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Broadcasters fight for soccer viewers

Companies controlled by Berlusconi and Murdoch engage in price war ahead of Serie A kick-off

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Milan: Mediaset SpA and Sky Italia, the competing broadcasters controlled by tycoons Silvio Berlusconi and Rupert Murdoch, are in a price war for soccer viewers.

Berlusconi's Mediaset has slashed the price of a soccer and film subscription package to 14 euros (Dh66.8) a month until the end of 2010 from 29 euros, undercutting Murdoch's Sky Italia offer of 29 euros for either soccer or films. The Serie A season kicks off at the end of August.

"In Italy, soccer is so important that it's the first battlefield to fight," said Giuliano Noci, a marketing professor at Milan's Politecnico University, in an interview.

"In the last two years, broadcasting has completely changed in Italy. Now pay-TV is the centre of the ring."

More than 21 million Italians, or a third of the country, watched Italy's debut match against Paraguay at the 2010 World Cup tournament in South Africa. Mediaset and Sky Italia paid more than 1.5 billion euros to the country's soccer league for the rights to broadcast Serie A for the next two seasons.

Sky Italia's subscriptions dropped by 63,000 in the last three months of 2009 and by 39,000 in the January-March period, the Milan-based company reported in May. At the end of March, Sky Italia had 4.7 million clients, compared with 2.95 million currently at Mediaset's pay-TV unit.

The World Cup soccer championship has led to "strong sales growth and much lower churn" of customers leaving in the fiscal quarter ended in June, Sky Italia chief executive Tom Mockridge said in June. Mediaset didn't broadcast the World Cup.