2021 OLYMPICS

MiQ

WHAT MARKETERS NEED TO KNOW

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THE 2021 OLYMPICS BY NUMBERS

4bn

The **expected global viewership** of the 2021 Olympic Games to be held in Tokyo

1.3bn

People who are **expected to show interest** in the 2021 Olympics online

128%

The **increase in consumption of online videos during the last Winter Olympics**, when compared to the 2014 Winter Games in Sochi

206

The **number of IOC-recognized countries** competing in the 2021 Olympics

339

The **number of events** to be featured at the 2021 Olympics across 33 sports

220

The **number of countries** where the Olympics will be broadcast

$1.2bn

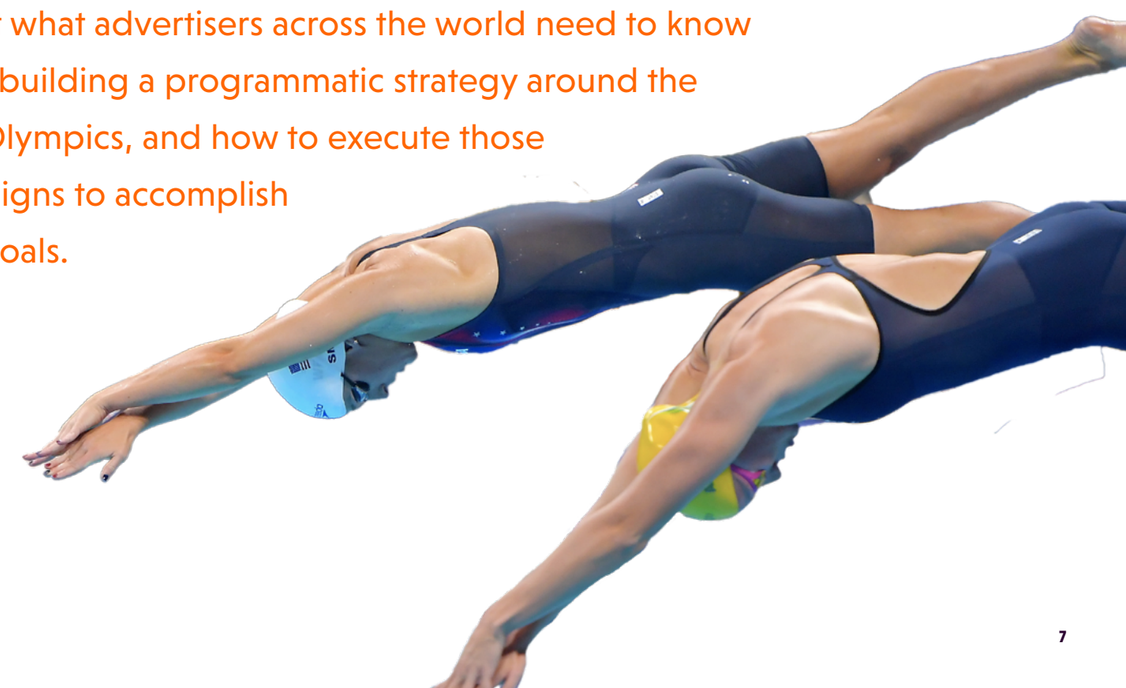
The amount, in USD, of advertising revenue NBC expects to be spent on this year's Olympics in the United States

Source: Hollywood reporter, IOC Marketing Report

Postponed to 2021, the Tokyo Olympic games have become a kind of symbolic "light at the end of the tunnel" for both consumers and advertisers. Participants will undergo regular rapid testing, potentially mandatory vaccinations, and tight schedules and controls as the events take place. In addition to the 4bn estimated TV viewers, more than 1.3bn people will engage with the Olympics online.

As consumer habits around sports consumption have changed over the last eight years, interest in online streaming for sports content has exploded, as subscriptions and viewership for streaming services have grown rapidly. Nearly 90% of internet users in the United States, United Kingdom, and Canada have subscriptions (paid or unpaid) to one or more streaming services. In India, 96% of the country's estimated 45m active monthly internet users have a subscription to one or more streaming services, with Disney-owned Hotstar being the most popular. In May 2019, Hotstar set a new record for sports streaming viewership when 18.6m concurrent viewers watched the deciding game of the 12th edition of the Indian Premier League cricket tournament.

Consumers now watch, read about, and discuss the Olympics online like never before and, as brands gear up for the opportunity to reach these people after months of disruption, they'll need to understand these habits and develop a programmatic strategy that incorporates this behavior and uses data to reach fans at the right times on the right devices. In this report, we'll look at what advertisers across the world need to know about building a programmatic strategy around the 2021 Olympics, and how to execute those campaigns to accomplish their goals.



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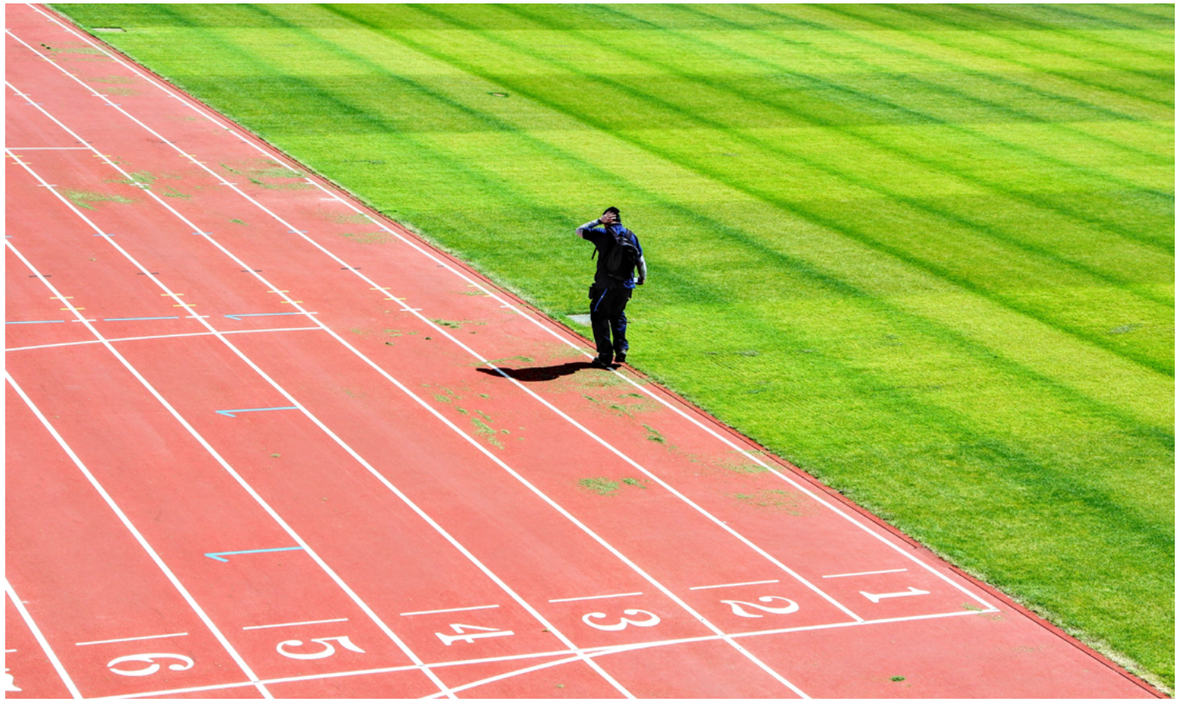
The Olympic Opportunity

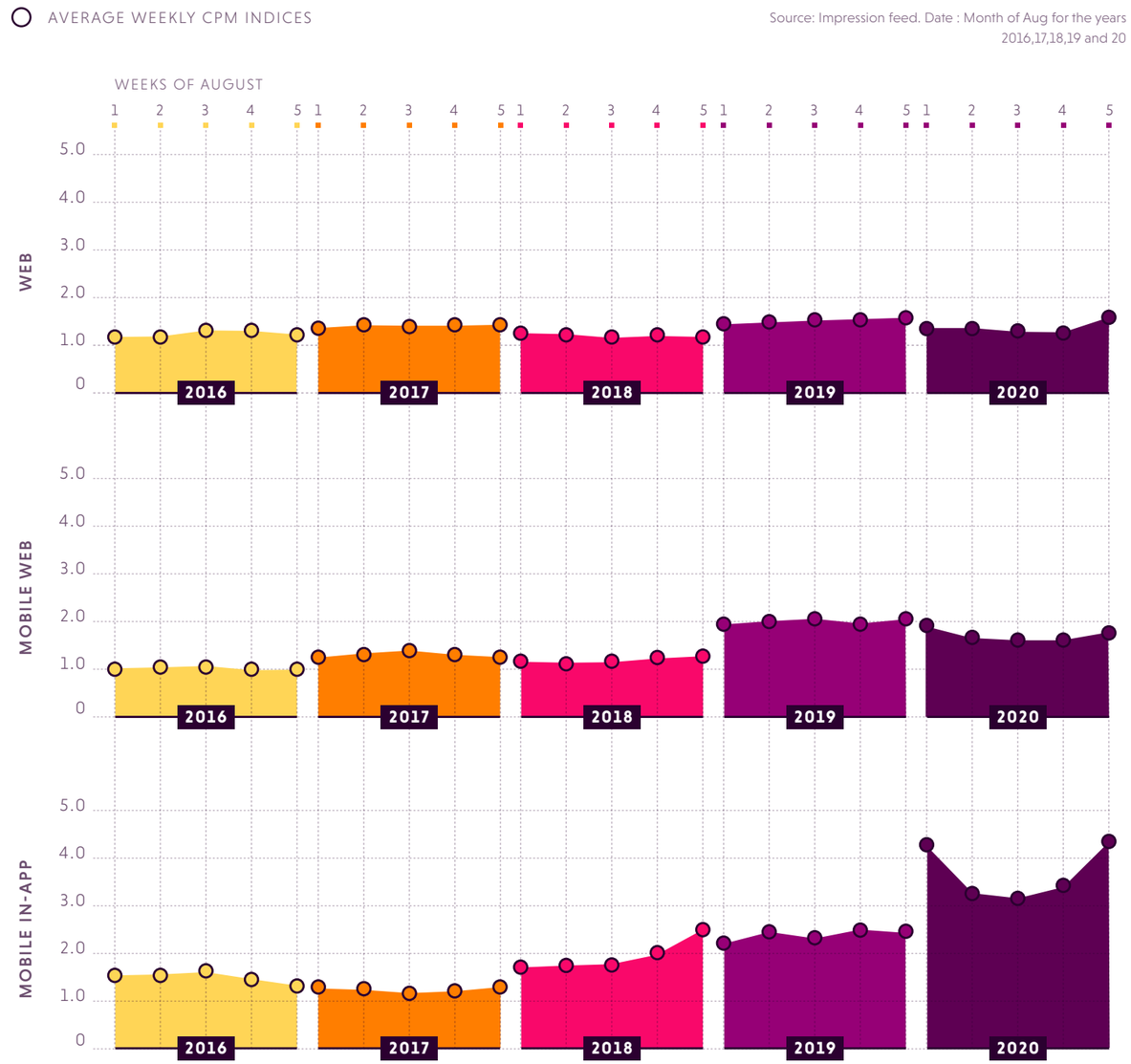
THE EFFECTS OF THE OLYMPICS ON DIGITAL INVENTORY

The 2016 Summer Olympics in Rio marked a major transition in viewing habits towards digital channels and cross-channel experiences. Out of the 482 advertisers who ran TV ads on US TV during Olympics programming, 349 were also running digital display ad campaigns. Among these, more than half (58%) also ran ads on mobile platforms.

Since 2016, the industry and consumer habits have continued to evolve, creating new digital opportunities for brands. But while things have changed significantly since 2016, there are still important lessons we can learn from the 2016 Summer Olympics in terms of how audiences responded and the impact of the Olympics on media costs and availability. These findings can help us build smarter targeting strategies and forecast inventory availability during the events.



CPM VARIATIONS OBSERVED IN AUGUST FOR THE LAST FOUR YEARS BY CHANNEL- BASE YEAR (2016)



While historically we have seen some increase in inventory costs over the month of August as entertainment schedules ramp up and fall advertising campaigns kick into gear, we can see a sharp increase in 2016 during weeks two, three and four of August for desktop inventory and in week three specifically for mobile in-app inventory costs. We can also see how increased demand increased costs for mobile inventory over the last year, with inventory costs increasing by as much as 76% from 2016.

Of course, these kinds of global trends are not the same in every region. Inventory prices are most affected during the Olympics in Australia, Canada, and the United Kingdom, where mobile in-app inventory is likely to increase significantly in price.

The net result is that reaching fans during the Olympics is slightly more expensive, but an experienced trading team can identify this in advance and adjust campaign bidding strategies accordingly.

THE IMPACT OF THE OLYMPICS ON INVENTORY PRICES, BY REGION

IN-APP MOBILE WEB

PERCENT CHANGE IN CPM PRICING ON DAYS WHEN OLYMPICS EVENTS OCCUR

Source: Impression feed, date range: August 2016

CHANGE IN INVENTORY PRICE INDEX BY REGION AND CHANNEL, COMPARED TO 2016

IN-APP MOBILE WEB

Source: Impression feed, date range : August 2016 / Aug 2019 / Aug 2020

REGION	SUPPLY TYPE	PERCENTAGE CHANGE IN PRICING - 2016 VS. 2019	PERCENTAGE CHANGE IN PRICING - 2016 VS. 2020
AUSTRALIA	IN-APP	5%	-8%
	MOBILE	-1%	6%
	WEB	82%	46%
CANADA	IN-APP	55%	-10%
	MOBILE	13%	-29%
	WEB	329%	46%
GERMANY	IN-APP	-33%	-10%
	MOBILE	26%	7%
	WEB	-30%	71%
SINGAPORE	IN-APP	-80%	-86%
	MOBILE	165%	116%
	WEB	-36%	229%
UK	IN-APP	46%	18%
	MOBILE	161%	71%
	WEB	166%	31%
USA	IN-APP	7%	1%
	MOBILE	70%	52%
	WEB	33%	64%

SITE TRENDS DURING THE GAMES

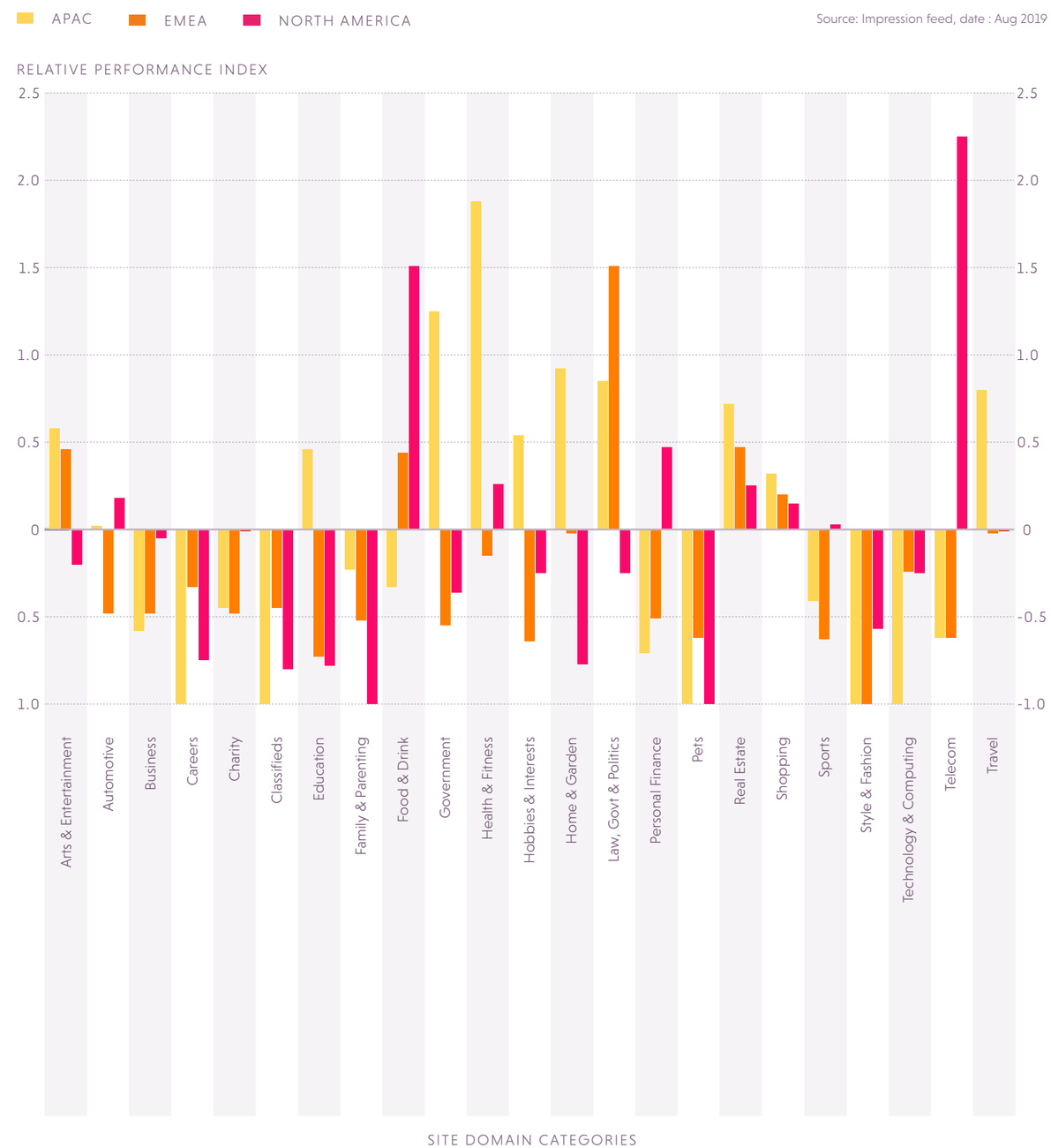
As mobile inventory and usage increased, mobile became the preferred channel for advertisers during the 2016 Olympic games. Not only did spend increase, performance on mobile yielded better results: ads served on mobile web during the 2016 Olympics accounted for a 36% lower cost-per-action metric when compared to non-Olympic Augusts.

This is particularly impressive considering that average CPMs for in-app inventory increased by more than 10% during those times, while performance improved by only 4% on mobile web and desktop, despite inventory costs holding steady or in-line with seasonal trends.

For advertisers, there's always a temptation to focus purely on contextually relevant inventory, though that may not make the most economic sense during the Olympics, particularly for brands whose products aren't heavily sports-focused.

Looking at ad serving data for more than three billion impressions served in August 2019 across the US, UK, Canada, Australia, and Germany shows that while inventory costs generally decreased by 6% during the Olympics, inventory costs for impressions on sports domains increased by as much as 73%. As a result, ads served on those domains either struggled or failed to meet their CPA goals, while ads served on food and drink domains for the same campaigns drove success metrics 2x to 3x higher at 76% of the cost. In Australia/New Zealand and Southeast Asia, health and fitness and parenting sites also provided similar results for advertisers, with 1.7x higher average performance.

INVENTORY SHIFTS IN EARLY AUGUST, BY REGION AND SITE CATEGORY



THE IMPACT OF COVID-19

As consumers spent more time indoors following the global outbreak of COVID-19, digital content consumption - and as a result, digital inventory - exploded. Many consumers became much more comfortable with watching sports and entertainment content on their computers and mobile phones. In many ways, COVID accelerated existing long-term shifts to digital, and the Olympics should be no exception, where digital engagement has been steadily increasing as a proportion of viewing in Western countries.

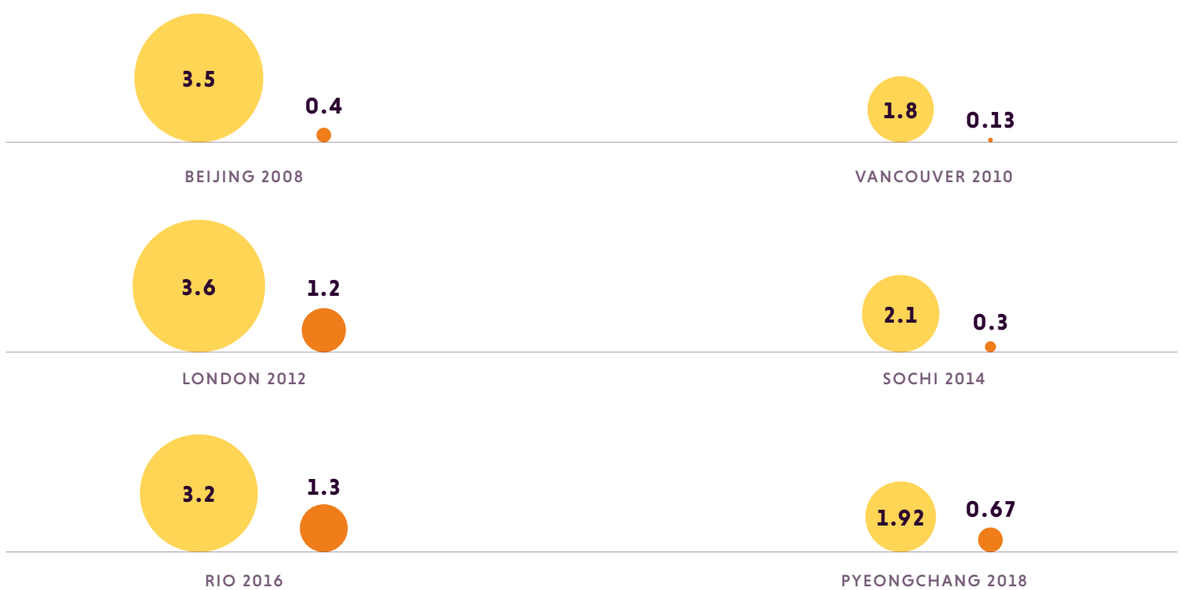
The increase in inventory has been accompanied by an increase in advertiser interest as well, however - advertisers became increasingly aware of the value of digital inventory in 2020, particularly on connected TVs. As a result, inventory prices in many regions also rose, particularly in the US and UK.

As we head into 2021, many consumers are already excited about the upcoming Olympic games and were searching for relevant content in December.

DIGITAL VS TRADITIONAL VIEWING FOR THE OLYMPICS, BY YEAR

DIGITAL REACH (IN BILLIONS) — TELEVISION AUDIENCE (IN BILLIONS)

Source: Olympics Marketing Factfile, 2020

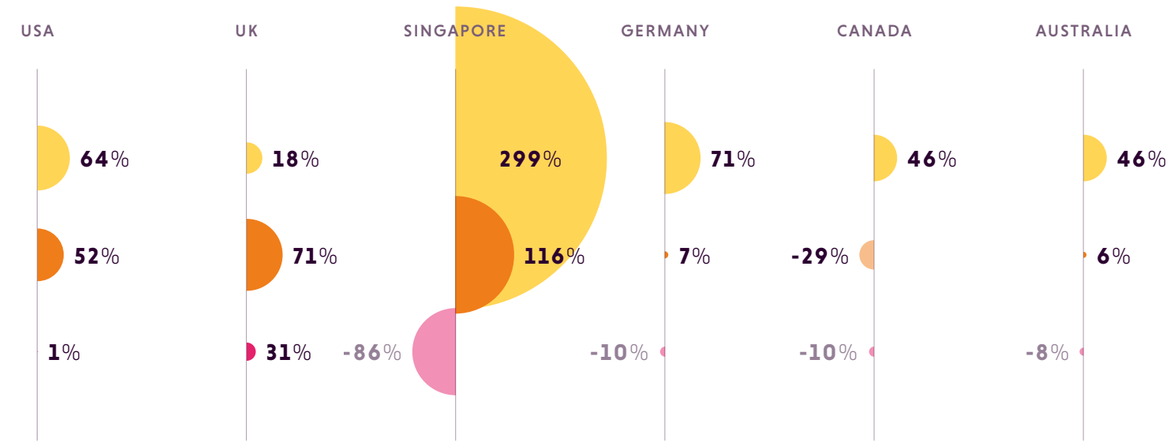


CHANGES IN INVENTORY PRICING DURING THE OLYMPICS, BY REGION AND CHANNEL

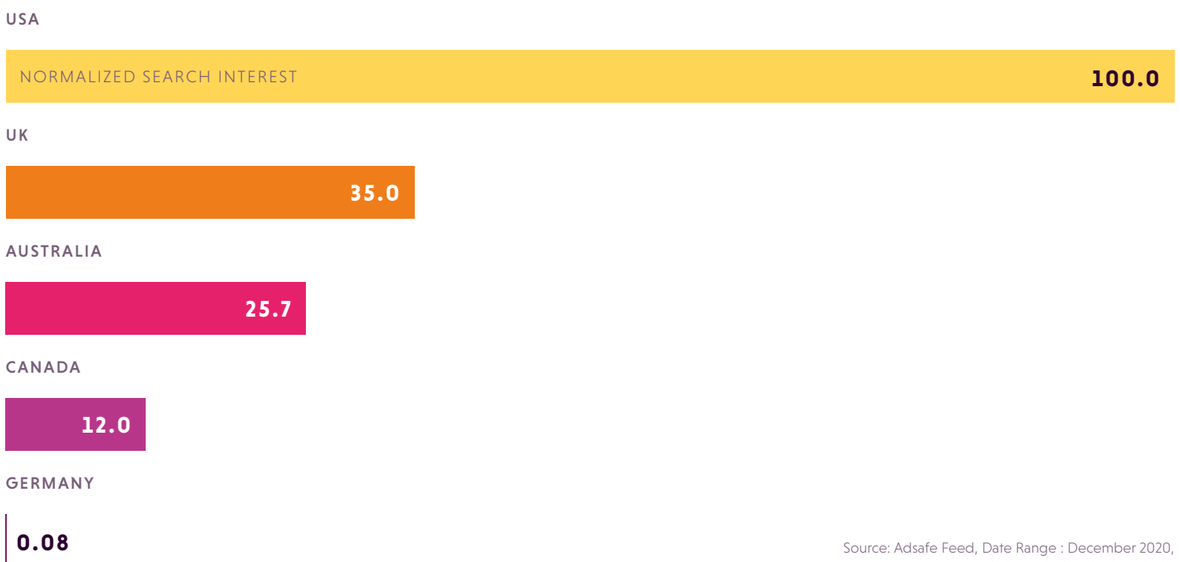
IN-APP — MOBILE — WEB

REGION & SUPPLY TYPE / PERCENTAGE CHANGE IN PRICING

Source: Impression feed, Aug 2020 and Aug 2016



NORMALIZED SEARCH INTEREST BY REGION - THE US LEADS IN OLYMPICS FANS



Source: Adsafe Feed, Date Range : December 2020, keyword : '%Olympics%' , '%olympics%'

TACKLING THE TIME-ZONE CHALLENGE

Many advertisers, particularly those in the United States, Canada, and Western Europe, are concerned with the time difference difficulties a Japanese Olympics will create. A 13-hour time-delay between New York and Tokyo or an 8-hour lag between London and Tokyo means fewer live events being broadcast in North America and Europe, which means that Olympics fans who have already read about results online may be less interested in watching the events with a time delay. This may actually be a major concern for advertisers looking to use live events to create shared experiences.

But this just makes having a digital strategy all the more important.

Take the Rugby World Cup that took place in Tokyo in 2019, for example. Rugby has an extremely strong fan base across Europe and a small, but growing fan base across North America. But the inconvenient timings for the live events seriously restricted the live audience across the major markets. There are two major consequences to this:

Ratings surged in the Asian and Australian markets, where live viewership has grown substantially.

Interest in digital content such as extended highlights has increased significantly in the time-lagged markets. Viewership for video highlights on YouTube for World Cup games involving European teams soared, and search interest for related videos in Europe and the US increased by 38% and 29%, respectively, compared to the prior Rugby World Cup held in the UK. The majority of these searches occur in the evenings in the US and UK, when fans can catch up on matches they missed.

This growing interest shows not just how interest in Rugby has increased over the past few years but also how interest for Olympics content among those who can't watch the live events or wait for them to be rebroadcast will play out. This underlines the need for a digital strategy to reach Olympics fans who otherwise won't wait for your TV ads to air.

But given that the audience for the Rugby World Cup is considerably smaller and might have only small overlap with the exponentially larger Olympics audience, we decided to dive deeper. In order to achieve this, we looked at the 2018 Winter Olympics in Pyeongchang, with a similar time difference, for a stronger comparison.

NBC, the official broadcasters for the Olympic Games in the United States, made the conscious decision to air the Winter Olympics live to both address criticisms from the Sochi Olympics and also to attempt to halt a potential decline in ratings that might result from the circulation of "spoilers" on social media prior to a rebroadcast. And, despite a flourishing streaming channel and the availability of live programming over cable, the Pyeongchang Olympics witnessed the smallest average viewership since the 1998 Winter Olympics.

Even within the declining audience strata, the digital audience for the event continued to wax, with over 2.18bn minutes of digital video content consumed - more than three times the amount of content consumed during the previous Olympics. This viewership is only likely to increase as cord cutting trends in Europe and North America continue to create more digital-first viewers, something that COVID-19 accelerated throughout last year.

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Connected TV sports viewing trends

Throughout the COVID lockdown, consumers have turned to their screens for comfort, to stay informed, and to stay entertained. Using data from our partnerships with Vizio and LG in the United States and Samba TV in Australia, we can look at how viewers engaged with sports content in 2020 and how that changed over the year. These two countries will also give us a strong blueprint for looking at both live and time-shifted viewership, thanks to their relative distance from the Tokyo time zone.

AUSTRALIA

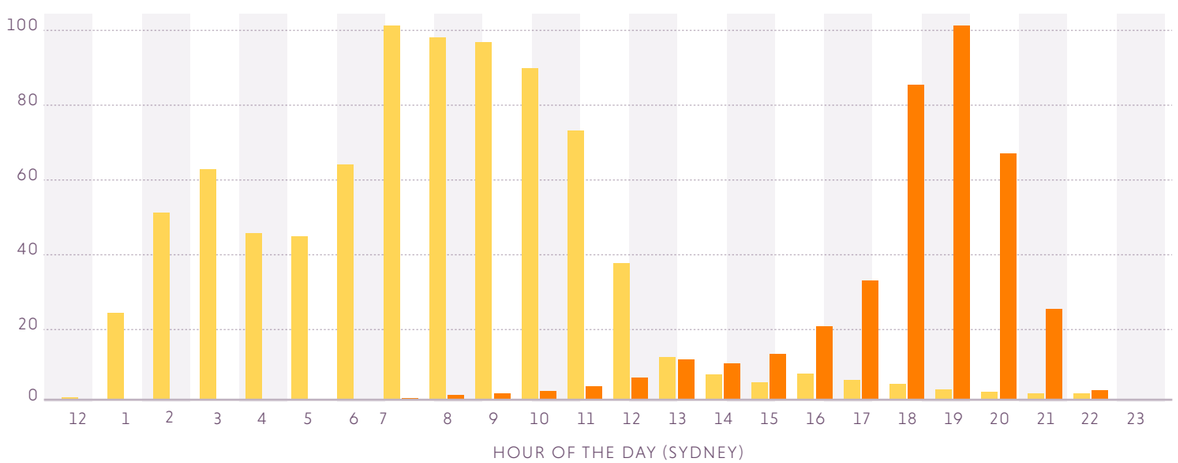
As Sydney is only two hours ahead of Tokyo, it's likely we'll see a massive uptick in Olympics viewership this year, particularly since Australian sports viewers are already fond of both national and international sporting events.

AUSTRALIAN CONNECTED TV VIEWING FOR NATIONAL AND INTERNATIONAL SPORTING EVENTS

AMERICAN SPORTS AUSTRALIAN SPORTS

NORMALIZED TV VIEWERSHIP

Source: TV data feed, date range: Jul 2020- 18th Dec 2020

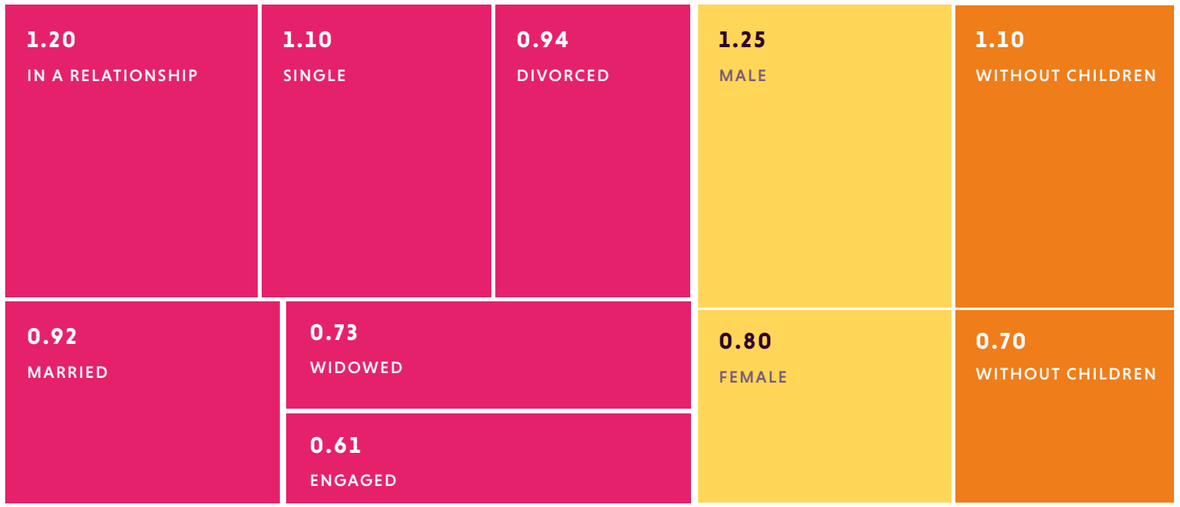


AUSTRALIAN SPORTS FANS DEMOGRAPHICS

GENDER LIFESTYLE RELATIONSHIP STATUS

LIKLIHOOD INDEX AGGREGATED ACROSS AUSTRALIA

Source: TV data feed



AUSTRALIAN TV VIEWERS

AMERICAN SPORTS AUSTRALIAN SPORTS

LIKLIHOOD INDEX

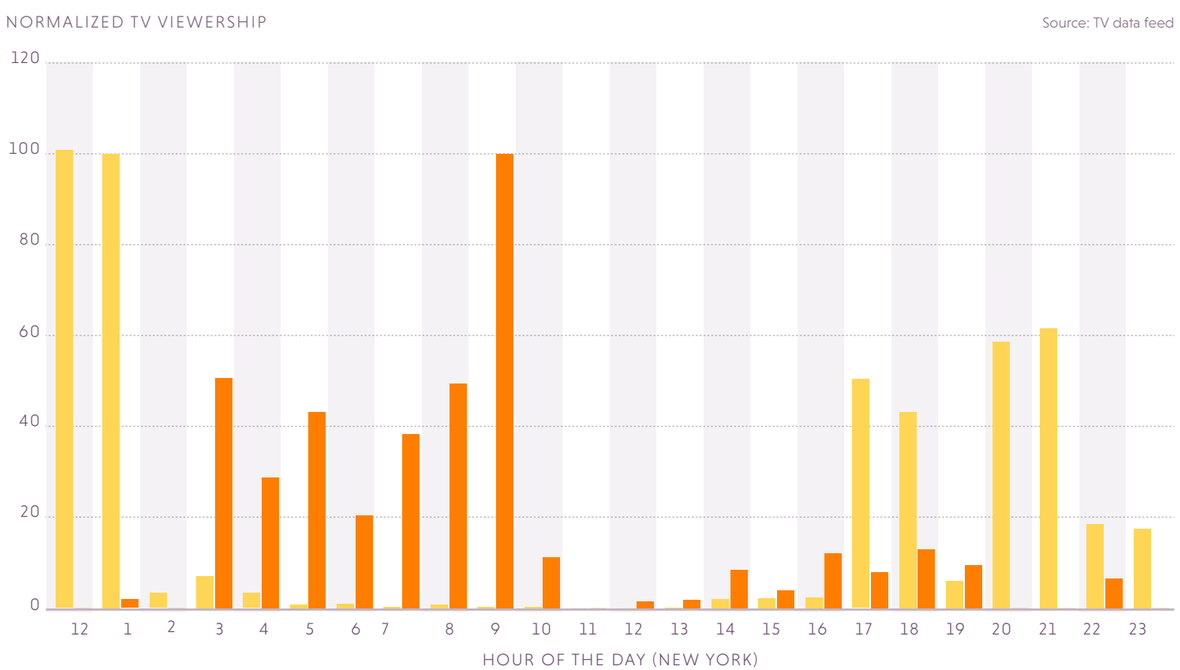
Source: TV data feed

UNITED STATES

The United States presents a more substantial challenge, in that advertisers will need to be mindful to separate live Olympics viewers watching streams from TV viewers watching the events in time-shifted fashion. Generally, US sports fans tend to be less accommodating and enthused about international games and events than their counterparts in other countries, even once you take into account the relative popularity of those sports (US audiences for international sports tend to be relatively small).

US Sports fans are no strangers to staying up late to watch games on TV, and will commonly do so until about 1 AM local time. Viewers who are fond of watching Australian sports will stay up the whole night watching games. We can think of these viewers as being part of a larger segment called "Night Owls."

US CONNECTED TV VIEWERSHIP FOR SPORTING EVENTS, NATIONAL AND INTERNATIONAL



US TV SPORTS VIEWERS SKEW OLDER

Night Owls are TV viewers who choose to stay up till the early morning hours to watch late content, and a portion of them will do so to catch games happening in other countries - in this case, Australia specifically - and these consumers make up the majority of those who are likely to make a point of watching Olympic games in Tokyo live.

NIGHT OWLS

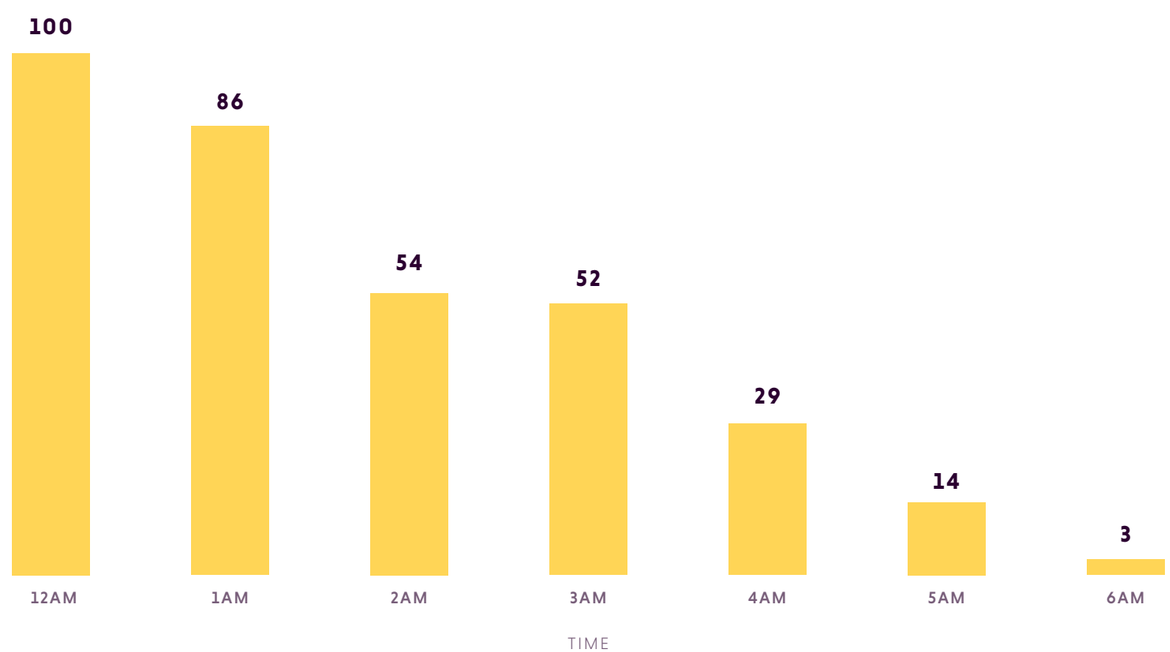
Night Owls tend to have late/early schedules, work from home, or have flexible schedules with short or no commute to worry about, making it more viable for them to stay up late watching TV. They tend to be linear TV viewers, but the linear content they consume tends to be music and lifestyle-related. Movies, sports, and news content watched by Night Owls tends to be done so via OTT and other digital platforms.

Because Night Owls depend on flexible or off-hours schedules and not having a commute, they've increased in number since the start of the global COVID-19 pandemic, nearly doubling since February 2020. Though make no mistake, the majority of Night Owls are frontline workers with late or early schedule demands that ensure they're awake and available to watch TV during late night hours.

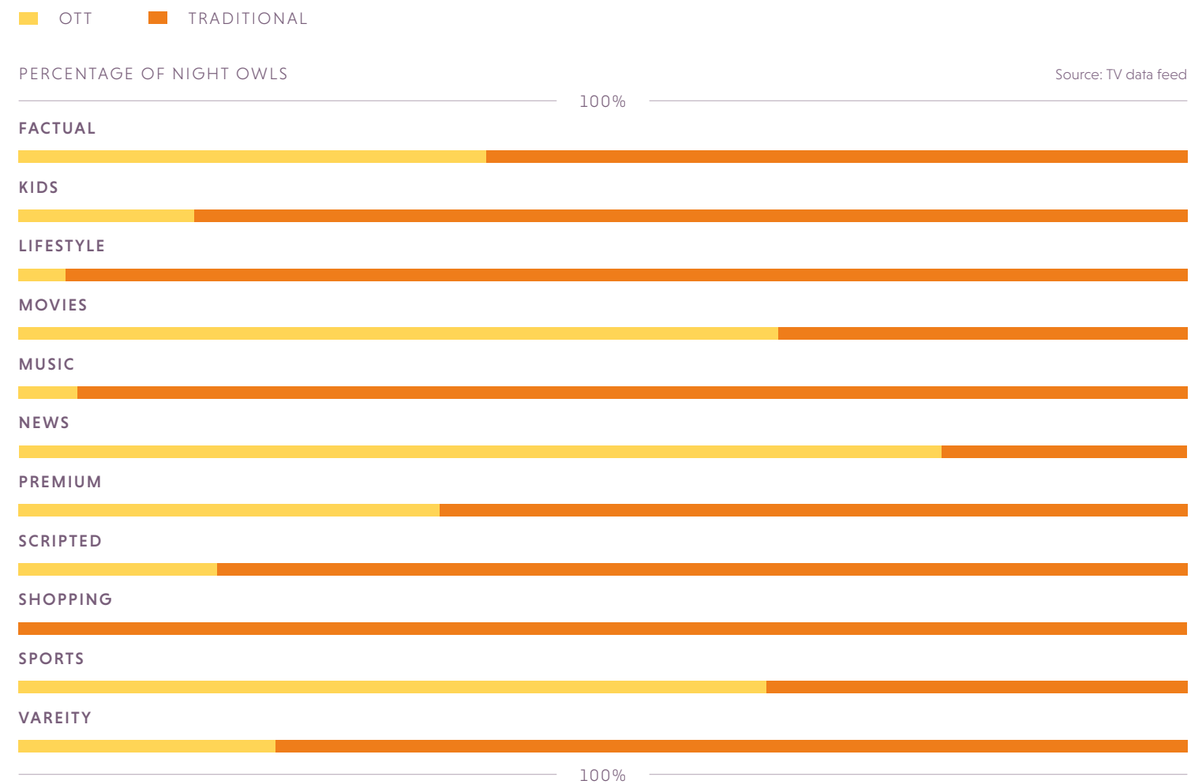
NIGHT OWLS POPULATION SHRINKS AS THE LATE NIGHT SEES DAWN

NORMALIZED TV VIEWERSHIP

Source: TV data feed



NIGHT OWLS ARE USUALLY LINEAR TV VIEWERS, BUT NOT FOR EVERY NETWORK CATEGORY ON THEIR ADVANCED TV



INCREASE IN LATE NIGHT VIEWING SINCE MARCH 2020

PERCENTAGE INCREASE IN DECEMBER OPPOSED TO FEBRUARY

AVERAGE INCREASE FROM 12AM - 7AM

OTT	TRADITIONAL
92.3%	92.3%

Source: TV data feed, Date Range: Post Covid-19 - Nov 2020 , Pre Covid - Feb 2020

NIGHT OWLS ARE NOT JUST THE POPULATION THAT 'WORK FROM HOME' DUE TO COVID-19

ESSENTIAL SERVICES WORK FROM HOME

LIKLIHOOD INDEX

Source: TV data feed + Experian feed

CANADA

Sports fans in Canada will struggle with the same time zone issues as their counterparts in the United States, but tend to skew much older and are more likely to have children. They're more likely to live in urban areas, whereas US sports fans are more likely to be found in the suburbs.

	WITHOUT CHILDREN	WITH CHILDREN
USA	1.43	0.86
CANADA	0.61	1.12

LIKLIHOOD INDEX

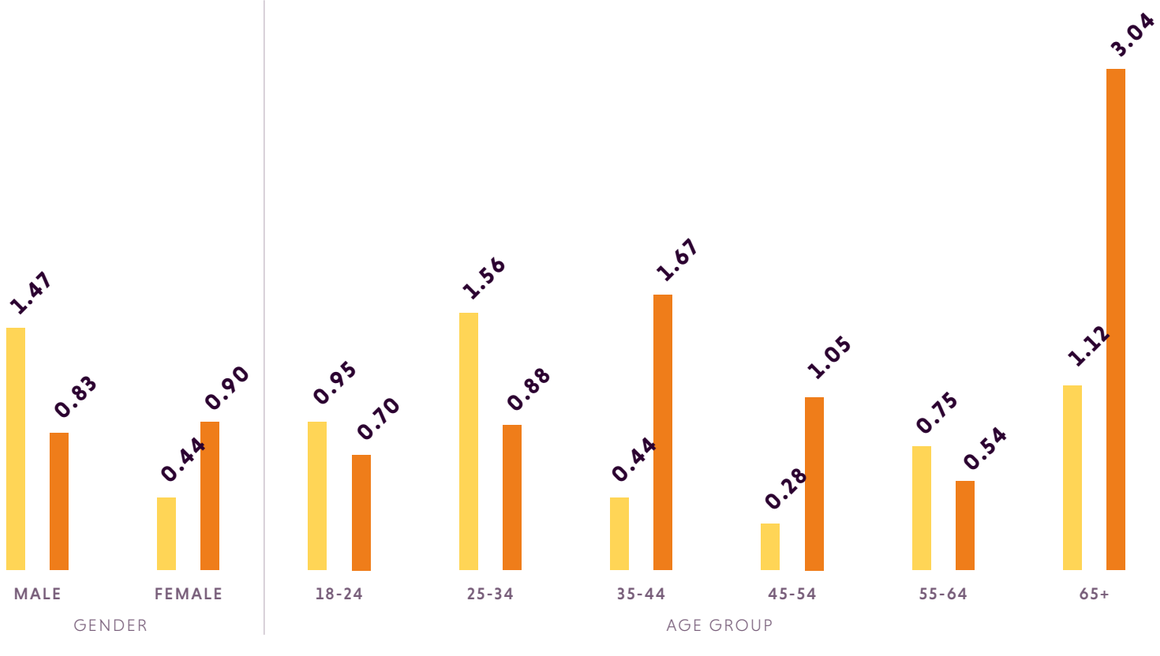
Source: Impression feed (Nov 2020- 18th Dec 20) + Exelate

SPORTS LOVERS IN CANADA AND THE US LOOK DIFFERENT

USA CANADA

LIKLIHOOD INDEX

Source: Impression feed (Nov 2020- 18th Dec 20) + Exelate



CANADIAN SPORTS FANS MORE LIKELY TO LIVE IN URBAN AREAS

USA CANADA

LIKLIHOOD INDEX WITHIN URBAN CITY RESIDENCE

Source: Impression feed (Nov 2020- 18th Dec 20) + Exelate

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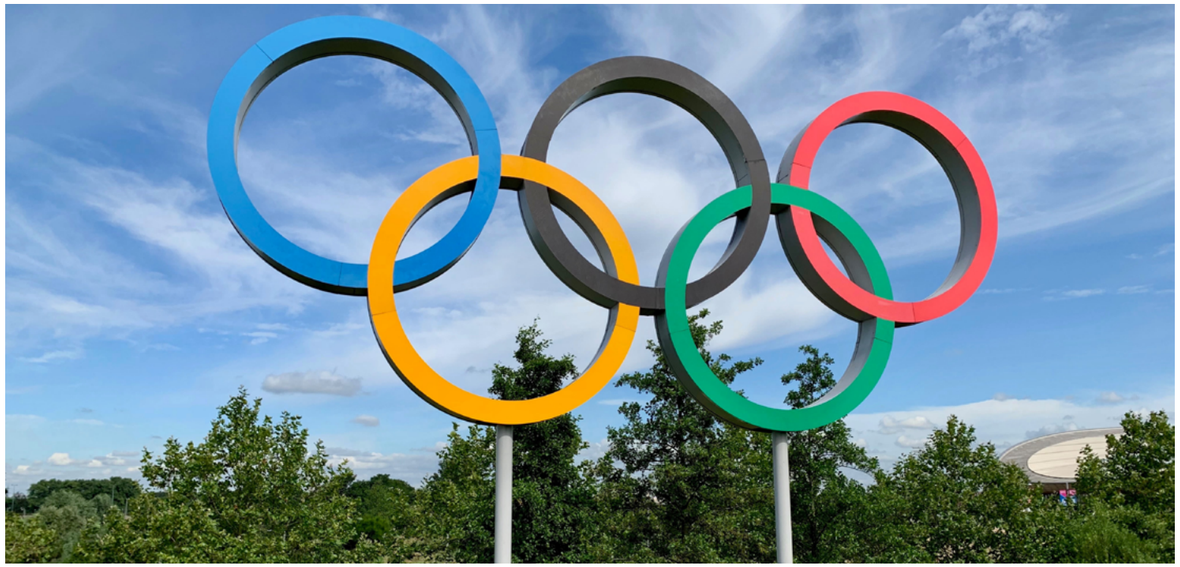
Olympic lessons for advertisers

The digital opportunities from the 2018 Winter Olympics also created some major learning opportunities for advertisers. The mobile activity on Olympics-related content on news sites in Europe and North America increased nearly 7% as engaged users flocked to those sites for updates. The majority of this activity occurred between 10am and noon. On the other hand, visits to sports sites tended to increase more as live events occurred.

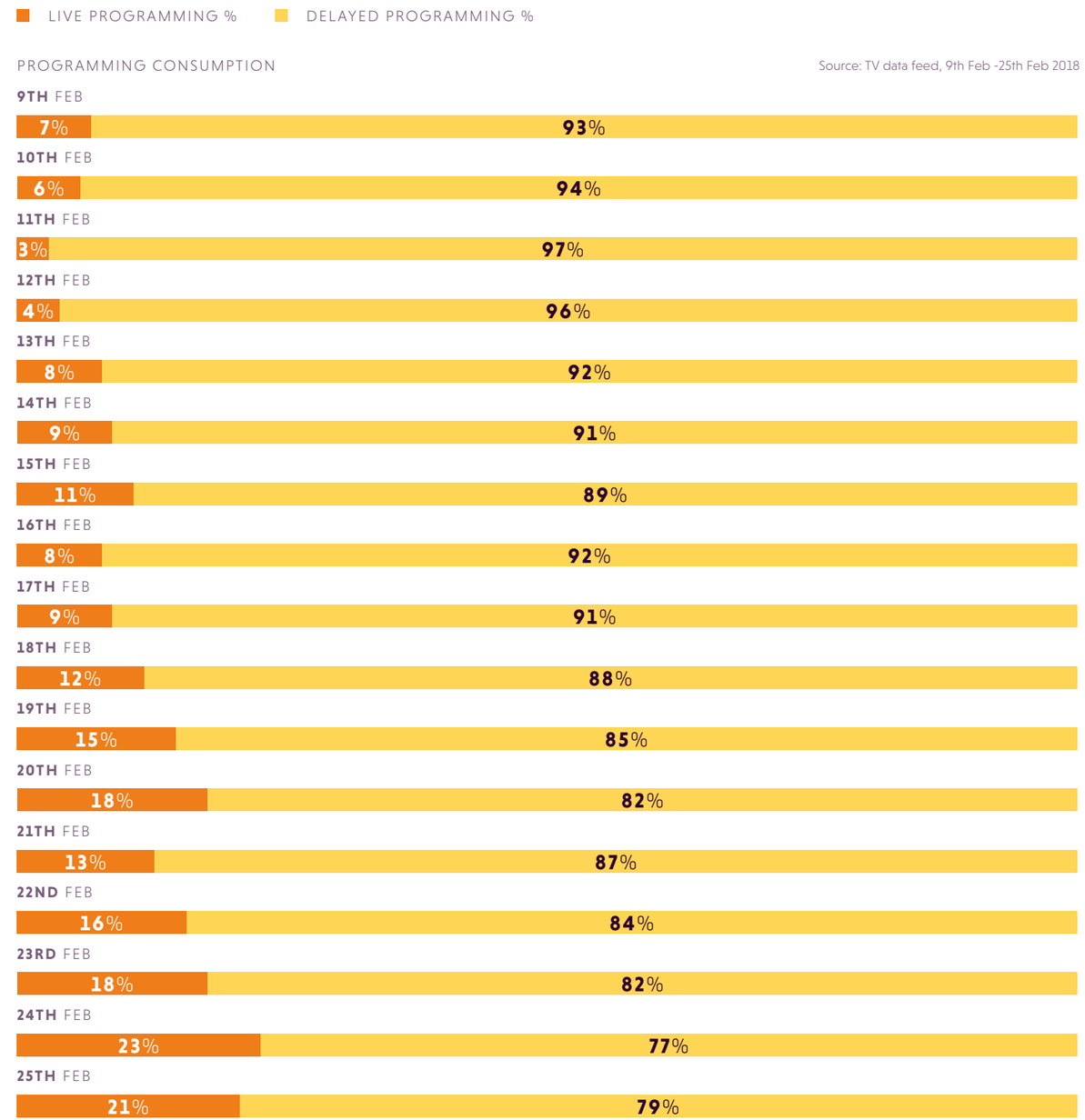
Not everyone was willing to wait, though. Interest in streaming Olympics events during the latter stages of the event increased by an average of 13% during the early morning hours, with larger increases as events went on. Marketers looking to reach these fans should consider a different messaging strategy than one that caters to more casual fans who are looking to catch up after work.

Live viewing audiences tended to be under the age of 44 and skewed slightly female (1.2x). Among the 218,000 households we identified using 2018 Vizio data, 72% had more than three connected devices which could be targeted with advertising.

The flip side is that catch-up audiences tended to be more engaged, spending four times as much time on a per-visit basis watching Olympics content that consisted of highlights or delayed broadcasts than live viewers.



LIVE VS. TIME-SHIFTED VIEWING DURING THE 2018 OLYMPICS IN PYEONGCHANG



IDENTIFYING OLYMPICS FANS

Though we still have nearly seven months to go until the torch is lit, there are already subtle signs of interest for the event among audiences that can help marketers plan and optimize their advertising spends to achieve business goals. By looking at browsing data from a sample of just over three million Olympics fans identified in 2019, we can identify the key trends and attributes that mark out Olympic fans and the habits advertisers need to be aware of.

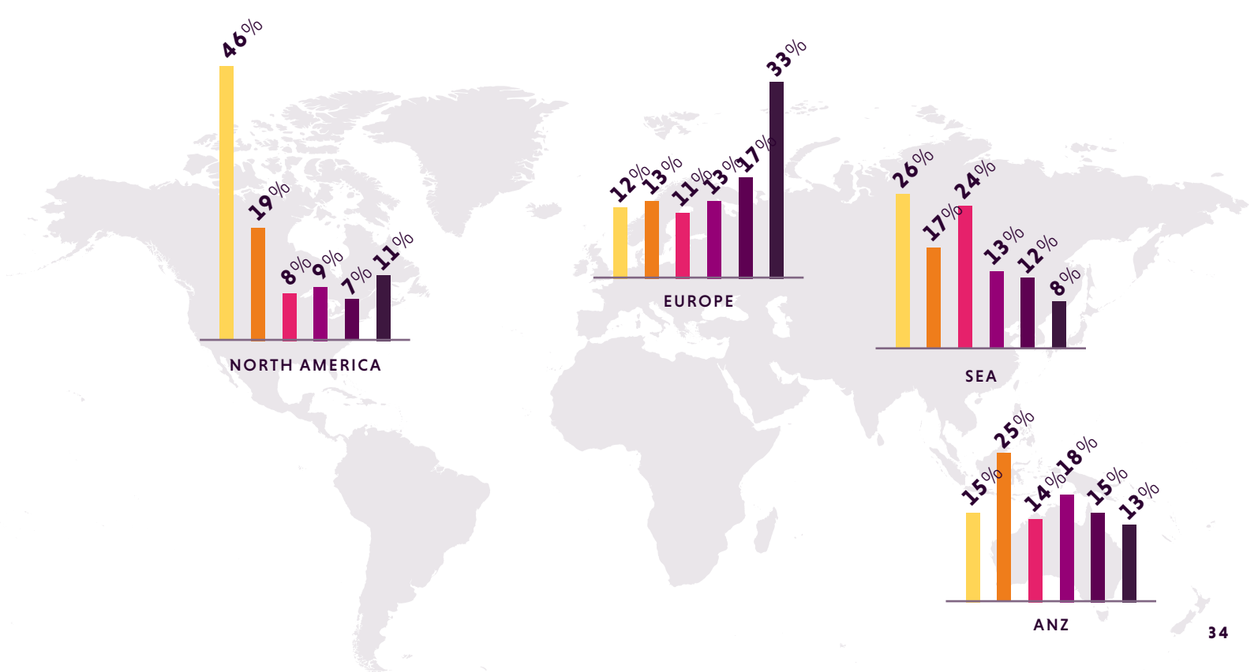
One major finding is that American Olympics fans skew younger, on average, than Olympic fans in many other regions. Six in ten US Olympics fans are under 35 years old, while the median age for European and Australian and New Zealand fans skews older (mid-40s). Interest for the Olympics is most likely to be gender-neutral in Australian/New Zealand and Southeast Asia.

AGE DISTRIBUTION OF THE OLYMPICS AUDIENCE, BY REGION

18-24 25-34 35-44 45-54 55-64 65+

PERCENTAGE OF AUDIENCE

Source: TV data feed, overlaps, Jul - Nov, 2020



Based on the coverage and uptick in consumption for Olympic content, we can infer that fans in North America are the most aggressive consumers of Olympics-related content. An average American or Canadian is likely to consume three times as much Olympics content as an Australian or a New Zealander within a given time frame. Comparatively, Europeans lie somewhere between, while Asian fans consume the least Olympics-related digital content on average.

Olympics fans in the US and UK consume a majority of their content online through laptops or desktops. On the other hand, six in ten pieces of Olympics content in Canada and Australia are consumed on mobile devices. Mobile content consumption among US Olympics fans is highest in the morning, between 7am and 9 am, and in the evening (6pm to 8 pm).

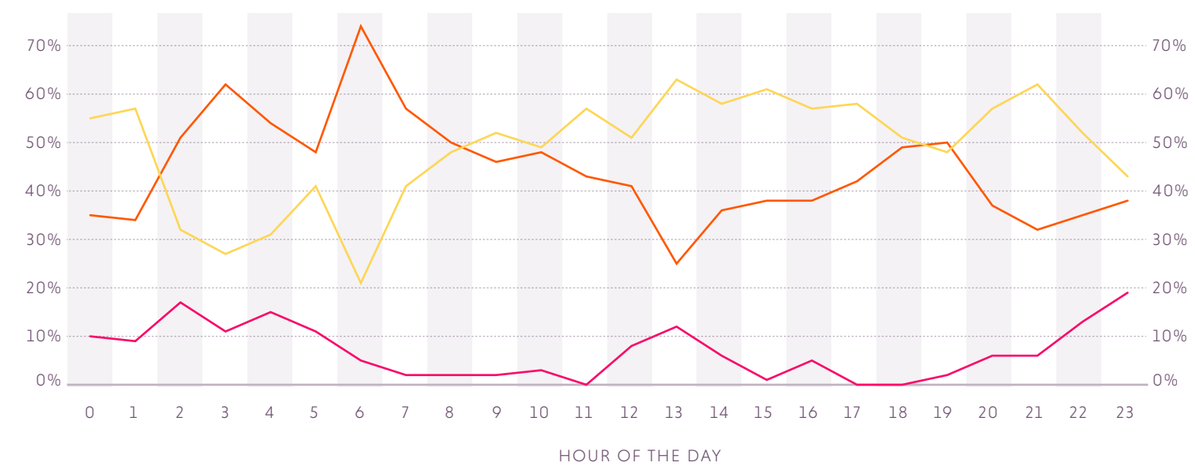
70% of Olympics fans own more than one connected device on which they can be served targeted ads. This proportion is largest among American audiences (88%) and smallest among audiences in Southeast Asia (71%), where someone is more likely to rely on a single mobile device. Regardless of the region, however, the need for marketers to have a cross-device strategy in place for reaching Olympics fans is clear.

DEVICE PREFERENCE BY TIME OF DAY

IN-APP MOBILE WEB

AVERAGE ACTIVITY (%)

Source: MiQ Impressions feed, Jul - Nov, 2020



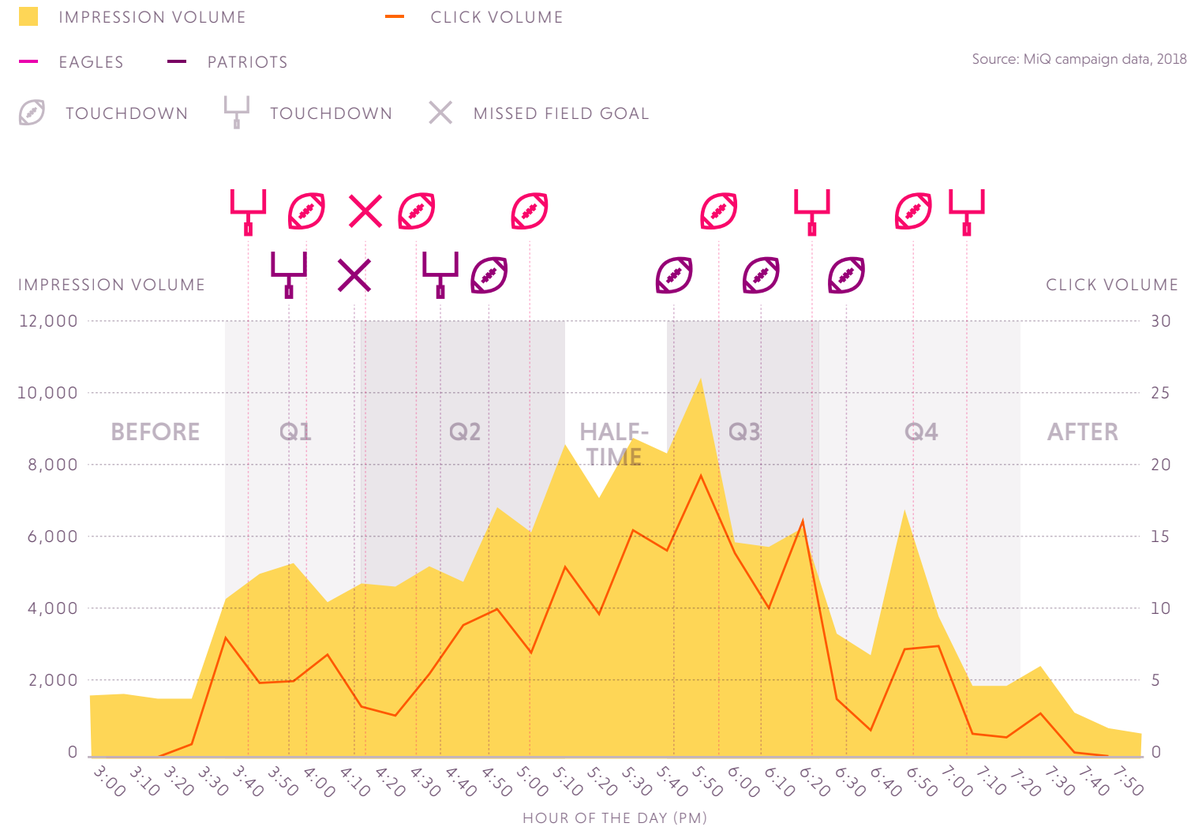
MAKING THE MOST OF KEY OLYMPICS MOMENTS

A new world record. An outrageous upset. An underdog coming from behind to steal victory from the jaws of defeat. These defining, exciting moments are what keep fans coming back to the Olympic Games every four years and create the kind of feel-good moments advertisers can only dream of. Marketers who want to capitalize on these moments to draw real connections between those moments of triumph and their brands need a way to respond quickly and effectively when the moments arise.

The key here is to understand how to identify and respond to moments as they occur. Whether it's larger, macro-level trends such as the momentum of a country or an athlete racking up medals, or smaller, specific moments like a world record being broken, a smart programmatic partner can build a targeting strategy that identifies these moments as they happen, and serve targeted media to fans and exposed consumers immediately following. A smart campaign setup can involve creating campaign activation triggers around the results of an event, or even specific social interactions or volumes of interaction.

In the past, we've observed increases of up to 22% in key campaign performance metrics for advertisers syncing up their media offerings to external sports moments. In one case, a prominent auto advertiser in the US managed to improve their campaign's click-through rates by 1.3s and their video completion rates by 1.7s by syncing their campaign delivery to field goals kicked during the Super Bowl.

SPORTS SYNC CAMPAIGN TRIGGER POINTS



Source: MiQ campaign data, 2018

OUR RECOMMENDATIONS

As we gear up for the 2021 Olympics, advertisers should keep the following in mind:

1 UNDERSTAND THE DIFFERENT TYPES OF OLYMPICS FANS - THEN MESSAGE ACCORDINGLY

Not all Olympics fans are the same. As our analysis showed, Olympics fans will vary in terms of how and when they engage with the content, particularly as the time zone divide makes watching live events more difficult. As such, a "one size fits all" strategy may not be the right strategy for marketers.

2 HAVE A PLAN TO ENGAGE DIGITALLY WITH FANS EXPOSED TO YOUR TV ADS

Advertisers running TV ads during the event should have a plan to re-engage with exposed consumers online. One way to do this is work with a partner who can connect TV viewing data from opted-in smart TVs to digital data so you can retarget consumers exposed to TV ads with digital assets. When planning these initiatives, think about ways you can build on your TV messaging, either with additional CTAs for retargeted consumers or sequential messaging.

3 HAVE A WAY TO CONNECT YOUR BRAND TO KEY MOMENTS

If you're running a promotion or campaign closely tied to the event or a specific team, consider a strategy where you increase delivery during and after major moments in the Olympics. That way, you can place your brand in front of consumers when they are most amped about what they've just seen and connect your brand emotionally to those moments.

4 HAVE A MEASUREMENT PLAN IN PLACE FOR OLYMPICS INITIATIVES

Beyond using TV exposure as a means of closing the loop, have a plan to measure the success of your Olympics initiatives, either in terms of online purchases, site visits, brand lift measured via survey, or in-store visits measured through device location tracking. Combine these with TV exposure data to measure the full customer journey start-to-finish, and have a plan to optimize delivery based on the audiences driving success.

5 HAVE A PLAN TO USE YOUR FIRST-PARTY DATA

As a brand, your first-party consumer data is the most valuable data in your arsenal for driving sales, new customer acquisition, and retention. Building a strong Olympics campaign starts with understanding not just Olympics fans, but your customers as well. At MiQ, we can connect that data to other sources and our own proprietary data, build prediction models from it, and activate it with digital campaigns, using it to solve business challenges and drive value.

METHODOLOGY

We analyzed the TV viewing behavior of over seven million active TV households in the US and Australia over a month using the glass-level data obtained from Vizio and Samba TV. Connected TV partners like Vizio and Samba TV utilizes ACR technology to identify the type of programming being viewed along with input devices that are being employed. The glass level data was then mapped to our massive digital data lake and the online footprints of over 28m (need to update correct number) distinct users in these households were analyzed for relevant findings.

ABOUT MiQ

We're MiQ, a programmatic media partner for marketers and agencies. We connect data from multiple sources to do interesting, exciting, business problem-solving things for our clients.

We're experts in data science, analytics and programmatic trading, and our team of people are always ready to react and solve challenges quickly, to make sure you're always spending your media investments on the right things in the right places.

Please visit us **wearemiq.com**