

2011

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London 2012 Olympics Update...Keep Calm and Carry On

The London 2012 Olympics will play a significant role in the Out of Home landscape and will certainly influence the performance of UK media next year as this landmark event wrestles with the economy to determine commercial and consumer sentiment in 2012.

With the majority of sponsors sufficiently organised to have settled on their Out of Home inventory, the opportunity is now incumbent upon non-sponsors who either wish to capitalise on the energy surrounding the Games or have an Out of Home presence in key areas next summer. This will ensure their commitment to the medium maximises impact from the buzz and excitement of huge audiences in and around the event.



Excitement rising

Our research has tracked the anticipation of Londoners and people across the UK since April 2010. This summer saw the Olympics return to favour in the eyes of the British public, after a brief fall in popularity. We saw approval levels return to their peak of around 40% across the UK; rising to over half amongst Londoners.

The slump in consumer engagement in May followed the sale and distribution of tickets, but positive publicity around a series of test events such as BMX racing and beach volleyball staged during the summer, plus the twelve-month

countdown have helped to boost interest and anticipation around the Games.



Our latest insight - hot off the press in October 2011 - shows excitement has risen to 56% amongst Londoners and that 27% (13% nationally) have been inspired by the Olympics to participate in more sport than previously.

Kinetic's research also points to a significant boost for London's leisure and retail industries, with visitors anticipating considerable leisure expenditure around the Games, capitalising on numerous street and cultural activities around the events themselves.

The Cultural Olympiad was a key part of the UK's bid to host the Olympics and reintroduces the cultural element of the Modern Games. Hundreds of events around the country from a few hundred attendees to well over a million will amplify the impact of the entire event and bring mobility and excitement to urban areas across the country. These will kick-off as early as April and culminate in a series of official events between June and September.

Inventory Sales

Sponsors have been protected by Acts of Parliament and we estimate up to £40m worth of designated vicinity and spectacular Out of Home space was pre-sold during LOCOG's auction process earlier this year. This activity focused on four key areas; the Olympic Park itself, Arrivals at London Heathrow, in-bound A4/M4 routes and key London

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transport hubs and nodes. We estimate this will equate to about half of the total sponsor spend for the Olympic period, and about a third of their total spend, including the lead up to the Games.

All unsold space was released to the market in July with attention switching to ensuring non-sponsors wishing to get their message in front of huge audiences at this time have sufficient visibility on available opportunities (outside vicinity sites) to maximise their communication strategies next year.

Real opportunity exists for non-sponsors to generate impact amongst Olympic audiences, including rail routes through the Olympic Park itself (London Overground and the DLR) and interior opportunities at Westfield's new retail village, Stratford City. Additional opportunities are likely to come to market around Stratford, including exterior locations at the Westfield site that were initially thought to be only available to sponsors. From July, media owners have been free to trade unsold and new media space outside the vicinity restrictions, whilst new opportunities that offer significant legacy impact will likely receive positive planning response from local authorities. *Please talk to Kinetic to find out more about such opportunities now coming into the market.*

Other sites need to be judged on their own merits of location, audience and relevance. Some new opportunities will exist around the St Pancras hub, whilst a central London amplification of existing assets, experiential opportunities, plus new digital opportunities at Euston (JCDecaux), across the new roadside digital 6s network (Clear Channel), and significant London digital locations from Ocean, Primesight and Outdoor Plus all represent impactful opportunities to engage with the Olympic audience.

The market remains open across the period, although some formats are heavily sold already and advertisers will struggle to get visibility in a small number of formats like London bus T-sides, London Taxis, London Underground LCDs, London 96 sheets and selected transport hubs. Significant opportunities remain across London's streets and environments and we expect lead-times to lengthen significantly across this time. Nationally, there is still huge opportunity for the medium. There is considerable excitement across the country and this will grow exponentially the closer we get, particularly as non-Londoners build their excitement around performances and the scale of the event coming to Britain.

Ambush marketing propensity?

Clear distinction should be made between non-sponsors capitalising on the opportunities next summer and the threat of ambush marketing that such occasions consistently attract. Marketers have recently been warned that they face

the risk of a criminal conviction if their brand appears in any ambush marketing during the London 2012 Olympics.

Under a proposed amendment to the Olympics Act 2006, the customary burden of proof for criminal cases will likely be reversed making senior marketers potentially liable for any ambush activity unless they can prove it took place without their knowledge, or that they took reasonable steps to prevent it.



“Real opportunity exists for non-sponsors to maximise impact amongst Olympic audiences, including the Olympic Park itself.”

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Other Media

The impact of the whole Olympics event on the media will create an advertising environment unlike any other comparable period. As part of this media and marketing sporting nexus, Out of Home will literally be on show to an excited and amplified audience. Unpredictable television viewing - the Games will be covered extensively by the BBC - will create an estimated 25% media TV inflation as commercial audiences fall and viewing in locations out of the home advances. This will create unheralded commercial TV demand either side of the Games, remembering that in addition we have a European Football championships in June. Demand will be erratic and brands will want to generate a strong and guaranteed effect by using multiple media formats to guarantee reach and value. In addition, the impact of both the Queen's Jubilee and the Cultural Olympiad will likely still further Out of Home demand.

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Increasingly, we're hearing about the legacy requirements of the Games, in the context of value and environment. Part of this process will be the considerable investment made in the Out of Home medium, both in terms of plant and digital capability that will ensure Out of Home is brilliantly showcased during the Games itself and there is lasting impact that clearly highlights the change and impact of the medium.

Kinetic, October 2011



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