Cup kicked off in Germany in 2006, but will be reliable and tried and tested by the time South Africa gets to host the next one next summer.

"The media server gives us the opportunity to share more content between the broadcasters," says Tellier. "It took time from broadcasters to make up their mind and realise how to use it. But for 2010 it will be as standard and we'll have more content than ever."

At the end of the day, regardless of whether you pay a big premium to lead from the front, or fork out six figure fees to replenish your equipment, it all comes down to solid commercial sense.

Today, the opportunity of providing rights-holders even more for their buck is just plain good sense. It justifies hiking the prices at renewal. And if the broadcaster can take advantage of the latest technological benefits which, in turn, allows them to engage the armchair fan more, well, just perhaps, everyone really is a winner.