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Olympic Summer Games and Broadcast Rights. Evolution and Challenges in the New Media Environment

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Abstract: The project offers a historical overview of the importance of broadcasting for the development and dissemination of the Olympic Movement and its ideals. It also analyses the role of revenue from television broadcast rights in the Olympic Movement. Communication-related revenue (broadcast rights and sponsorship) accounts for 85% of the Olympic Movement's total income, most of which is distributed among International Federations, National Olympic Committees and Olympic Solidarity. It was under Juan Antonio Samaranch's mandate that the IOC took control of negotiations over broadcast rights. The implementation of long-term broadcast rights contracts led to an exponential increase in revenue and greater stability over time. The first nine years of Jacques Rogge's mandate as President of the IOC represent a period of financial success in terms of income. Within the European context, they also represent a break with the model of collective sales to public television networks, replacing the public service model with the universal service model. The dynamics of New Media require an adaptation of the traditional and exclusive model of territorial intellectual property rights to make it more flexible and allow young people to rework and share Olympic images. This requires changes to the way in which rights are managed.

Keywords: Olympic Games; Television; Broadcast Rights; Social Networking; New Media; Juan Antonio Samaranch.

Summary: 1. Introduction. 2. Television and Sports Broadcast Rights. 3. Television and Olympic Games. 4. Discussion: Origins and Distribution of Olympic Broadcast Rights. 5. Dependence on Revenue from American Television Operators. 6. The Future of Broadcast Rights after the Emergence of New Media. 7. Conclusions. 8. References.

Translation into English **Steven Norris**

1. Introduction

The Olympic Summer Games, the world's biggest sporting event, are a pre-eminently televisual phenomenon for millions of viewers across the globe. In 2001, Jacques Rogge, the President of the International Olympic Committee (IOC), asserted that: "We need spectators at the Games, but the IOC does not insist on 100,000-seat stadiums. The Olympics are primarily put on for television." (Barney, Wenn & Martyn, 2002: 278). The fact is that the Olympic Games are a reality constructed for broadcasting media (Moragas, Rivenburgh & Larsson, 1995).

Besides their pre-eminently mediatic and constructed nature, the Olympic Games are a phenomenon that, from a communication structure viewpoint, could be defined as a "paradigm of interdependent global television" (Larsson & Park, 1993: 65). Television and the Olympic Games are elements that feed back on each other: the modern Olympic Games have managed to become a global event that reaches hundreds of millions of homes across all five continents thanks to television and other media. For television, sport is a safe formula for securing large viewing audiences and large advertising revenue, which is the main source of revenue for their business.

This article examines the historical evolution of Olympic Summer Games broadcast rights and offers an

insight into what their future might be after the emergence of New Media, which have burst onto the scene as a consequence of Internet protocol development and mobile phone connectivity. It focuses on the Olympic Summer Games because, due to their universal nature, they are the ones that generate the largest number of viewers and the highest revenue.

The research takes a historical approach and analyses the structure of the audiovisual system with respect to sports broadcast rights using direct sources: IOC marketing reports, in-depth interviews with IOC members and unpublished documents of the main sporting institution. The most relevant international publications on the topic have been used for this project. The study forms part of a research project funded by the IOC that looks into user participation in the creation, sharing and exchange of Olympic Movement-related information through Social Media.

2. Television and Sports Broadcast Rights

Nicholson (2007) establishes the sports broadcast rights environment in which various actors interact. With sporting organisations in the middle, on each side –with a direct relationship– he places television operators and other media, though both are linked to advertisers and sponsors. Broadcast rights give rise to sports programmes on big events that are distributed through a range of different products, thus making their funding methods different too. When buying broadcast rights for free-to-air television, the funding method is advertising. Consequently, large viewing audiences are sought. For events like the Olympic Games and the FIFA World Cup, such audiences are practically assured.

For Pay-TV, there are two product ranges. First, there are events for the so-called premium channels requiring payments on top of basic packages. In Europe, most of them are channels specialising in national and international football. In this instance, the Pay-TV operator gets its revenue directly from monthly subscriptions and, to a lesser extent, from commercials. The second product range is Pay-Per-View (PPV). In Europe, football is the major source of revenue. In Spain, however, premium football channels are leading to a drop in total PPV revenue from football. In 2008, revenue from film sales and football match sales was almost the same, at €13 million and €13.2 million, respectively (CMT, 2008: 137). However, in 2009, Mediapro's launch of a premium football channel meant that PPV revenue from film sales exceeded revenue from football sales for the first time in history.

The cost of broadcasting rights for sporting events has risen dramatically since the mid 1980s, and particularly so in Europe (Boyle & Haynes, 2000). This is due to the introduction of an element of competition between public television operators, which used to be monopolies in most big European countries, and new private television operators, which strived to gain ground in a market where sports broadcast rights represented a formula for guaranteed success. Since then, the struggle between public television operators (funded in many different ways throughout Europe, including a licence fee in the United Kingdom, a licence fee, advertising and subsidies in Germany, and advertising in Spain, as well as governmental contributions in recent years) and private television operators has led public television operators to lose major sporting events like the FIFA World Cup 2002 and 2006, whose broadcast rights were bought by ISK/Kirch (Solberg, 2007: 292).

In order to face up to competition from powerful private television operators in their global struggle to buy sports broadcast rights, public television operators have jointly submitted bids to buy sports broadcast rights through large international associations and umbrella organisations like the European Broadcasting Union (EBU). However, the high cost of these broadcasting rights together with the deligitimacy and funding crises suffered by the big public television operators in Europe have shattered solidarity among the big public service television operators on the Old Continent. For example, RAI refused to submit a joint bid to buy the broadcast rights for the Vancouver Olympic Winter Games and the London 2012 Olympic Summer Games (TV Sport Markets, 2004). Consequently, Italy has become the first country in Old Europe where a private Pay-TV operator has bought the Olympic Games broadcast rights. The channel is Telepiù, which has been part of News Corporation since 2002.

Generally speaking, the cost of sports broadcasting rights depends on a number of different factors: production costs, sunk costs and expected viewing audiences for the event (Gratton & Solberg, 2007). Production costs for sporting events are among the highest of all television productions. They are more costly than public service offerings like news and children's programme but less costly than the production of fiction in general (Solberg, 2007: 301). When buying broadcast rights, sunk costs are the ones paid in advance of the event that are unlikely to be renegotiable, though in some cases they may be sold on to other operators.

Finally, production costs depend on the number of viewers that television operators funded by advertising and other revenue expect to get. Here, other revenue refers to Pay-TV subscriptions (cable,

satellite and IP television (IPTV)) or PPV, which so far has proved to be a minor source of revenue. The old model in the big European countries, which has been based on the Olympic Games being broadcast by public television operators, is at risk of falling apart due to the ever higher cost of Olympic Games broadcasting rights for public television operators, which are mainly funded by licence fees and state subsidies, as explained later.

3. Television and Olympic Games

In the historical overview of the role that television plays in disseminating the spirit and ideals of the Olympic Games, and as an element of their funding, it is essential to review the different milestones of this symbiotic relationship. The first televised Olympic Games were the ones held in Berlin in 1936. Broadcasts were local and collective, thanks to dozens of viewing rooms set up for the public to follow the Olympic Games (Billings, 2008: 1). However, this was just an experiment with a new technology that did not become a mass phenomenon until two decades later. For the Rome 1960 Olympic Games, and for the first time ever, payments were jointly made for broadcast rights, with total revenue of \$1.2 million. For the first and only time in history, European television operators accounted for most of the \$1.2-million figure. At that time, the IOC received an insignificant amount of total revenue (between 1% and 4%), but it established the legal grounds for subsequent control of these broadcast rights (Preuss, 2000: 107), starting with the Mexico 1968 Olympic Games, once the IOC had taken legal control over a situation that had previously prevented it from even being present at the negotiations. Up until then, negotiations had been conducted by the Olympic Games host city.

In 1971, the IOC added a paragraph to the Olympic Charter, Article 21 to be precise, stipulating that only the IOC could negotiate with television operators and that it would be this body that decided on the distribution of broadcast rights (Moragas, Rivenburgh & Larsson, 1995: 20). After this important change had been made, an agreement was reached for the distribution of broadcast rights and, consequently, the IOC acknowledged the high cost of Television Centre infrastructures and maintenance (Preuss, 2000: 107) that often exceeded revenue from broadcast rights. This allowed the IOC to raise revenue from television broadcast rights by 10% up to 1980.

The start of Juan Antonio Samaranch's mandate in 1980 was the turning point for way in which the Olympic Games were marketed. He saw that there was significant capacity to raise revenue from broadcast rights sales to American television operators. Based on the change made to the Olympic Charter in 1971, he encouraged the IOC to take control over negotiations with television operators, albeit with the presence of host city representatives in the first instance, up to broadcast rights sales for the Seoul 1988 Olympic Games (Preuss, 2000: 112), (Payne, 2006: 35).

To bring stability to revenue, irrespective of the city where the Olympic Games were being hosted, Samaranch decided to negotiate long-term contracts and, whenever possible, in advance of the name of the Olympic Games host city being known, at least seven years before they were due to be held. This allowed definitive access to NBC Universal, which had been looking for a sure-fire way of amassing large viewing audiences in a big sporting event like the Olympic Games, particularly in a multi-channel ecosystem that led to significant fragmentation of viewing audiences. Consequently, NBC paid \$2.3 million for the 2004, 2006 and 2008 Olympic Games (see the distribution in Table 3) in an agreement signed in December 1995 (Payne, 2006: 54). In addition to long-term contracts, the removal of fee-charging agents and consultants was another of the big changes that Juan Antonio Samaranch made in the early years of his mandate.

The mandate of Rogge, Juan Antonio Samaranch's successor as from July 2001, is one of competition development in bids for television broadcast rights (Payne, 2006: 57) and of a return of consultants and advisors to Lausanne in light of the complexity of the new situation of major competition, especially in the American market where five operators have to battle things out. It is also the period that has brought the introduction of television operators' promotion of Olympic values and symbols. A commitment that introduces a new qualitative value in the bid to buy broadcast rights.

Moreover, it is the period that has combined television broadcast rights and sponsorship: in negotiations in 2003, General Electric offered €200 million up to 2012 for its shareholder to become a TOP Sponsor (Payne, 2006: 63). It has also been the era of increasing Olympic Games coverage, with large multimedia groups adapting to a multi-channel environment and combining broadcasts on generalist channels with broadcasts on specialist sports channels, something that is more widespread in America. To be more precise, the American network NBC used nine different television channels to broadcast the Ceremonies and the various sporting events: NBC, CNBC, MSNBC, USA, Telemundo (a Spanish-language operator), Universal HD and Oxygen, plus two new multiplex digital channels which, on occasions, offered the same programming at different times throughout the day.

NBC broadcast 225 hours of the Beijing Olympic Games in the afternoon, in the prime-time slot and until the early hours of the morning, focusing mainly on gymnastics, volleyball, swimming and diving. All of these sports tend to attract female viewers, and thus they ensured that the network had a good, sustained audience share, since 55% of all Olympic Games' viewers have, for many decades, been women (Billings, 2008: 34). For their part, the NBC group's other channels honed in on different areas. USA specialised in broadcasting the American teams' basketball and men's and women's football, while CNBC focused on broadcasting boxing matches, Oxygen on equestrian events and repeats of gymnastics, and Telemundo and MSNBC on other minority sports. Finally, all of these sports were broadcast in high definition on Universal HD 24 hours a day (Sadomir, 2008).

In Europe, Rogge's mandate has also broken away from joint buying agreements with public television operators through the EBU (New York Times, 2009B) and has introduced the development of a mixed model of individual agreements with television operators in big European countries (United Kingdom, Germany, France, Italy and Spain) and sales to Largardelle's Sport Five agency for another 40 European countries, with the obligation to offer a minimum of 200 free-to-air hours for the Olympic Summer Games and 150 free-to-air hours for the Olympic Winter Games. At the same time, since the 1990s, most of the television contracts have been negotiated in advance of the Olympic Games host city being known, thus furthering the approach established by Juan Antonio Samaranch.

Rio de Janeiro 2016 and Sochi 2014 will be the first Olympic Games for a very long time where the Olympic Games cities are known in advance of negotiating television broadcast rights for the American market. Due to the global economic crisis, negotiations have been postponed until 2010. This particular fact means that there is a degree of uncertainty about future revenue and it might support Samaranch's old policy of negotiating long-term broadcast rights in advance of the host cities being known. However, one disadvantage of this old model might be the difficulties encountered in terms of adapting them to New Media ecosystems with new actors and means of communication developed by New Media.

4. Discussion: Origins and Distribution of Olympic Broadcast Rights

As can be deduced from Table 2, in the mid 2000s, 84.1% of the Olympic Movement's revenue came directly from television and other media. This may have reached 90% for the Beijing Olympic Games according to estimates (in the absence of official IOC data).

The Organising Committees of the Olympic Games directly receive 49% of revenue from television broadcast rights. On top of this they get 50% from the TOP Sponsors programme, which helps to fund the numerous infrastructure works and operating costs that the organisation of an Olympic Games involves (IOC, 2008B: 7). Table 1 shows that, prior to the Athens Olympic Games, host cities received 60% of revenue from television broadcast rights. The rise in revenue from television broadcast rights has allowed the sums allocated to Organising Committees to be increased and a higher percentage of revenue to be allocated to supporting Olympic education and sport as a way encouraging countries to develop personally, socially and economically. Moreover, increased competition between the ever higher number of cities across the globe to organise an Olympic Games has made the redistribution of revenue from television broadcast rights possible by granting the IOC greater negotiating power when faced with the limited capacity of candidate cities competing against each other to get the Olympic Games.

Table 1. Distribution of revenue from television broadcast rights

	IOC	Host Cities
1948-1968	1%-4%	99%-96%
1972-1980	10%	90%
1984-1992	33%	66%
1996-2004	40%	60%
2006-2010	51%	49%

Source: Own elaboration based on data from Preuss (2000, 107-112), IOC (2008A, 2008B and 2000) and Payne (2006: 48).

Table 2. Total IOC revenue per 4-year period from television and sponsorship

	1993-1996	1997-2000	2001-2004	2005-2008*
Television	47 %	48%	53.2 %	50%

TOP Sponsors	15.8%	15.3%	10.6%	16%
Domestic Sponsors	19%	17,3%	20.3%	24%
Total Sponsors	34.8%	32.6%	30.9%	40%

Source: Own elaboration based on data from the IOC (2008A and 2008B) (*estimate).

Table 3. Revenue from television broadcast rights in the USA and Europe

Host City and Year	Total \$ (millions)	USA \$ (millions/channel)	USA % Total	Europe \$ (millions)	Europe % Total
Rome 1960	1.2	-/CBS	---	0.7	58.3%
Tokyo 1964	1.6	-/ABC	---	---	---
Mexico City 1968	9.8	-/ABC	---	1	10.2%
Munich 1972	17.8	-/ABC	---	2	11.2%
Montreal 1976	34.9	25/ABC	71.6%	6.6	19%
Moscow 1980	101	85 /NBC	84.1%	7,1	7%
Los Angeles 1984	286.9	225.6/ABC	78.6%	22	7.6%
Seoul 1988	402	300/NBC	74.6%	30.2	7.5%
Barcelona 1992	631.1	401/NBC	63.5 %	94.5	14.9%
Atlanta 1996	898.3	456/NBC	50.7 %	247.5	27.55%
Sydney 2000	1,331.6	705/NBC	53%	350	26.2%
Athens 2004	1,494	793/NBC	53%	394	26.3%
Beijing 2008	1,737 (estimated)	894/NBC	51.4%	443	25.5 %
London and Vancouver 2012	---	2,200/NBC	---	746	---
Rio de Janeiro and Sochi 2016	Pending negotiation	Pending negotiation	---	850-1,000 (estimated)	---

Source: Own elaboration based on data from the IOC (2008A, 2008B and 2000) and *The New York Times*.

A number of milestones can be highlighted with the respect to increases in revenue from television broadcast rights throughout the history of the Olympic Summer Games. As shown in Table 3, the first one is the Mexico 1968 Olympic Games, with the first colour television broadcasts and an increase of almost 800% on the previous Games. But the big growth in total revenue from television broadcast rights came in 1984 at the Los Angeles Olympic Games with a rise of almost three times the amount generated at the Moscow Olympic Games.

When he became President of the IOC, Juan Antonio Samaranch found that he was at the helm of a bankrupt organisation. In his first broadcast rights negotiations for the American market, he made the executives of ABC, CBS and NBC go to Lausanne for the first major auction of his mandate. According to Payne (2006), getting them together at the IOC's headquarters sought to keep the operators' New York executives at bay, thus creating an environment better suited to the IOC's interests and enabling revenue to be considerably increased.

The expectations that the Organising Committee of the Seoul 1988 Olympic Games had for the final revenue figure were lower than the final results, even though they did rise by 71% on the Los Angeles 1984 figure. This was connected with the huge losses made by ABC at the Calgary Olympic Games amounting to approximately \$65 million (Boyer, 1988). This put the brakes on competition in the next negotiating round for the Seoul Olympic Games. After Seoul, the Barcelona Olympic Games experienced a 63% rise in revenue from American television operators, with NBC's entry on the scene and the start of its consolidation as the American Olympic channel, even though its PPV experiment via a system called triple cast turned out to be failure, with just 250,000 subscribers instead of the estimated figure of 2.5 million (Moragas, Rivenburgh and Larson, 1995). This put the brakes on access to the Olympic Games via paying methods for subsequent Olympics Games.

Another big rise came with the Sydney Olympic Games. However, because the dates for holding these Games (September 2000) coincided with the start of various sporting events in the United States, it caused the American television network NBC to make a huge loss even though it contributed to over 60% of total revenue from television broadcast rights (Payne, 2006).

In the Moscow 1980, Los Angeles 1984 and Seoul 1988 Olympic Games, revenue from the EBU only accounted for 8.8%. However, in the period from 1996 to 2008, the contribution made by European television operators accounted for 50% of total revenue from the American network NBC, as shown in Table 3. The rise in European participation through the EBU began in the late 1980s as a consequence of creating competition, albeit imperfect, among public television operators. In the late 1980s, the Italian company Mediaset made a successful \$10 million bid and, later on, Bertelsman made a successful \$300 million bid for the Atlanta Olympic Games.

These initial attempts by private European television operators to secure broadcast rights for the Olympic Games served as an element of competition for the IOC to raise the joint bid made by the EBU, which was forced to bid \$250 million, amounting to an 800% increase on the amount paid for the Seoul Olympic Games. With regard to negotiations for the 2004, 2006 and 2008 Olympic Games, News Corporation joined the bid by offering \$2 billion. However, the clear policy during Samaranch's mandate of favouring free-to-air television led the IOC to opt for the EBU's lower bid since it assured free-to-air access to the largest number of people, and young people in particular. Long-term agreements spread to South America (Organización de Televisión Iberoamericana - OTI), Asia, Canada and Japan (Payne, 2006: 54-55). Moreover, while American television operators accounted for over 70% of total revenue for the Los Angeles, Seoul and Moscow Olympic Games, they accounted for approximately 50% of the Atlanta Olympic Games, as shown in Table 3.

Negotiated in 2009, the IOC's new strategy of dividing up broadcast rights in Europe for big European countries (Germany, United Kingdom, France, Italy and Spain) for the 2014 and 2016 Olympic Games might lead to a significant rise in revenue from Europe of approximately 30% on the Vancouver 2010 and London 2012 Olympic Games (*New York Times*, 2009).

5. Dependence on Revenue from American Television Operators

There has always been a difficult relationship with the United States Olympic Committee (USOC) regarding the distribution of Olympic Games broadcast rights, even though most of the global revenue comes from American television operators. Historically speaking, the USOC has always wanted to get a higher percentage of television broadcast rights and sponsorship (Barney, Wenn and Martyn, 2002). The conflict, which arises every now and again, reached its high point in 1989 with the publication of an article in *The Brookings Review* (Larson & Park, 1993: 70-72), which argued that even though Europe as a whole represented a bigger total population than the United States, the Old Continent only paid 5% of the amount forked out by American television operators. A consequence of this was that American viewers had to put up with a vast amount of commercials.

The USOC received 10% of revenue from television broadcast rights. After the agreement signed in 1989, it got half of any increase in the cost of broadcast rights and 20% of sponsorship revenue up to 1996. Up to 2004, the USOC received 20% of sponsorship revenue and 12.5% of revenue from television broadcast rights. A subsequent agreement with the USOC put the percentage of revenue it would receive from all agreements with American television operators starting in 2004 at 12.75% (Barney, Wenn and Martyn, 2002: 264). Before 2013, a new agreement will be reached for the distribution up to 2020 (Macur, 2009).

As pointed out, this historical claim by the USOC will continue to make itself felt at different times in the future. The most recent thing was a project involving the USOC's creation of its own television channel in 2009, a joint venture with the digital television and cable operator Comcast as a partner (Mickle & Ourand, 2009). The idea of the channel was to foster sport among young people and raise awareness about Olympic athletes, and it probably came in response to sponsors' requests to make as much profit as possible in the interim Olympiad periods. The initiative was severely slated by Richard Carrion, a member of the IOC Executive Board. Carrion felt that a television channel promoted by the USOC might jeopardise the exclusivity agreement with NBC as an Olympic channel, which reported a high percentage of global television revenue (Sandomir, 2009). Whatever the case, with the decision about to be taken to choose the host city for the 2016 Olympic Summer Games –Chicago being one of final contenders– and in view of the IOC's opposition, the USOC decided to put the project on hold.

The extraordinary weight that American television operators have in terms of funding the Olympic Movement has led some authors to consider American candidate cities to be at an advantage when it comes to being chosen to host the Olympic Games. Larson & Park claimed that this might indeed be the case: "One of these is that US cities that bid to host the Olympic Games have a built-in advantage over cities in other nations because events can be more easily scheduled to coincide with prime-time hours in the United States" (Larson & Park, 1993: 69). The choice of Rio de Janeiro as the host city for the 2016 Olympic Summer Games does not refute this argument, since the time difference will not be a negative

factor. Indeed, Brazil's rich, exotic cultural imaginary might be a positive factor for the American viewing public. Whatever the case, as already pointed out, broadcast rights for the American market in connection with the Sochi and Rio Olympic Games have yet to be negotiated.

6. The Future of Broadcast Rights after the Emergence of New Media

There is a fundamental reason why the New Media environment is so distinct: the broadcast of Olympic Games programming via systems using Internet protocols, accessible through numerous devices, such as computers, mobile phones, games consoles with Wi-Fi connectivity and smartphones. Television operators are currently the main broadcasters of this type of content because, when television operators buy broadcast rights, those rights include broadcasting via a variety of platforms: television, mobile phones and the Internet. This was the main means of distribution for the Beijing 2008 Olympic Games, and it will be in the upcoming Games. This is the case because the very first evaluation of the importance of the Internet on broadcast rights sales was done under Jacques Rogge's first mandate in 2001 and, at that time, it was decided that broadcast rights – other than those for television – did not have an entity of their own or the capacity to generate enough revenue to go on to be sold separately (Payne, 2006). Consequently, this was the system in force for the Beijing Olympic Games.

Beijing marked a new milestone with regard to broadcast rights management. For the very first time, the IOC reached an agreement with Internet native companies for audiovisual distribution on Google and Terra. The IOC created the Beijing 2008 Olympic channel on YouTube for 77 countries in Asia, Africa and the Middle East, where the Olympic Games Internet rights had not been sold. The Google service was only accessible from those regions of the world and, consequently, only YouTube users in those geographical areas could access images of the Olympics Games. Over the period of the event, which lasted for more than two weeks, Google offered 21 million videos of the Olympic Games (IOC, 2009C: 2). YouTube's Olympic channel was fed by content from the Olympic Games institutional signal, because neither YouTube nor Google are content producers, but rather portals to it (Battelle, 2005) or, in this instance, simply distributors of it.

This agreement was marked by the strategy of protecting the exclusivity of television broadcast rights, particularly in the American market where NBC broadcast recorded images of the Olympic Games 12 hours after events had been held. Google had exclusive content for broadcasting in those countries where broadcast rights were not jeopardised and acted diligently by quickly removing from its servers any videos posted by users that might have jeopardised the broadcast rights bought by NBC. In this respect, Google removed from its servers 19,000 videos that jeopardised the broadcast rights that NBC had bought (IOC, 2009: 4).

Moreover, Terra, the portal belonging to the global telecommunications company Telefónica, became the Internet distributor of Olympic Games content for the South American market, where television operators did not show much interest in audiovisual distribution via New Media. It should also be said that this market, covered by the OTI, has very little revenue-generating weight for the IOC. Whatever the case, alongside these regional experiences, the IOC sold five local New Media licences: three in Asia to CCTV, i-Cable and Elta, one in Africa to Supersport International, and one in South America to the already mentioned Terra. All five were sold separately from television broadcast rights (IOC, 2008A: 7). Revenue generated by selling these New Media licences was approximately \$10 million, or less than 1% of total revenue for the Beijing Olympic Games.

However, the New Media environment will have to face up to another challenge over the coming years. Here, reference is being made to Social Media, those that have arisen from Web 2.0 that allow any user to post content to the Internet without any significant IT knowledge and to modify anyone's work and then share it with their friends and acquaintances (Jenkins, 2006). Social networking sites (Facebook, hi5, tuenti and MySpace, to name but a few) constitute an area that the IOC is exploring in order to seek out new funding methods and new ways to spread Olympic values and symbols to young people. The various actors of the Olympic Movement (athletes, spectators, viewers, collectors, volunteers, etc.) have these tools to hand to promote their activities.

7. Conclusions

Olympic Games broadcast rights are a significant part of a system where the various actors feed back on each other. The commercialisation of broadcast rights has played a major role in the construction of the modern Olympic phenomenon such as we know it today. Broadcast rights are the main source of funding for the Olympic Movement. They are also an element that fosters revenue generation for commercial television operators and sports sponsors in general, and for the Olympic Games in particular.

Olympic Games broadcast rights have traditionally been based on two variables: sales territory and exclusivity. This is also the case for the early stages of marketing and selling the first New Media broadcast rights.

Television operators, the IOC, host cities and commercial brands on the one hand, and spectators, viewers and athletes on the other, all together form the vast mosaic of the following and importance of the Olympic Games as major cultural, social and media phenomenon. The Olympic Games would not be the global phenomenon they are today without the complex web of relationships occurring between television operators (buyers of very expensive broadcast rights defrayed via advertising revenue or Pay-TV subscriptions), the IOC (the owner of the Olympic Games), host cities (chosen by the IOC) and TOP Sponsors (commercial brands that make a profit from their sponsorship through Olympic Games broadcasts). Television broadcast rights and sponsorship revenue in the last decade accounted for more than 85% of the IOC's total revenue, and this demonstrates that there is a close relationship of dependence between the Olympic Movement and communication-related revenue. This revenue is distributed among the members of the Olympic Movement: International Olympic Federations, National Olympic Committees and Olympic Solidarity.

Despite the criticism levelled at the commercialisation of Olympic sport, the formula has shown itself to be the only one possible when it comes pursuing the spread of the educational values of Olympism and sport. Any potential limitations on the formula must be sorted out on the basis of this model, a model that has turned the Olympic Games into the most important sporting event ever, and its symbols and values into elements of this big ecosystem.

Juan Antonio Samaranch, who met with a bankrupt IOC and a divided Olympic Movement following the Moscow 1980 Olympic Games, introduced the commercial exploitation of the Olympic Movement by combining the commercial potential of American television and the public service nature of the European broadcasting model. During his mandate (1980-2001), the Olympic Games became the most important sporting event in the world and a global phenomenon thanks to television operators who, in turn, have become the mainstay of the Olympic Movement. The value of sports broadcast rights was enhanced when the potential to grow revenue from generalist American television operators began to be exploited. From that moment on, television operators entered into competition with each other to buy content to secure large viewing audiences in a multi-channel television environment like the American one, where increasing fragmentation was the order of the day. At the same time, fee-charging agents and consultants were removed from negotiations, which the IOC started to carry out directly and exclusively.

In Europe, even after competition was introduced into the television market in the mid 1980s, and despite the fact that financial bids by private television operators were much higher, joint sales to the EBU were favoured. The EBU bid included public television operators that ensured free-to-air broadcasting of the Olympic Games to everyone, mainly young people, to convey the positive values intrinsic to sport. Samaranch established the dynamics of entering into long-term contracts with television operators in advance of the host city being known, thus ensuring the stability of the ever increasing revenue for the Olympic Movement.

Since the start of Jacques Rogge's mandate in 2001, the model for commercially exploiting broadcast rights introduced by Samaranch has continued to be used. Rogge sought true competition in broadcast rights auctions. He managed to create significant revenue growth through the use of this system and established new formulas for distributing revenue that reduced payments to host cities and increased contributions to foster sport through International Federations and National Olympic Committees.

The introduction of true competition has helped to reduce excessive dependence on revenue from American television operators and increase revenue from Europe. This has been made possible by negotiating broadcast rights directly and individually in big European countries, as well as sales to the EuroFive agency for another 40 European countries. In this process, contracts with private television operators stipulate a series of commitments that they (or public television operators) must make, such as broadcasting a minimum of 200 free-to-air hours for the Olympic Summer Games and adhering to optimum quality standards, as established by Olympic Broadcasting Services (OBS).

In Europe, breaking away from the dynamics of broadcast rights sales to public television operators through the EBU was an important milestone and led to a shift from a public service model for Olympic Games broadcasting to a universal service model providing access to everyone, although there is some potential for it to be exploited by the private sector. In Europe, it remains to be seen whether the model for marketing and selling Olympic Games broadcast rights individually and competitively, with public and private television operators competing against each other, will actually lead to higher revenue, despite the estimated increase for the Sochi and Rio de Janeiro Olympic Games, which have yet to be

negotiated for the American market.

Samaranch's and Rogge's mandates are the ones that have introduced and developed the commercialisation of Olympism, put the IOC in control of direct negotiations with television operators and increased revenue for the IOC to redistribute. Under Rogge's mandate, and since 2004, the redistributed revenue share has exceeded the amount that host cities receive, and this represents a historic first.

The Internet and New Media are elements of a constantly changing global communication ecosystem, which redefines itself every time new distribution methods appear on the scene, with new communication variants that now tend to offer much greater protagonism to users and their ability to create, modify and share information, including information belonging to the Olympic family and the Olympic Games. The new communication dynamics centred around collaborative users who share content with each other will require a redefinition of Olympic Games broadcast rights. Selling exclusive broadcast rights for a country to a particular broadcaster has been one of the keys to the success of the IOC's capacity to raise revenue. It has demanded diligent protection of that exclusivity, with attempts to try and prevent third parties that do not own the rights from broadcasting images of the Olympic Games on the Internet. However, the fundamentally open nature of the Internet, which allows any user without any significant IT knowledge to become a content distributor, makes absolute control of the intellectual property of the broadcaster and of Olympic Games images impossible.

It is essential to adapt the old intellectual property rights regulations to the new environment to protect the owners' rights while allowing advantage to be taken of the Internet's features. If the IOC wants to take advantage of the potential of New Media to spread Olympic values to young people, it must open itself up to the potential of Social Media, where creating new works from copyrighted works and sharing and exchanging content are the order of the day. Protecting the exclusivity of rights while opening up some of the content so that it can be reworked and exchanged by the global community of internauts might prove to be the best formula for retaining the Olympic Movement's main source of revenue and, at the same time, involving young people in its values and symbols.

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