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Branding a huge draw for Olympic broadcasters: observers

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It doesn't matter how much CTV spent - or may lose - for the broadcasting rights to next month's Winter Olympics in Vancouver.

level, as well," says Wenn.

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CBC didn't get them.

Recent reports suggest the North American media giants who spent record amounts for the Vancouver Olympic broadcasting rights stand to lose millions of dollars on what has long been considered a crown jewel for the TV industry.

But some observers say the narrow focus on those potential losses - particularly in Canada where the label of "Olympic network" has become a hard-fought matter of pride - neglects to consider why these companies bid on the Games in the first place.

"That really speaks to the core thesis of sponsorship in the first place - you spend a whole lot of money for some kind of intangible payback," says telecom analyst Carmi Levy, senior vice-president of AR Communications.

"Long-term, they've probably already projected that they're going to make up more than they'll lose. The only thing is that windfall simply won't come before February."

American broadcaster NBC acknowledged earlier this month that it will likely lose somewhere in the neighbourhood of \$200 million on the Vancouver Games, as advertising revenues in a struggling economy have failed to cover the staggering costs of securing the rights and actually covering the event.

The situation isn't quite so bad in Canada, but the Olympic Broadcast Media Consortium, led by CTV and Rogers Media Inc., admits it has yet to break even, with some newspaper reports putting the current advertising shortfall at around \$20 million with less than a month to go before the Games.

The consortium paid a record US\$90 million to wrestle the broadcasting rights for Vancouver away from the CBC in a deal that also included another \$63 million for the 2012 London Olympics. That pales in comparison to the US\$820 million that NBC paid for the U.S. rights.

Olympic expert Stephen Wenn of Wilfrid Laurier University says the potential revenues from Olympic broadcasting are only part of the picture.

"I think we're naive if we absent the notion that there's a little bit of ego involved at an executive