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Sport and the Media: Recent Economic, Legal, and Technological Developments
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Issue Editors

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Editorial

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When media mogul Rupert Murdoch identified sport as the battering ram for pay-TV in the mid 1990s, he may well have had football specifically in mind. For although Murdoch is not thought to be particularly interested in sport, he has always from his early newspaper days recognized its key commercial value as a driver of sales in the media marketplace.

For most of the major European media markets, football above all others sports has been the key “media content” over the last decade or so, as these markets have been systematically opened up to competition through a range of technological, economic, and political factors.

Murdoch’s BSkyB pay-television station in the United Kingdom is one of the most profitable in the world, with its 7.2m Sky Sports subscribers driving its core revenues. Since 1992, the company has paid almost £3billion to secure the exclusive live rights to top flight English football, and its coverage of the game has become synonymous in the United Kingdom with the BSkyB brand. Despite the downturn across Europe of the value of sports rights since the dotcom highpoint in 2000, football in particular remains at the center of the content packages being rolled out across a range of digital media platform—digital television, the internet, and mobile telephony—as companies compete to secure subscribers and advertisers.

The growing adoption of personal video recording (PSV) systems, a side effect of digitalization, is only the latest in a succession of technologically led threats to the advertiser’s ability to address a desired audience. Sportscasting, and to a lesser extent newscasting, remain the most reliable means of assembling a mass audience. From the first wave of proliferation driven by cable and satellite broadcasters, sport has been established, or at least widely regarded, as the “killer application” to

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roll-out and sustain successive media, outlets, and business models. Now, 4 years after the zenith of the dot com bubble, and two years after the collapse of Kirsch
media and ITV digital, multinational media, and telecommunications. Enterprises
seem to be steadying themselves for the next period of growth. It is against this
background that Trends in Communication presents this issue on “Sport and the Me-
dia: Recent Economic, Legal, and Technological Developments.” The articles ex-
amine just how reliable sportscasting is in this anchor role, and review the
development of sportscasting and specialized sporting services as a response to au-
dience demand, and question how well the sporting enthusiast—the fan—is being
served by later, unanticipated, developments. For although sport has had a long
symbiotic relationship with communication systems (Boyle & Haynes, 2000; Rowe,
1999), the advent of a digital media age has intensified that relationship giving us
evidence of both continuity and also substantial change in this relationship as both
media systems and popular culture have entered a new century.

The first article from Solberg and Hammervold presents a salutory reminder of
the financial pain suffered by broadcasters in many territories by letting an overex-
cited market determine the value of various sports rights. The article goes on to ex-
amine and analyze the mechanics of what it is that make sports rights in particular
so compelling to broadcasters: the declining phenomenon of the mass audience.
Looking at this phenomenon, the authors isolated characteristics of individual
football matches within a tournament and the impact these have, both in attracting
an audience, and in sustaining their interest in commercial messages embedded in
the coverage. This work represents a new analytical and scientific approach to-
wards managing investment in sports rights in order to maximize profit.

Raymond Boyle reviews the history and prospective future of sports coverage as
a leading content application in the rollout of the 3G mobile telecommunications.
No less than Solberg and Hammervold, Boyle questions whether sport will, in the
final analysis, be central in the rollout of this costly technology. This article places a
realistic perspective on any economic expectations of this technology and indeed
related expectations for exploiting sports content. Those expectations hinge upon
exploiting a new technologically defined sports-content product in the form of 3G
dedicated coverage. The commentary additionally places the potential impact of
3G technology within some of the broader discussion here regarding sale of sports
rights and regulation of competition issues in terms of access to, and bundling of
these rights.

This process of subdividing rights within sport is the subject of Haynes article
that explores the recent history, and legal nature, of image rights in sport. Such
rights, more familiar in the United States, are known to some extent, and recog-
nized in the legislation of various states of the European Union (EU). Haynes illus-
trates how without legislation but through custom, contract, and regulatory
forbearance these rights are becoming recognized in the United Kingdom. The
emergence of image rights is, again, symptomatic of the huge sums of money that
have been invested in British soccer since the beginning of the 1990s. This invest-
ment has had a very substantial impact on the way the game is experienced by its
enthusiastic supporters.

Dahlén and Thomsen, trace the development of sports coverage of radio and
dedicated sports channels from the mid-1980s. Using the example of Norwegian
radio, they describe the impact of gathering commercialization on the quality of sports coverage. The article outlines two opposed format or business models that have been applied to sports broadcasting by local radio networks when streamlining services where different use is made of the potential revenue from sport. In so doing, they chart at various points the denial or removal of services from an established audience.

This matter of commercialization denying service to audiences is at the heart of Roderick Flynn’s article that completes this issue. In 2002, and within weeks of the completion of the World Cup finals, it was announced by the Irish Football Association (IFA) that exclusive rights to home games of the Irish national soccer side had been sold to Rupert Murdoch’s BSkyB. Although it was initially unclear whether these games would be shown on a premium channel received by only 15% of the Irish audience. This purchase, and the apparent impotence of the national broadcaster RTE, caused something of a sensation in Ireland at the time. In particular the Irish government moved both to retroactively “list” the games in question and to move the regulation of transnational broadcasting onto the EU agenda in the area of transfrontier television. Additionally it elucidates the relationships between political and media actors, and the cultural and social backlash from the sale of rights that forced the politicians to compromise this important relationship.

These articles collectively give an authentic flavor of the issues, real and incipient, surrounding sports broadcasting, the media, and the audience as the next round of media consolidation and investment appears to be starting. In particular they pose questions as to whether sports as a “killer application” has actually encountered some natural limit, and whether the audience at-large has been well served within the more recent developments.

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innovation from the print and broadcast media suggest a sense of a continuing evolution in the relationship between technologies, sport and supporters rather than the full scale revolution that was so widely predicted.

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This article has concentrated particularly on the rating figures during the matches and the commercial sections, which both influence the direct short-term income. We are aware that a TV channel can benefit from emphasizing other aspects than the short-term income. By giving room to a long prematch section, it can build up its reputation as a serious soccer channel. This can make them more attractive among the governing bodies of soccer (and other sellers). Such actors are, in general, interested in maximum publicity for themselves and their sport. Establishing good relationships with them can be regarded as an investment, which can yield long-term payoffs. Next time sports rights are up for sale, the sellers may prefer these channels other things being equal—or alternatively be willing to offer them a discount.

Nevertheless, commercial channels will always have to take into account the short-term financial consequences from the alternative strategies. If there are few viewers who watch the long prematch and postmatch sections, the alternative costs of screening them are high if the channel alternatively could have broadcast other attractive programs.

The results from these analyses should also be relevant to sports other than soccer. There are many international championships and tournaments in which the circumstances are similar to those described in this article. This applies to individual sports as well as team sports. On the other hand, one has to be careful with transferring the conclusions from one sport to another and from one tournament to another. Thus, more research is needed to be able to give recommendations regarding which policy a channel should follow when broadcasting sports other than soccer.

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concentrated, polarized in favor of established media outlets and driven by global brands. The control of image rights and other forms of intellectual property has much to do with this process that is continuing apace.

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The "originating country" was responsible for regulation and licensing. "That is the general rule of the common market. It is not possible to change that," she said. (Oliver, 2004, p. 11)

Given this outcome the essentially stopgap measure that was the 2003 Irish Broadcasting legislation looks set to remain in place creating an unusual (if not unique) negotiating environment for Irish sporting organizations. As both the FAI and Irish Rugby Football Union pointed out in their own submissions to the European Commission10 with regard to the retrospective going forward of Section II of the Broadcasting Bill 2003:

The way Section II is constructed means that there is no certainty from the point of view of anybody dealing with the Association in relation to contractual arrangements we conclude in the future for the broadcasting of our matches. At any stage in the future the Minister can create a new classification for matches other than qualification matches that we organize which would then retrospectively impact on any contractual arrangements we had already made in respect of those matches. From a commercial point of view this creates an unacceptable level of certainty for any broadcasters we may be dealing with. (Football Association of Ireland, 2003; Irish Rugby Football Union, 2003)

It is hard to imagine that the original framers of Article 3a ever envisaged such an application of the article.

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10Interestingly Satellite and Cable Broadcasters' Group (which included British Sky Broadcasting) also made a submission to the Commission but made no reference to Article 3a or the Irish events.
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