

Games to offer NBC 'laboratory' for future Pyeongchang coverage to provide guidance for TV, digital strategy

By John Ourand and Ben Fischer
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NBC's coverage of the Pyeongchang Games will help it set strategy for both Tokyo 2020 and Beijing 2022.

Photo: GETTY IMAGES

Comcast chief Brian Roberts stood on NBC's "Saturday Night Live" set in New York last month and mused about his network's upcoming Olympic Games. Comcast and NBC executives seemed resigned to the fact that NBC's prime-time television performance — particularly this month from South Korea — would pale in comparison to previous Winter Olympics.

But Roberts was not bothered at all by those negative thoughts. People are watching the Olympics differently — people are watching television differently — than ever before. Comcast and NBC, Roberts said, were set up to take advantage of that.

That was evident in the presentation NBC staged for the press just minutes earlier. After briefly discussing prime time, NBC brass then announced they will livestream the opening ceremony, and highlighted partnerships with millennial brands such as Snapchat, BuzzFeed and Vox.

Prime-time television undoubtedly still is the cornerstone of NBC's Olympic strategy and commands — by far — the most advertising dollars and consumer attention. But it's everything else that Comcast is doing, particularly with its digital and mobile programming, that is generating the most excitement for the company's top executives.

As Comcast and NBC Sports prepare to produce the next three Olympic Games in Asia (Pyeongchang this month, Tokyo in 2020, Beijing in 2022), network executives, ad buyers and marketers are all trying to figure out how an event that dominates prime time for 17 days every two years will move forward in an era of cord cutting, dropping ratings and increased audience fragmentation.

All television networks across all genres are faced with the same issues. But the way NBC is handling the Olympics, which Roberts consistently describes as a “laboratory,” is offering a hint at how media companies will handle these problems.

“Our success here will teach us,” said Mark Lazarus, chairman of NBC Broadcasting and Sports. “We’ll learn here what we can, maybe, do better for the next two Games.”

Roberts said his company has embraced the digital disruption that has eaten into television ratings, and has crafted deals that better allow Comcast to profit from a digital audience.

“When we bought rights from the IOC, they’re to all platforms — digital or otherwise — and all technologies — invented or otherwise — for the United States through 2032,” he said. “As the world evolves, we view it as our laboratory. We hope to be successful, and so far every Olympics since we owned the company has worked out.”

NBC has been out in the market selling advertising on a Total Audience Delivery basis that counts a television viewer the same as a digital viewer. That allows the network, for example, to have live prime-time coverage on NBCSN and its digital platforms. Previously, it would try to drive all prime-time viewers to its highly rated network show.

NBC has said that it expects to set a Winter Olympics record by writing more than \$900 million in national ad sales from Pyeongchang.

“There’s no question you see the impact of more choices on ratings and viewership, but if you look at how many people watch the content, the numbers are, I think, still growing,” Roberts said. “The

advertising community has to catch up with all that. That hasn't completely happened. There are changes happening, we know it, but we're pretty excited by it."

Some ad buyers bristled at the idea that they need to "catch up" to digital viewing.

"The digital audience will grow; digital consumption will grow; more consumers are watching video via digital and mobile," said Jeremy Carey, a managing director at Optimum Sports, which counts Olympic sponsors such as Procter & Gamble and McDonald's as clients. "We have to count that."

Carey was one of several executives to predict a lukewarm Winter Olympics this month, in part because of the lack of marketable names on the U.S. team.

Team USA's two biggest stars, Shaun White and Lindsey Vonn, are in their 30s. The U.S. enters the Games without NHL stars for the first time since 1994, and without a marquee name in the traditional ratings juggernaut of women's figure skating. While NBC believes teenagers Chloe Kim and Nathan Chen will soon become household names, they've had to invest extraordinary effort in introducing them to the world.

Carey also said this year's location is not ideal.

"South Korea has some issues — it certainly is not at the top of anyone's vacation list," he said. "But the future is bright, at least as it pertains to NBC, with Tokyo and Beijing."

But former U.S. Olympic Committee Executive Director Harvey Schiller predicted that the location of the host city will not dampen viewer interest, mainly because of the political situation in that area. Coming off Sochi and Rio's challenges, NBC executives are acutely aware that a sense of crisis — to an extent — drives tune-ins.

“The whole idea of having it in a place threatened by North Korea will help it grow in attention,” Schiller said. “There is no shortage of stories, and NBC is good at telling stories.”

Veteran Olympic salesman Rob Prazmark, founder of 21 Sports & Entertainment Marketing, suggested that other big sports events, like the Super Bowl and Daytona 500, are taking away some of the buzz in South Korea. But he nonetheless predicted that NBC would meet its ratings guarantees, particularly if U.S. athletes perform well.

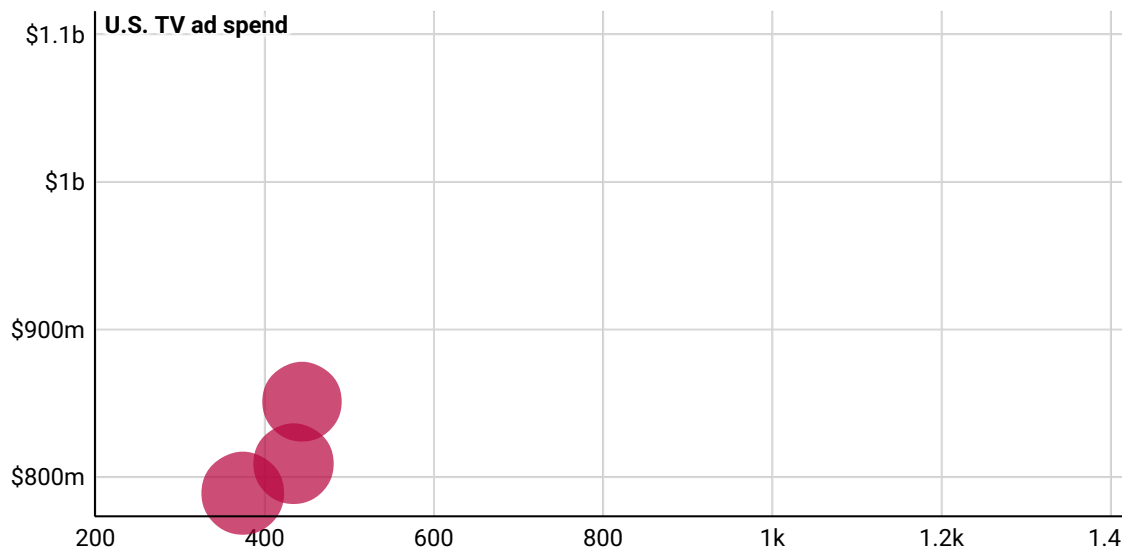
“There isn't the same electricity for these Games that we've seen in the past,” he said. “It's increasingly difficult to rise above the clutter.”

Winter Olympics Ratings

	Nagano 1998	Salt Lake City 2002	Turin 2006	Vancouver 2010	Sochi 2014
Opening ceremony	17.1	25.5	12.8	17.3	17
Day 2 (Saturday)	12.3	17.1	13.5	14	13.9
Day 3 (Sunday)	20.2	17.6	13.3	14.3	14.4
Day 4 (Monday)	14.8	19.6	12.8	14.2	12.8
Day 5 (Tuesday)	18.2	18.5	11.3	12.2	13.7
Day 6 (Wednesday)	15.3	17.5	11.3	16.7	12.1
Day 7 (Thursday)	19.3	17.6	11.9	14.5	13.4
Day 8 (Friday)	14.8	15.8	11.2	13.4	10.9
Day 9 (Saturday)	15.4	14	11.3	14.7	9.6
Day 10 (Sunday)	18	17.1	11.6	13.2	12.1
Day 11 (Monday)	14.9	17.1	13.6	12.5	13.8
Day 12 (Tuesday)	13.5	22.3	15.5	12.6	11.2
Day 13 (Wednesday)	20.7	19.5	10	11.9	12.2
Day 14 (Thursday)	13.9	26.8	15.8	13.6	12.2
Day 15 (Friday)	23.2	17.7	9.7	13.9	8.8
Day 16 (Saturday)	12	15.7	9.7	11.7	7.8
Closing	--	--	--	--	--

Winter Olympics Advertising

From 2002 to 2014, Winter Olympics viewers in the U.S. saw the number of televised hours available to them increase more than 300 percent, while NBC saw its overall ad revenue increase by 39 percent.



Source: Kantar Media • [Get the data](#) • Created with Datawrapper