



A NEW MANAGEMENT OF SPORTS RIGHTS

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ORIGINAL TEXT IN ENGLISH

The Digital Revolution means that content is being accessed, stored and viewed through many different platforms.

The Digital Revolution opens up many opportunities for the consumer and for the Olympic Games.

This is being driven by the growth in broadband and mobile telephony.

Pay-TV is now the leading platform, with free-to-air TV still strong. However, future growth will come from digital, and mobile phones that are now used as “media devices” for richer content.

Generation Y are now accessing up to 16 different platforms in one day.

The Digital Revolution is also resulting in major online advertising growth and in the long term will become a dominant advertising medium.

The Digital Revolution is now providing a range of different sports programmes.

The Beijing Olympic Games TV and online ratings highlight the fact that the Digital Revolution complements TV viewing. In the USA, the National Collegiate Athletic Association’s (NCAA) “March Madness” tournament has experienced similar significant growth in digital users, while not affecting the TV audience.

Digital media rights still represent a small proportion of overall media rights value, but this will increase dramatically over the next ten years.

As owners of the content of the world’s leading sporting events, the Olympic Summer and Winter Games, The International Olympic Committee (IOC) will benefit significantly from the Digital Revolution. However, monetisation may create some risks.

Potential Benefits

- Greater fan engagement and access globally;
- More competitive rights bidding process: Telcos and Internet Service Providers (ISPs) joining traditional broadcasters to bid for new media rights;
- Ability for IOC to create own bespoke content offerings and distribute them online/mobile;
- Potential to increase exposure to key sponsors on their own terms.

Potential Risks

- Challenges in monetising digital media content as users evolve from TV viewing.
- Ad-supported model is currently immature.
- Pay-per-view/subscription models may only be appropriate for premium content. Foxtel in Australia aims to retain Olympic subscribers as their customers.
- Illegal piracy remains a risk to paid content.
- Rights to shorter clips are also at risk from news sites.
- Revenue models for rights-holders are still evolving.

There are a number of issues for the IOC to consider when evaluating the opportunities arising from the Digital Revolution.

KEY CONSIDERATIONS AND QUESTIONS FOR DISCUSSION

Promotion of the principles and values of Olympism

How to harness the digital opportunities to spread the principles and values of Olympism? What are the challenges from the Digital Revolution that affect Olympism?

How rights are used (widest possible coverage is not just geographic)

How much control should the IOC retain over how new media rights are used? How can the IOC ensure maximum levels of engagement and interaction by fans?

Attractiveness of new sports and events

Which new sports and events will drive future media rights? What are the benefits and risks of these sports and events?

Should rights be unbundled by medium?

Should unbundling go? What are the benefits and risks of these sports and events?

Best interplay with “traditional media”

What is the value maximising combined offering? Should the IOC prioritise fan engagement or media value?

IOC.com versus IFS.com/NOCS.com

Can the IOC create and exploit its own digital content alongside traditional media? Are there potential conflicts with other rights-holders and how can this be overcome?

Bespoke versus “one-size-fits-all” media rights

How can the value of the rights be maximised across different geographies? What are examples of current best practice?

Olympic Broadcasting Services (OBS)

What role will OBS have in the development of content and commercialisation of rights?



Needs of developing countries

How can the IOC maximise access to Olympic content in developing countries?