If you havent read, ESPN has come out and said that they will be aggressively bidding for the retransmission rights for the next available Olympics, which will be in 2016. Notice I didnt say TV rights. The battle for the Olympics rights will be in spreadsheet projections done by ESPN, NBC and probably DirecTV (my guess, not based on any info), that will have to take in to account what revenues can be generated on TV advertising (traditional and interactive), through cable/satellite subscription revenues, an ever increasing market size for mobile video and advertising, and of course audio/video and text advertising of all types.

My guess is that ESPN, with their great per sub charges and more trafficed internet sites will feel that they have the advantage over NBC or other bidders simply because they get more revenue per cable subscriber for their networks than NBC does for theirs, they can monetize their internet and mobile traffic in many more ways than nbcolympics.com and ABC can match up to NBC in terms of broadcast TV. With the exception of course that 1080i will always look far better than 720p… but I digress.

If DirecTV gets in the bidding, it will be a simple process. If the retrans rights cost 2Billion dollars, and they can generate revenue per new subscriber of 1k dollars per year, which is probably low for the year 2016, then all they have to do is add 2mm subscribers around the Olympics. All the advertising is gravy. It worked for the NFL, why not the Olympics ?

DirecTV could also push out events to the Discovery branded channels that Liberty Media owns, and probably also do a deal with at least 1, if not more of the broadcast networks. How much would it be worth to the CW Network to pay them for the rights to show some of the 2ndary events during primetime and replays of major events that were previously shown on DirecTV ?

Chase Carey of DirecTV and John Malone are two of the smartest dealmakers out there. It wouldn't be a shock.

So what can NBC, or really any bidder do to give themselves an advantage ? What technology could they monetize in 2016 that would help get a return on their bid that doesn't exist today ?

The answer is simple: The Out of Home Market

How many people can they convince to leave their homes to watch the games in a unique viewing venue. Would people pay 20 bucks to watch Michael Phelps go for medals 17 to 25 in a theater on a 3 story screen in the highest possible quality HD with a thousand other screaming fans ? Would they pay 30 bucks to watch it in 3D ?

Could they get 10mm people into theaters (thats the equivalent of a movie that did about 70mm in box office in 2 weeks). Would people get more excited about the Olympics than they did Batman ?

Would people go to the Royals stadium in KC to watch any of the games on a Daktronics screen that is 12 stories tall with 40k of their friends ? Would they fill 100k in the new Dallas Cowboys or the new Yankees stadiums whose HDTV screens will be even bigger ? How many different nights ? Particularly given that in 2016, those screens will be "old" and probably smaller than the current generation of screens in arenas and stadiums.

Of course it would also not be a stretch to place the biggest screens in existence in open air locations where huge gatherings and related events can take place. Would families pay 50 bucks for a day of Olympics fun outside on 100 acres ? Olympicsalooza anyone ? Why should it be any different than all the events that take place SuperBowl, or NBA or MLB All Star weekends ? Make it a huge party. In 100 cities across the country.

Could you sell 20mm tickets to attend out of home Olympic events at an average of 20 bucks each ? Thats 400mm minus the cut to the theaters, locations, etc of 50pct, or 200mm. Plus of course there is all the non stop advertising that will be built into all of these events. On screen, at stadium/field/farm/theater……

NBC proved that the Olympics can still be a communal event in the USA. Dark Knight proved that if enough people get excited about the same event, if you make it a special event, they will leave their homes to see it. Sports leagues have done an amazing job of building specialty events around the main event. Could technical advances in large stadium screens be a tipping point in the economics and presentation of the Olympics ?

How big can a screen be in 2016 and at what price ? Why not a panoramic emerssive experience in the new Cowboys stadium ? Or a 10 story tall 3D presentation of Olympics Basketball in the American Airlines Arena ? 20k or 50k or 100k people screaming U-S-A and watching on a screen that makes you feel as ifyou were there, is that worth 20 bucks ?

Or did I get it all wrong and all the new excitement in 2016 will be coming across the net through my PC to my TV ■