

MasterChef fails to help the Ten souffle rise twice

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THERE'S no business like show business and TV ratings wonder MasterChef falls squarely into the entertainment category ... in fact the attempts to dress up this cultural phenomenon as something that matters to anyone other than cooks and marketing types are entirely unconvincing.

Even industry researchers, who should know better, have got a bit carried away.

IBIS World, the business research company, has issued a report MasterChef - A recipe for Success where, in what is described as a 'restaurant renaissance', IBIS announced Australia will spend \$10 billion on eating out at 15,000 cafes and restaurants over the next year.

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IBIS then went on to forecast the catering and food services business in 2010-11 would grow by all of 3.5 per cent, which is, well, nothing much really. The wider economy is due to grow about the same rate (3.25 per cent), which means MasterChef is having no significant economic effect on the food trade at all. Separately, there's been an entertaining burst of reports to the effect that Coles, the giant supermarket group that hit it lucky as a key sponsor of the Channel Ten show, has been graced with good fortune thanks to the TV program.

Coles, now a division of Wesfarmers, finds out what recipes are going to feature on the show in advance and then runs special campaigns through the supermarket aisles on the back of those recipes. As a result, the sales of related items can jump the next day. We hear the sales of pistachio nuts have more than doubled the morning after featuring in a MasterChef recipe. Similarly, red cabbage sales have risen 89 per cent ... but it's one day's sales among the thousands of 'lines' any supermarket would carry. In terms of annual sales, it's a grain of couscous.

As for the immediate success of Ten's show and its anticipated millions of viewers tonight, it would be nice to think it is a breakthrough in television. But it's not.

It may well be the richest show in Australian TV history by virtue of the number of product placements packed into its family-friendly format. But a single program does not a television station make.

Channel Ten hit a golden patch back in the late 1990s when it became fleetingly successful under John McAlpine. And yes, advertising revenue has lifted at Ten in the wake of MasterChef.

But Ten is a soufflé that won't rise twice. A decade after the McAlpine era (when the stock hit \$2.79), Ten Network closed on Friday at \$1.67.

Fund manager Roger Montgomery has calculated that Ten Network has virtually trod water for more than 10 years with an average compound growth of just 4.8 per cent and profitability levels that have not been sufficient to cover dividends.

Even within the narrow sphere of television market share, there is little evidence that MasterChef has made much difference for the network. According to accountants KPMG, Ten's overall share of commercial free-to-air revenue in the six months to June 30 is 28.9 per cent - virtually unchanged from the same period a year earlier when it was 28.3 per cent.

That's not to say MasterChef won't make money for some. Well done to the show's production company, Fremantle Media. Best of luck to the merchandisers, the booksellers, the advertisers. Let's even say hat's off to Jimmy Seervia, the show's 'curry king', who failed to make the final but has been loudly making plans for his own restaurant.

What we're talking about here is a blizzard of commonplace business initiatives linked with a food show. It's all great fun, just don't take it ... well, seriously.