

NETWORK TAKES CRITICISM OF TAPE DELAYS ON THE CHIN: SAY, ACTUALLY WE SHOULD HAVE DELAYED MORE



NBC can afford to strut and have a swagger about them in the wake of the astounding success of their Olympics broadcast. US athletes topped the medal rankings and their superlative performances drew in viewers by the droves. So much so that it has surpassed the 2008 games in Beijing to become America's most-watched TV event. The U.S. Census Bureau puts the country's population at 311.6 million people, which means that more than two-thirds, around 70 percent of all Americans watched the Olympics at some part or the other. What however, has NBC strutting about is that it sold about \$1.25 billion in advertising, beating the \$850 million for the 2008 Olympics. There was no doubt that NBC put commercial interest above viewers interest and drew immense criticism for not airing more of the games live, but this in the first place was the reason, why their bottom line could show a profit, where they themselves had opined that they stood to lose \$200 million. The average cost of a 30-second spot in prime time was around \$725,000. Advertisers, who came in late, preferring to wait and watch, anticipating a poor response and hoping for bargains, actually had to shell out hefty premiums. What was have been most pleasing to NBC, is that those spots that went for a premium, would have to be aired free had they gone unsold. NBC Sports Chairman Mark Lazarus said, that contrary to what people feel, we think that should have tape-delayed a few more events, specially the U.S. men's gold-medal basketball game and the men's tennis finals between Andy Murray and Roger Federer, which were telecast live. He confessed that financial viability was a serious concern. "It's undeniable we hurt our ratings by doing that," Mr. Lazarus said in a phone interview. "We have to balance what we're trying to do for viewers across the country and our business model." Andy Donchin, director of media investments for Carat North America, an advertising firm said that a major portion of the success should be attributed to the performance of the American athletes, who outclassed the opposition and won a world-best 104 medals, including 46 gold medals. They helped drive ratings, Donchin conceded. Despite the public chorus of disapproval over tape-delaying much looked forward to events, including Michael Phelps's four gold-medal swims and Gabby Douglas's first-place performance in the women's gymnastics all-around, NBC was successful in enticing viewers to watch replays, that too several hours after the events took place. NBC successfully persuaded audiences to tune in several hours after the competitions took place. "In a way, knowing Michael Phelps or Gabby Douglas won a medal may make you watch even more," said Mr. Donchin. "Even tape delayed, you still want to see it." Mr. Lazarus said that the eventual outcomes belied loss productions and that NBC may actually make a profit. He said that ad sales exceed their hopes by 15 to 20 percent. However, a company spokesman, Greg Hughes said, that as accounting is still in process it may takes weeks before the network will know how much it earned, or whether it earned at all? NBC had paid an astronomical \$1.18 billion for the rights to the London Olympics, which analysts had termed "absurd" and "impossible to recover." Projections were dire, that the ratings would be much lower than what Beijing attracted. NBC themselves admitted that they assumed that they stood to lose \$200 million, but it was worth it that it would have made them the brand that aired the Olympics. "The ratings from day one exceeded everyone's expectations," said Todd Gordon, managing director of Magna Global, the media-buying arm of advertising holding company Interpublic Group of Cos. "The ratings were up so much for Beijing I think people really assumed that beating those ratings weren't going to be realistic. To exceed those numbers consistently throughout the games was pretty extraordinary." The unanticipated success has provided the NBC with a guideline for the future that it can milk to good effect, for the next summer games to be held in Rio de Janeiro.