



Press Information

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KANTAR MEDIA 2010 WINTER OLYMPICS ADVERTISING FACT PACK

*800 hours of coverage, possible inventory of 9,000 ad minutes
hold potential to thaw Winter 2010 ad spending*

New York, NY, January 15, 2010 – The countdown is on to the XXI Olympic Winter Games, to be held in Vancouver from February 12-28, 2010. Spectators and TV viewers around the world will watch the athletes compete on snow and ice where the ever-present danger of a crash or fall adds to the drama. In another competition, advertisers will go head-to-head and try to leverage the Olympics for the benefit of their brands. Like the athletes, the sponsors also hope to cross the finish line without slipping and earn gold.

“While the Winter Olympics have not had the same impact or audience as the Summer games, they are an important and unique platform for advertisers,” says Mark Nesbitt, President of Kantar Media’s Intelligence sector. “With the expanded hours of coverage available due to broadcast of events on the sister cable channels of NBC, the opportunity presents itself for a broad and diverse cross-section of advertisers to stake a presence.”

Kantar Media has mined its extensive database to compile a variety of statistics and insights on Winter Olympic advertising.

TV Ad Revenue vs. Rights Fees

TV ad expenditures in the Winter Olympics have increased as the networks add inventory through more hours of coverage (primarily on their sister cable channels) to help offset escalating rights fees. Production costs are a further expense. For the Vancouver games, NBC has told investors it expects to lose money.

Winter Olympics: TV Ad Revenue ¹ and Rights Fees					
Year	Location	Net-work	Hrs of TV Coverage	TV Ad Spending (millions)	TV Rights Fees (millions)
1998	Nagano	CBS	124	\$ 459.4	\$ 375.0
2002	Salt Lake City	NBC	376	\$ 772.7	\$ 545.0
2006	Torino	NBC	398	\$ 830.9	\$ 613.0

¹ TV ad revenue includes broadcast network plus cable network

Sources: Kantar Media; USA Today; NBC; IOC

TV Rights Fees Have Increased Three-Fold In Twenty Years

Domestic television rights fees for the Winter Olympics are typically 30-40 percent lower than the Summer games, reflecting the narrower audience appeal of winter sports. Both sets of games have achieved a trebling of rights fees over the past six quadrennial cycles.

Summer Olympics			Winter Olympics				Winter vs. Summer Games
Year	Location	Rights Fees (Million)	Year	Location	Rights Fees (million)		
1992	Barcelona	\$401	1992	Albertville	\$243	-39%	
1996	Atlanta	\$456	1994	Lillehammer	\$300	-34%	
2000	Sydney	\$705	1998	Nagano	\$375	-47%	
2004	Athens	\$793	2002	Salt Lake City	\$545	-31%	
2008	Beijing	\$894	2006	Torino	\$613	-31%	
2012	London	\$1,181	2010	Vancouver	\$820	-31%	

Sources: USA Today; NBC; IOC

More Hours Of Coverage Equals More Ad Inventory

As TV coverage of the Winter Olympics has expanded, so has the supply of commercial inventory and the volume of ads aired:

TV Commercials In The Winter Olympics			
	1998	2002	2006
Hrs of Programming	124	376	398
# of Ad Minutes Aired	1,648	3,767	4,452
Source: Kantar Media			

NBC has said it will air over 800 hours of coverage from Vancouver on its broadcast and cable networks, or more than double the amount it transmitted in 2006. If the proportion of commercial time remains constant, the 2010 Olympics could contain upwards of 9,000 total ad minutes.

Ad Pricing

The overall average price for a 30 second unit in the 2006 Winter Olympics was \$224,600. The amount paid by individual marketers can vary considerably depending on how much ad time is purchased, the mix of premium and non-premium inventory, packaging of the Olympics with other programming on the network's schedule inventory and other negotiable factors.

One outcome of more programming hours is audience dilution as viewers distribute their Olympic tuning across the spectrum of available channels and hours. The fragmented audience holds down the *average* price per unit, even as it leads to more total revenue.

Average Price of a :30 Unit		
<u>1998</u>	<u>2002</u>	<u>2006</u>
\$180.5	\$225.9	\$224.6
Source: Kantar Media		

More Advertisers Are Participating In The Winter Olympics

The extra inventory has enabled more advertisers to buy time in the event. However, a small number of marketers enjoy dominant positions. On average, the top five advertisers have recently accounted for more than 30% of total ad spend and the top ten have been about 50% of the gross dollar volume.

	Winter Olympics: % Share of Total Ad Spending By Top Advertisers		
	<u>1998</u>	<u>2002</u>	<u>2006</u>
Top 5 Advertisers	36%	31%	32%
Top 10 Advertisers	53%	46%	50%
Total # of Advertisers	96	156	210
Source: Kantar Media			

Leading Advertisers

The top ten advertisers in the 2006 Torino games spent a total of \$413.5 million to pitch their messages at viewers. In each Olympics (Winter and Summer), most of the highest spending advertisers also have top-level sponsorship deals with either the global International Olympic Committee (IOC) or the domestic United States Olympic Committee (USOC) that confer additional marketing opportunities, including use of the Olympics rings symbol.

2006 Winter Olympics: Leading TV Advertisers				
Rank	Advertiser	Ad Spend (millions)	Sponsor Of:	
1	General Motors Corp	\$111.6		USOC
2	Visa USA Inc	\$50.3	IOC	
3	Coca-Cola Co	\$34.6	IOC	
4	Anheuser-Busch InBev	\$33.7		USOC
5	McDonalds Corp	\$33.6	IOC	
6	Procter & Gamble Co	\$32.4		
7	AT&T Inc	\$31.9		USOC
8	Exxon Mobil Corp	\$29.3		
9	Allstate Corp	\$28.1		USOC
10	General Electric Co	\$28.0	IOC	
Total, Top 10		\$413.5		
11	Home Depot Inc	\$22.1		USOC
14	Lenovo Group Ltd	\$20.2	IOC	
20	Bank of America	\$9.5		USOC

Source: Kantar Media

Top Ad Categories

The leading ad categories in the Winter Olympics are a reflection of the Top Advertiser list, since many of those elite companies have exclusivity deals that limit access by their main rivals. The Top 5 categories in 2006 invested \$403.2 million and accounted for almost 49% of the total TV ad revenue

2006 Winter Olympics: Leading Ad Categories			
Rank	Category	Ad Spend (millions)	% Share
1	Automotive	\$156.7	18.9%
2	Financial Services	\$79.4	9.6%
3	Telecommunications	\$58.1	7.0%
4	Retailers	\$57.5	6.9%
5	Restaurants	\$51.5	6.2%
Total, Top 5		\$403.2	48.5%

Source: Kantar Media

The Health of the Olympic Brand

The Olympic brand is experiencing some duress as several large marketers have opted to drop their expensive sponsorship deals with the IOC or USOC as they've come up for renewal during the past two years. Both organizations have found it tough to sign replacement sponsors, given the austere economic climate and concerns about the ROI of the Olympic-size expenditure.

Since 2008, four companies have declined to renew their IOC partnerships – Lenovo; Johnson & Johnson; Kodak; and Manulife. Only one replacement has come on board – Acer, the Taiwan-based PC manufacturer. In the same period, the USOC has lost Bank of America, General Motors and Home Depot as top-tier partners, while signing on Procter & Gamble.

About Kantar Media

Established in more than 50 countries, Kantar Media enables exploration of multimedia momentum through analysis of print, radio, TV, internet, social media, and outdoors worldwide. Kantar Media offers a full range of media insights and audience measurement services through its global business sectors – Intelligence, Audiences and TGI & Custom. Combining the deepest expertise in the industry, Kantar Media tracks more than 3 million brands and delivers insights to more than 22,000 customers around the world. (<http://www.KantarMediaNA.com>).

About Kantar

Kantar is one of the world's largest insight, information and consultancy networks. By uniting the diverse talents of its 13 specialist companies, the group aims to become the pre-eminent provider of compelling and inspirational insights for the global business community. Its 26,500 employees work across 95 countries and across the whole spectrum of research and consultancy disciplines, enabling the group to offer clients business insights at each and every point of the consumer cycle. The group's services are employed by over half of the Fortune Top 500 companies.

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