



This Week in Sports Business: Talking Hockey

Description

With the NHL playoffs underway, and hardcore hockey fans across Canada cheering on the five Canadian teams that made it to the first round, it seems appropriate that a discussion about hockey right now deserves merit.

I'll discuss one of the Canadian teams that did not make the playoffs — the Vancouver Canucks — and how this franchise has further solidified its relationship with one of the largest telecommunications companies in Canada.

New media rights contract for the Vancouver Canucks

Rogers Communications Inc. ([TSX:RCI.B](#))([NYSE:RCI](#)) has just signed a five-year radio contract, believed to be worth \$10 million, with the Vancouver Canucks. This contract replaces the existing \$3.5 million annual contract in place with rival telecom giant **BCE Inc.**, which has been in place for the past 11 years. BCE is the owner of Bell and TSN in Canada, where Vancouver Canucks games have been broadcasted since 2006 when BCE took over the rights from long-time Vancouver station CKNW, which held the radio rights for the three decades prior.

Canucks fans will note that this most recent media rights deal follows two larger and more prominent media rights contracts currently in place with Rogers. The naming rights for the Canucks's arena in downtown Vancouver were purchased on a 10-year term for \$60 million, changing the venue's name from GM Place to Rogers Arena in 2010. The television rights are also owned by Rogers under its Sportsnet banner — rights that are estimated to be worth between \$20 and \$25 million per year to the Canucks.

Vertically integrating media rights across the value chain makes sense for both parties; Rogers can now connect all the dots with respect to the Vancouver hockey market, creating synergies within its television and radio offices, and the Vancouver Canucks receive more streamlined, hockey-focused coverage from one entity instead of two.

The only issue with this large purchase by Rogers is a lack of a hockey-dedicated radio station from which the telecommunications company can make good on its rights purchase. Speculation has

centred on the company's ability to purchase an additional AM station to devote to 24/7 sports coverage; however, nothing has been announced as of yet.

New CEO

In related news, Rogers has just received confirmation that the former CEO of **Telus Corporation**, Joe Natale, has been released from his non-compete and will be free to join the Rogers team in time for the company's annual general meeting on April 19, when he will also be appointed to the board. Mr. Natale has been widely credited with turning around Telus's customer service — poor customer service has plagued Rogers for some time.

Stay Foolish, my friends.

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Date

2025/07/23

Date Created

2017/04/17

Author

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