

## **DCMS Free-to-air Listed Events review**

### **Background to European Sponsorship Association**

The European Sponsorship Association (ESA) is the voice of the sponsorship industry across Europe. As a membership association, it looks after the interests of its members who are drawn from all areas of the sponsorship industry. These include sponsors, consultants, rights holders, suppliers and professional advisors.

The Association is committed to corporate responsibility and best practice and strives to raise industry standards through a series of educational events and an annual two-day conference. It provides members with a library of information and encourages continued learning through the ESA Continuous Professional Development (CPD) scheme. In addition to its networking activities, ESA is also active in policy and governance, representing the sponsorship industry at national and EU levels.

ESA's reach encompasses all types of sponsorship activity from sport, the media, the arts and culture through to music, environment and charity. It represents an impressive list of members who operate at a global, pan-European and national level.

It is the ESA Media Group, which is made up of media owners and agencies, who have compiled this response on behalf of ESA.

### **A summary of the ESA view on free-to-air listed events**

As ESA is the trade body that looks after the interests of the sponsorship industry, we would like to draw the Panel's attention to the importance of sponsorship to the sports industry and the influence television has on this.

It is estimated that £1.14bn\* was spent on sponsorship rights in the UK in 2008, the vast majority of it on sponsorship of sports teams and events. One of the reasons brands and corporate companies sponsor events is to reach an audience through the media that cover that event. Television is particularly important to sponsors in reaching the widest possible audience and raising awareness of their association with the event.

Equally for the sports rights holders ensuring their events get high levels of television coverage, in terms of both reach and depth, is vital if they are to maximise the sponsorship income they receive from sponsors of their events.

The ESA's view is that certain listed events should be available to watch on television to the widest possible audience which means on channels that are available free-to-air across all UK households. In practice this means the free-to-air terrestrial analogue TV channels of BBC1, BBC2, ITV1, Channel 4 and Channel 5. When digital switchover takes place across the UK in 2012 the list of channels can then be reviewed

but the principle of being available to at least 95% of the UK population and free-to-air should remain the criteria for whether other channels to be included.

It is also important to the maintenance and long term health of sports that young people can watch the elite athletes perform in the pinnacle events and be inspired to participate. Terrestrial free-to-air channels provide the shop window for the major sports to do just that.

It is the ESA's view that, in general, we are in agreement with the current List A and List B events and we believe two lists should continue to remain in place. However, we propose one significant change; namely the inclusion of The Commonwealth Games, whenever it is hosted in a UK country, on List A, for example Glasgow 2014.

We believe the current lists with the amendment proposed above achieves the right balance of providing access to the key live events to the widest possible audience but without distorting the broadcast market too severely in favour of free-to-air TV channels.

Here are the ESA's answers to the specific questions asked by the DCMS consultation.

**Q1. Do you think that the UK should continue to protect certain major events through live or deferred coverage on free to air television? Please give a reason for your response.**

Yes. The ESA believe it is a right of all UK citizens with a television set to be able to watch events that are deemed to be of national importance live, as they happen. It also ensures the events that rely to a significant degree on sponsorship revenue are able to maximize audiences for their sponsors.

It is also important to the maintenance and long term health of sports that young people can watch the elite athletes perform in the major events and be inspired to participate and strive to become the elite athletes of tomorrow.

**Q2. Do you think that events other than sporting events should be listed? If so, please give your reason. You will have an opportunity to suggest appropriate events at a later stage in this consultation document and do not need to do so now.**

No. The ESA concluded that whilst there were some major non sports events which had a significant amount of interest, such as the RHS Chelsea Flower Show, Glastonbury music festival, etc, they were not of the scale to be deemed of national importance to the UK or any country of the UK.

**Is the current criteria for listing right?**

ESA agree with current criteria that the event has to pass the essential criterion test, which is:

- The event has a special national resonance, not simply a significance to those who ordinarily follow the sport concerned; it is an event which serves to unite the nation; a shared point on the national calendar.

In a sporting context such an event is likely to fall into one or both of the following categories:

- It is a pre-eminent national or international event in the sport;
- It involves the national team or national representatives in the sport concerned.

**Q3. Do you agree that this should remain the essential criterion test? If you do not agree, please explain why and please indicate what you consider should be the essential criterion in a sporting context.**

Yes.

**Q4. If your answer to Q2 was that non-sporting events should also be considered for listing, what might an essential criterion be?**

Not applicable.

**Q5. Do you consider that these characteristics remain appropriate? If you do not, or consider that additional characteristics should be included, please explain why.**

In deciding whether to list an event, the Secretary of State had regard to other factors affecting the likely costs and benefits to the sport concerned, to the broadcasting industry and to viewers, such as:

- Whether it is practical to offer full live coverage on a general channel – extended events such as season-long championships involving many matches will not normally be listed in their entirety;
- The impact of listing in reducing the income or potential income of the sport and consequences of that reduction for its investment in increasing participation and/or improving levels of performance and/or in creating safe facilities.
- The likely impact of listing on the broadcasting market, including future investment in sports broadcasting, the level of competition and the position of public service broadcasters.
- Whether there are arrangements to ensure that access to the event is available to all viewers by means of highlights, delayed coverage and/or radio commentary.



The Secretary of State has regard to these other factors cumulatively. No single factor automatically commands listing as a response or disqualifies an event from consideration.

The ESA strongly believe that the right balance needs to be achieved between live sports events of national importance being accessible to all for free, versus the advantages that can be gained for the sport to maximise its revenue from broadcast rights by selling to subscription services. There is also a benefit to the viewer in having a competitive broadcast market. Few people would disagree that the arrival of subscription TV to this country has improved the quality and breadth of sports coverage overall but it has come at a price to the viewer who cannot afford subscription TV services. The amount of live sports coverage has been diminished on the terrestrial free-to-air channels as more of it has moved to subscription channels.

**Q6. Are these the appropriate other factors that the Secretary of State should take into account when considering whether or not to list an event? If not, or you consider that additional factors should be taken into account, please explain why.**

The ESA agree the factors outlined above should be the principle factors the Secretary of State should consider.

**Q7. Do you agree that both an A and B list should be maintained? If not, please explain why.**

Yes an A and B list should be maintained as it recognises that some events, due to their scale, cannot realistically be broadcast live on terrestrial free to air channels given their other broadcast and public service commitments. Highlights on terrestrial free-to-air channels could also be said to be beneficial to viewers who are unable to commit the time to watching live sport but like to get their sports fix through abridged coverage.

**Are there any issues that you would wish to bring to our attention in regard to the way in which the listing arrangements are given practical effect by Ofcom?**

No.

**What events should be listed?**

GROUP A

The Olympic Games

The FIFA World Cup Finals Tournament

The FA Cup Final The Scottish FA Cup Final (in Scotland)

The Grand National

The Derby

The Championships Wimbledon Tennis Finals



The European Football Championship Finals Tournament

The Rugby League Challenge Cup Final

The Rugby Union World Cup Final

*The Commonwealth Games when hosted by a Home Nation*

#### GROUP B

Cricket Test Matches played in England

Non-Finals play in the Wimbledon Tournament

All Other Matches in the Rugby Union World Cup Finals Tournament

Six Nations Rugby Tournament Matches Involving Home Countries

The World Athletics Championship

The Cricket World Cup – the Final, Semi-finals and Matches Involving Home Nations' Teams

The Ryder Cup

The Open Golf Championship

*The Commonwealth Games when hosted by a country that is not a host nation*

The two entries listed above in *italics* are the only two proposed amendment by ESA to the current list.

#### **Q9. Do you think that the Secretary of State should move existing events between the A and B list:**

ESA believe that there should be one specific change to the list with the elevation of the Commonwealth Games, when the event takes place in the UK, to an A listed event, not B listed as it is now.

When the Games were held in Manchester in 2002 there was an enormous amount of interest from the whole of the UK in an event we staged as the host nation and which our athletes participated in competitively. In fact the UK Home Nations all won medals and cumulatively the UK won more medals than any other country. The national interest was no doubt helped by the media coverage the event got and as the Games return to the UK in 2014 ESA believe it's important that it is protected to ensure it's available live on a free-to-air terrestrial TV channel for all UK viewers to enjoy live.

An audience peak of 9.7 million watched the closing ceremony of the Manchester Commonwealth Games in 2002, placing it as one of the most popular programmes of the year.

#### **Q10. If you have suggested that live coverage of any such tournaments should be listed do you think that:**



- the entire tournament should be listed; or
- only selected stages, events or matches involving national teams or representatives.

Based on the events we have proposed on the A list, in most cases they should all be broadcast live and free-to-air in their entirety. Some flexibility could be shown for the Olympics and the Commonwealth Games where multiple events are taking place simultaneously thus making live, free-to-air broadcasts difficult to deliver at a practical level. As a result the broadcasters should prioritize their coverage on the events which feature home nation competitors.

**Q11. Please suggest which non-sporting events you would like to see listed and why.**

None.

**Q12. Do you have any other issues that you would like the Panel to take into account in considering what its recommendations should be?**

As ESA is the trade body that looks after the interests of the sponsorship industry including the sponsors, consultants, rights holders, suppliers and professional advisors, we would like to draw the Panel's attention to the importance of sponsorship to the sports industry and the influence television has on this.

It is estimated that over £1bn per year is spent on sponsorship in this country, the vast majority of it spent in sponsorship of sports teams and events. One of the reasons brands sponsor events is to reach an audience through the media that cover that event and television is particularly important to sponsors in reaching the widest possible audience and raising awareness of their association with the event.

Equally for the sports rights holders ensuring their events get high levels of television coverage, in terms of both reach and depth, is vital if they are to the sponsorship revenue they get for their events.

As a result having live sports events broadcast on free-to-air TV channels ensures these events of national importance reach the widest possible audience for the benefit of the sport and the sponsors.

\*Source: ESA/IPSOS Mori Sportscan/Arts and Business/Carat Sponsorship