



MALTA OLYMPIC COMMITTEE Sports Marketing Seminar 2005 7th-9th October Venue: New DOLMEN Hotel, St. Paul's Bay DOLMEN ROOM



“SPONSORSHIP IN SPORT – HOW IS THIS PORTRAYED ON TV: WHAT IS PERMITTED AND WHAT IS NOT WITHIN THE TERMS OF THE BROADCASTING ACT: HOW CAN THIS BE IMPROVED TO REFLECT THE CURRENT SITUATION. WHAT CAN THE BROADCASTING AUTHORITY DO TO ENSURE THAT LOCAL SPORTS IS GIVEN DUE COVERAGE IN THE INTEREST OF THE COMMUNITY”.

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As described by the Institute of Sports Sponsorship (UK), sponsorship is a commercial agreement between a company and a sport organisation to enter into a joint venture to promote their mutual interests. In return for a financial contribution, the sports organisation uses the name of the sponsor for its activities.

The Maltese Broadcasting Act gives a definition of what the term ‘advertising’ means. In Article 2 the term ‘advertising’ is defined as a “any form of announcement broadcast whether in return for payment or for similar consideration, or broadcast for self-promotional purposes by a public or private undertaking in connection with a trade, business, craft or profession in order to promote the supply of goods or services, including immovable property, rights and obligations, in return for payment”

According to the Third Schedule of the Broadcasting Act paragraph 11 “In programmes consisting of autonomous parts, or in sports programmes and similarly structured events and performances comprising intervals, advertising and teleshopping shall only be inserted between the parts of the intervals”.

Back in October 2002 the Broadcasting Authority explained steps which were being taken against certain sports programmes wherein interviews with players and coaches especially football and basketball players where being interviewed in front of large boards which had the name of the sponsors on them. The Broadcasting Authority does not object to the filming of players wearing their gear or tracksuit and which normally have the name of the sponsor of a club, team or individual provided that such clothes are worn at the place where the sports activity is taking place and not in the television station’s studio. Moreover the Authority treats this case as incidental and not as surreptitious advertising. The Authority did take steps against those programmes in which players were interviewed in front of a sponsored billboard, especially in the past where football players or coaches were interviewed in front of a billboard which had the name of a cigarette brand name on it. The Broadcasting Act states that “All forms of advertising and teleshopping for cigarettes and other tobacco products shall be prohibited”. The Authority investigated such programmes and concluded that such advertising and sponsorship cannot be described as incidental but it was a case of surreptitious advertising.



From correspondence exchanged between the Broadcasting Authority and sports associations/organisations, the following points are noteworthy :-

When the X edition of the Games of the Small States of Europe was hosted in 2003, the Authority did not accept to give concession to the Malta Olympic Committee to use a sponsored backdrop in the venue media centres from where television interviews were to be filmed. The Authority answered that it was bound to comply with the pertinent provisions of the Broadcasting Act which do not permit surreptitious advertising.

When Melita Cable p.l.c. asked the Authority whether the company can make available airtime on one of its channels to relay the above-mentioned sports events organised by the Malta Olympic Committee to all subscribers, the Authority did not find any objection as long as Melita Cable p.l.c. complies with the provisions of the Third Schedule to the Broadcasting Act in so far as advertising is concerned. These events were sponsored by various local organisations but Melita confirmed that it was not making any financial gain from the airing of the said promotions.

From time to time the Broadcasting Authority seeks the advice of other European broadcasting regulatory bodies with regard to product placement in sports events and sports programmes. When it was asked by a local sports organisation on product placement in sport programmes, the Authority sought the advice of these regulatory bodies so as to know how they were dealing with such adverts and/or programmes in their respective jurisdiction. These are some guidelines which the Authority received:-

Product Placement during Sports Events

UK – The Independent Television Commission (ITC) follow the rule that when interviews take place in circumstances outside the broadcaster's direct control, for example, at football club's ground, the broadcaster is effectively a guest and cannot insist on conducting interviews anywhere other the place which the host makes available. The broadcaster still has a responsibility to minimise the exposure of the branding through camera techniques. However, if the interview takes place elsewhere, that is on a public street or in a studio then the broadcaster does have full control and should ensure that interviews take place where branding is not present.

Lithuania – One of the Monitoring Rules of the Radio and Television Commission of Lithuania (RTCL) states that "showing of advertising billboards, stands in stadiums, logotypes on equipment, clothes, etc. during the time of broadcasting and re-broadcasting sports and other programmes, is not regarded as advertising". However, if a case is disputable the RTCL would address the Consumers' Council who will decide what kind of advertising that particular case is, if at all.

Danish Radio and Television Board – The Board is not pro-active and mostly reacts when it receives complaints. However, the Board tend to consider interviews conducted in front of a board full of advertisements as incidental advertising and not surreptitious advertising.

Romania – In Romania they addressed such a situation directly to FIFA and UEFA especially with regard to alcoholic drinks adverts that are placed on the sports playground and that may be seen both on television during the games and during the breaks. In Romania they consider such advertising as product placement when interviews with team's coaches and players are held with a board full of adverts in the backdrop. FIFA and UEFA decided that interviews may take place in a special place, on a blue background with no ads to be seen.

Switzerland – The Swiss argue that if there is no remuneration in favour of the broadcaster, there is no advertising in the sense of radio and television law. If the sponsor of the event which appears on the board is at the same time the sponsor of the emission which is broadcasted, that would qualify as surreptitious advertising. They argue that advertising needs a financing relation between the sponsor on the board and the broadcaster.

Cyprus – The Cypriot Radio-Television Authority does not have a strict policy on cases of sports events because in the cases they had, they were unable to categorize the violation of the law under surreptitious advertising. However, in their view, if the station has the option to use a



different background either at the studio or at the location where these interviews take place, then it should be considered responsible for the indirect advertising of any products. If, however, the interview is not organized or hosted by the station and the journalists of that station have no option but to cover the event where it takes place, then the station should not be penalized for transmitting the event.

Hungary – In Hungary the sponsors also demand to show their products or logos during the interviews. These logos or emblems have to be visible. This is classified as product placement. The sponsors have to have a legally binding contract with the player or with the sport association to avoid surreptitious advertising. If there is a legally binding contract it is considered as direct advertising and definitely not incidental or surreptitious. Without the contract the advertising is illegal and the broadcaster is liable of surreptitious advertising. The National Radio and Television Commission Office check whether the sponsor has or does not have a contract with the players or with the sport associations. This Commission Office also classify as surreptitious advertising the companies's emblems or logos are shown during the broadcasting for a relatively long period of time. The Hungarian Media Law regulates broadcasters and looks at it from the consumers' viewpoint in order to establish whether there is any impact on views and listeners who are easily influenced by broadcasters.

After the Broadcasting Authority consulted other European broadcasting regulators, the Authority informed the Malta Football Association that it monitors each programme on a case to case basis depending on the circumstances of each particular case. The Authority distinguishes between interviews wherein the broadcaster has full control of the setting and interviews wherein the broadcaster is the guest. In the first case the broadcaster is responsible of the set up so if any advertising or product placement takes place then it is considered to be surreptitious advertising. In the second instance when the broadcaster is invited to film a game or interviews take place in that same environment, though the broadcaster remains responsible to minimize the exposure of sponsors and advertisements by for instance, using tight camera angles, the Authority does not consider such instances as surreptitious advertising.

Conclusion

As a regulatory authority, the Authority does not make the rules concerning advertising in sports programmes. Such rules have been made by the Maltese Parliament when it enacted the Broadcasting Act itself. What is however, relevant is that the Broadcasting Act complies with the provisions of both the European Union's Television Without Frontiers Directive and the Council of Europe's Transfrontier Television Convention on the subject under review.

While the Authority agrees that sports in Malta has to be helped by third parties and should not be limited, however, the Authority stresses that that each programme be it a sport programme, entertainment and other programme genre will have to abide by the broadcasting laws.

