COMMUNICATION WITH STAKEHOLDERS IN THE DIGITAL AGE

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The Digital Revolution affects us all. The fact that the International Olympic Committee (IOC) has chosen it as one of the main themes for this Congress illustrates how important it is as a topic, and also clearly demonstrates how far digital communication has come since the early days of its creation.

If we look back for a moment, the amazing thing about this particular "revolution" is how, in such a short space of time, it has dramatically changed the world and the way in which we communicate. The first practical steps towards a digital age began in the 1970s with early digital communication experiments, such as Péritel in France, and in the 1980s we saw the advent of mobile cellular phones, made possible by digital technologies. However, the real change came in 1994 with the launch of the World Wide Web. Once the technology was established, it completely revolutionised the way in which we work, communicate and function on a daily basis, and at an incredibly rapid rate. An important factor has been that the technology, and how it enables us to work and communicate, has continued to evolve and develop: from websites to emails, to iPhones and BlackBerrys, to text messages, social networking, wireless broadband and mobile video.

Of course, it has not been an entirely smooth curve. The dot.com bubble, which burst at the turn of the century, and the significant delay in the adoption of 3G technology for mobiles should remind us that it is not the technology itself that changes the way we communicate, but how we choose to adopt and use that technology. Above all, it is vital that new digital technology be secure, robust and reliable, or it will be quickly rejected by an increasingly discerning audience.

Certainly, where broadcasting is concerned, the digital age has had a profound impact. Consider for a moment the sheer pace of change.

- To reach a market audience of 50 million people:
  - radio took 38 years;
  - television 13 years;
  - the internet four years;
  - digital radio three years; and
  - some social networking sites less than two years.[1]

And the pace is not expected to slow down. As Paul Deighton of the London Organising Committee for the Olympic Games (LOCOG) informs us:[2]

- Eighty-three per cent of internet users already download video online (Universal McCann report).
- By London 2012, 75 % of the UK population will have broadband.
- Fifty percent of UK mobile phone users will download video to their mobiles.

However, for broadcasters, the real change has been the ability to digitally compress images and sound, so that they can be packaged and transmitted to a global audience at the very highest quality, even in High Definition (HD).

Compression has transformed not only the way we capture images and sound, but also the way we store them in archives and transmit them around the world. At Beijing 2008, a single computer server installed at the International Broadcast Centre (IBC) was able to record over 5,000 hours of live HD broadcast footage and make that footage available for all broadcasters to access. Several store-rooms full of tapes would have been required to do the same thing at the Olympic Games in Atlanta.

However, it has also led to a fragmentation of the audience, as the different media platforms have enabled people to watch footage or receive information from the Olympic Games in a variety of ways. As the volume of information has grown exponentially during the Digital Revolution, so has the accessibility of this information to a global audience. This technology is what lies behind the ability of audiences now to choose, and indeed demand, when, how and where they watch the Olympic Games.

Before I turn to the specifics of our sub-theme today on "Communication with stakeholders in the digital age", I wanted to mention briefly the other two subthemes that form part of this broader discussion of the Digital Revolution: "A new management of sports rights" and "How to increase the size of the sports audience".

In many ways, of course, the three subthemes are interconnected. It is the explosion of information that has brought about the huge growth in audience ratings that we have seen for the Olympic Games over the past 20 years or so. The overall reach of the Games is much greater, even in technologically developing countries. This, in turn, has driven up the value of the broadcasting rights for the Games.

If we look at the figures in the IOC's Beijing Marketing Report[3], the progression is quite clear. In addition to free-to-air broadcast coverage that beat all previous records, the Beijing Games were broadcast over multichannel cable stations in several parts of the world, with mobile video and online interactive television adding to the broadcast total. The numbers speak for themselves:

- The Beijing 2008 YouTube Channel broadcast video-on-demand across 78 territories in Africa, Asia and the Middle East, generating 21 million video views during Games Time;
- NBC in the US recorded 75.5 million online video views;
- CCTV in China recorded 153 million people watching live internet broadcasts;

- In Australia, Channel 7 linked up with Yahoo and recorded four million video views by 2.3 million users;
- In the UK, the BBC reported that 45 % of its audience also watched video online;
- Mobile phone coverage was watched by six million people in the US alone.

So the audience is not only growing; it is also fragmenting and changing. While people may still watch live broadcasts of key events, in full HD with surround sound, they are also likely to watch these broadcasts online, or to study and share special moments and replays via websites, possibly while in contact with friends and colleagues. What we are seeing is not, therefore, the wholesale replacement of traditional media such as television, radio and print, but rather the convergence of these different media, which together deliver multimedia broadcasting to a more varied audience than in the past. It is this convergence that is leading to the increased value of the Olympic rights, as they offer the ability to add value and increase global reach to new audiences. The IOC, in turn, is awarding the rights either to gatekeeper organisations, which ensure they use all the available options for providing a better distribution of the Games in the territories concerned, or alternatively is splitting those rights across different users within the territories.

It is important to consider just for a moment that Olympic broadcast partnerships have been the greatest source of revenue for the Olympic Movement over the last 30 years and more. In turn, the IOC distributes about 92 % of its Olympic marketing revenues to organisations such as National Olympic Committees (NOCs), Olympic teams and athletes.[4] Therefore, maintaining the value of the Olympic Games and the value of the broadcasting rights has to be a key consideration in our discussions, because without these revenues it is impossible for the Olympic Movement to effectively serve its stakeholders.

So now, looking more closely at our sub-theme of "Communication with stakeholders in the digital age", we need to bear in mind these changes and their impact.

Firstly, we need to identify who the stakeholders are. Of course, many of you will be well aware how digital technology and communication affects what you do, but it is worth listing the various parties:

- the IOC;
- NOCs;
- International Federations (IFs);
- Organising Committees for the Olympic Games (OCOGs);
- athletes (including those involved in websites, blogs, Twitter feeds etc.);
- broadcast rights-holders;
- sponsors and partners (including those involved in developing new technologies);
- live audiences, including spectators and live sites;
- remote audiences, including those watching television, accessing internet sites, mobile footage, etc.

For each of these stakeholders we need to consider how the changes in communication platforms are having an impact and take into account the following challenges in helping to spread Olympism:

- increasing audience ratings (particularly among young people and globally);
- protecting exclusivity and the value of event and live broadcast coverage;

- improving remote audience experience, while not detracting from "live" spectator experience;
- generating income from new media, which are traditionally available free of charge or very cheaply to users;
- ensuring the spread of new media to all parts of the world, in particular parts of the developing world where radio and television are still the main sources of communication and internet access is limited.

The power and growth of digital communication is beyond dispute. However, key questions remain about the best way to use this technology:

- **Costs:** Digital technology is costly to implement and maintain, but traditionally audiences are able to access websites and online footage either for free or at minimal cost.
- **Value:** While making the Olympic Games more accessible, it is also critical to maintain the exclusivity and desirability of the event itself, to secure its value both culturally and economically.
- **Sponsors/Advertisers:** Growth in audiences, particularly youth audiences, should lead to greater sponsor and advertising revenues, but this needs balancing against the investment and maintenance costs of appealing to these audiences.
- **Technology:** Digital systems need to be strong and robust; tolerance of failure or breakdowns is very low and can paralyse activities, therefore effective back-up systems are critical.
- **Information/Privacy:** The speed and range of digital communication, while a good thing, can also lead to problems regarding privacy and access to information, e.g. the Caster Semenya gender row. IFs, NOCs and others must be even more careful to protect key stakeholders, in particular athletes, in this environment.
- **Partnerships:** With the increase in the communication tools available, it is important for IFs, NOCs and others to work together to ensure that information is streamlined and not duplicated, so that users are not confused and messages are not mixed.
- **Clarity:** While it is important for the Olympic Games to maintain interest in the years when there are no Games, it is also important that the Olympic message is not diminished or lost amid a constant flow of digital images and reports.

The involvement of the athletes themselves in digital communication is a growing phenomenon and one that raises the possibility of greater audience interaction and social networking. Some athletes are particularly adept at this, for example, Lance Armstrong frequently used Twitter during the 2009 Tour de France, while Roger Federer announced that he was a father through his website blog. However, the contribution of Brazilian NOC representative, Guilherme de Moura Pinto Guimaraes, regarding the Brazilian team internet site that was set up during the Beijing Games, shows that fans and athletes are not necessarily willing to provide online videos as user generated content, though they will actively comment on them.[5] This might become more common in the future, but it is perhaps worth considering that sport might be a "special case" in the growth of digital communications. It should not be automatically assumed that it will develop in the same way as other forms of online entertainment or social networking.

A further consideration is the importance of ensuring that digital communications do not create a two-tier system, whereby those countries with access to the internet and mobile communications have an increasing advantage over those developing countries where communications are still difficult (see contribution from Terry Sasser, Marshall Islands NOC[6]). Although the signs are that technology is developing quickly in

remote corners of the world, it is important that the IOC supports and helps isolated NOCs to develop effective communication systems.

In my role as Managing Director of OBS, it is worth pointing out that we have already been working with the digital technology and tools available to improve and enhance the services provided to broadcasters. In Beijing, we were already working with internet-based broadcasters in territories in Asia and Latin America (i-Cable & Terra), while all rights-holding broadcasters now have access to new-media VandA packages.

OBS also continues to work closely with IFs to improve broadcast coverage of sports, so that it is increasingly "multimedia friendly". This includes providing special feeds for mobile phone distribution. Above all, we are open to ideas and to change, and will continue to work with stakeholders to ensure the continued extension of Olympic broadcast images to new territories and new audiences.

Finally, before we open up this sub-theme for more general discussion, I think it is worth noting that the capture and broadcast of iconic Olympic images and moments is still the essence of the Olympic Movement, and an essential aspect of spreading Olympism and the Olympic message to all parts of the world.

Several contributors have highlighted the importance of this, e.g. Mustapha Larfaoui of the Fédération Internationale de Natation (FINA)[7], pointed out that people still tune in to watch the performances of athletic stars. Similarly, suggestions from the public that the Olympic archive should be made available online reflect the same interest in remembering and reviewing those special moments.

However, what has changed and what continues to evolve is the demand from new audiences to receive the Olympics when, how and where they want, whether via their home television, at a live site, in 3D at a cinema, through their computer or via their mobile phone.

The challenge facing all of us is to continue to capture and broadcast these "moments in time", while also ensuring that they reach a global audience in a way that is relevant, timely and cost-effective. Ultimately, if the IOC communicates effectively with its stakeholders, the message of Olympism will be extended to a truly global audience and will continue to grow.

1. Costas Galanis, "Communicating with Stakeholders in the Digital Age" in XIII Olympic Congress: Contributions, IOC, September 2009, p. 515
2. Paul Deighton, "The Digital Games: London 2012 and Beyond" in XIII Olympic Congress: Contributions, IOC, September 2009, p. 502
3. IOC Marketing Report, Beijing 2008, p.28-35
4. IOC Marketing Report, Beijing 2008, p.21
5. Guilherme de Moura Pinto Guimaraes, "Opportunities for Using Virtual Communities by the Olympic Movement", XIII Olympic Congress: Contributions, IOC, September 2009, p. 513
6. Terry Sasser, "Indigenous Media" in XIII Olympic Congress: Contributions, IOC, September 2009, p. 522
7. Mustapha Larfaoui, "The Use of Media in Sport Promotion" in XIII Olympic Congress: Contributions, IOC, September 2009, p. 507