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JAMES BUNN LOOKS AT THE LOCAL VERSUS GLOBAL ISSUES FACING MAJOR BROADCASTERS AND INTERNET SERVICES



James Bunn

It's now almost two decades since ESPN, Eurosport and, later, Star TV started to invest heavily in the globalisation of sport. In recent months America's ESPN has sold its stake in Eurosport to French locals Canal + and TF1. Some say that this is only the tip of the iceberg as sports businesses recognise the financial dangers of forcing a diet of global sport on television viewers and return to their local origins.

To take one example, soccer is a truly global game and viewers in almost every country take a weekly interest in local and national football teams. Last year "The International Football Channel" was launched, dedicated to all of the top games from around the world, and with a liberal sprinkling of magazine and lifestyle material adding value to match coverage. While the strength of this concept is clear from an entertainment point of view, to acquire global broadcast rights to the top leagues and championships may well be cost prohibitive. The business of sport is no different from any other business. To profit, the revenues generated must exceed the costs. Unless viewers are prepared to subscribe to watch a broadcast, and sponsors prepared to help underwrite costs, licence fees demanded by sports cannot be sustained on a global level.

Ten years ago for example, the American sports were very bullish about the potential for their sports around the world. Their fellow countrymen at the global sports channels taking those sports to Asia, Europe and Latin America shared their view. Enormous licence fees were said to be paid to broadcast these sports to the world. Today, business managers are coming to realise that such global investment in US sports is not proportionate to viewing tastes in combined local markets. In Britain, MUTV has demonstrated Manchester United's desire to control its broadcasting destiny, and there are rumblings of a Premier League (English) channel. While the draw of top-flight soccer is clear, maybe viewing habits are destined to become more and more specialised.

Recently, when TPL Sports opened a new London office, I was lucky enough to return home to my English roots. I soon found my passion for my old schoolboy football team Ipswich Town to be re-ignited. As they struggled for promotion to the Premier League, I found myself riveted to their weekly battle. Unfortunately, living just the wrong side of the Suffolk/Norfolk border, I found it difficult to find matches being broadcast on local television or radio. Worse still, at the climax to the season I found myself travelling on business. In the fine southern city of New Orleans I couldn't find the UK football scores anywhere, and even the Spanish Formula One Grand Prix results were limited to a brief graphic on CNN. Of course, the local New Orleans news was full of reports of baseball, basketball and American football, as that's what the majority of their viewers want - therein lies the key.

There are many who say that the internet and WAP will cater for a range of

sports tastes in the years to come. I have no doubt that this is true, and I eventually monitored Ipswich Town's performance from New Orleans and later Chile, New Zealand, Australia and Thailand using the internet. Similarly, I can indulge my other passion for the (currently) hapless Sydney Swans on the AFL web site. Soon, we are told, complete sports channels can be "web-cast". While we await the technology to make this a reality, we must question whether business can be sustained commercially for

such a form of narrowcasting to exist. Only time will tell if advertising dollars available for internet and WAP transmissions can support viable sport businesses.

In recent months we have heard much of the ambitious plans of the all new PSN sports channel throughout Latin America. Interestingly, they have chosen a large, homogeneous marketplace, but which, unlike Europe and Asia, is not divided by a large number of languages. Although planning to

exploit the economies of scale available to a large operation, they can still target local tastes amongst their viewers.

Perhaps then, we have come full circle. As technology continues to develop, enabling us to communicate globally, perhaps the sports enthusiasts are showing us that their true tastes have always been surprisingly local.

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