

View from the Field: Jan Katzoff



Title: Head of Global Sports and Entertainment,
GMR Marketing and Sportsmark Management Group

When the eyes of the sports world turn their attention to Sochi, Russia, in February 2014, they will see one of the most unique developments in the history of winter sports. This Black Sea resort will host an Olympic games unlike any other. It will be the first time that a winter resort has literally been developed from scratch to host one of the world's premier sporting events. The area has currently been acknowledged as the world's largest construction project, with Olympic-related expenditures reported to be around \$18 billion (USD) and over \$55 billion (USD) invested in total development and infrastructure. Because of the location and logistics involved, the Sochi Olympics are forcing the Olympic family to be more strategic than ever in planning on behalf of corporate partners and the Olympic Games themselves

For GMR and Sportsmark, Sochi will represent 25 years in which we have planned strategy, logistics, marketing activation, hospitality, and special events on behalf of Olympic clients. Additionally, within the IOC and organizing committee guidelines, digital work, social media, mobile applications, and content capture continue to become a significant and growing part of our Olympic scope of work. We are currently in the process of planning literally thousands of details for clients including Visa, Proctor & Gamble, Omega, Samsung, and Volkswagen Russia Group, among others.

Fast Facts

To illustrate the overall operations and service delivery in Russia, it is helpful to share our scope of work and provide a better sense of the numbers we are working with onsite in Russia.

- Number of clients: 9
- Expected number of corporate guests: 6,000
- Anticipated number of meals to be served: 35,000 (including more than 1,000 meals per day at the P&G family home for global athletes and their families)
- Number of accredited vehicles: 60
- Approximate number of hotel rooms under management: 1,400

- Number of event tickets to be allocated/managed: more than 50,000
- Full-time and part-time staff working in Sochi: approximately 900
- Expected number of athlete endorsements and appearances managed: 150
- Expected number of approvals to be submitted for marketing activity: 30,000

Getting There

Planning for travel to Russia began months ago, since service into Sochi is currently limited through Moscow and Istanbul. Furthermore, visa requirements for international travelers are fairly extensive, so we have encouraged our clients and their guests to begin the process early if they know they will be going. While we always see the US well represented at the Olympic Games, we expect more of an emphasis in Sochi on guests coming from Russia, Europe, the Middle East, and Asia predicated on travel times. Sochi is 12 hours ahead of the US West Coast and nine hours ahead of the East Coast, making both travel and communications more complex. A typical flight on Delta from New York's JFK Airport to Moscow can be 10 hours with an additional flight time to Sochi of about 2 ½ hours.

Cultural Integration

Due to the rich history and multi-cultural diversification of the region, more consideration is being given to integrating various cultural aspects into our programming. This includes requirements for executive chefs in preparation of special dietary requirements, extensive integration of music and entertainment elements of the cultural Olympiad, and broadening the experience of guests beyond just the Olympics and sporting events. In order to take better advantage of all that Russia has to offer, many guests will have a chance to do pre- and post-travel to Moscow and St. Petersburg. Plans are also being implemented for many sponsor programs in order for valued clients to experience the rich history of the Kremlin, marketing activations in Red Square, and an evening at the Bolshoi Ballet, to name a few.

Staffing

The logistics behind staffing for the Olympic Games are always complex, but even more so for Sochi. In London, our combined GMR-Sportsmark work force totaled almost 1,300 staff between full-time and part-time project managers. In Russia, we expect to hire 600-700 people from Russia and Europe to staff our programs. These include a diverse array of talent that oversees hotel management, transportation, ticketing, accreditation, food and beverage, guides, technology, creative services and production, athlete management, IOC and OCOG approvals, venue operations staff, and concierge and general hospitality services.

Because so many local residents with specific expertise have been hired by hotels and the Sochi Organizing Committee, the available talent pool in Sochi is very challenging. This has forced sponsors and agencies to look at other cities in Russia as well as Europe, the Middle East, and Asia (“EMEA”) regions, not only for subject matter expertise, but also for multi-lingual staff that can service our clients in approximately 10-12 different languages. It also exponentially increases our need to fund staff travel, find more staff housing, and create a more extensive network to support the logistics required for up to 700 staff coming in from mostly outside Sochi in addition to almost 180 full-time staff traveling to Russia for Games-time operations.

In addition to securing staff hotels and building a housing network, we also have added challenges in that so many of our sponsor hotels are under construction and will not be completed until later this year. This compresses the lead time we have for shaking down hotel operations, getting to know key operational staff, and actually staying in the properties so we can experience first-hand the service that will be extended to our guests. We must then accelerate constructive suggestions for Games-time operations and implementation when there is maximum stress on the property.

The Venues

The sports venues in both the coastal and mountain clusters look like they will all be world class. Having attended some of the test events in February, the initial operations were well done and efficient. We have been able to communicate, in some of our debriefings, the excellent job that London did with their venue operations in the hopes that some of their best practices can be carried forward. These include the number of security check points, metal detectors, consistency of search, and efficient management of ingress and egress.

The venues have still not withstood the ultimate stress test when they will be operating at full capacity with multiple events going on simultaneously in both

the Olympic Park and the mountain cluster.

Furthermore, we will be watching the weather more closely than ever before due to the mild climate in the Black Sea area. The average temperature in Sochi during our last visit ranged from high 40s to mid-50s Fahrenheit and we also had several days of rain in the mountains even in February. This will significantly affect our contingency planning.

The coastal cluster and the mountain cluster will have several transport options. We will be using a combination of accredited vehicles for our sponsor programs as well as the new high-speed rail system that will connect the two primary sports complexes. As with many Olympic winter games host cities, we will also have to set up multiple operations bases in order to better serve our clients between city venues and mountain venues. In Russia, this will include operational centers in Sochi, Adler, Krasnaya Polyana, and Rosa Khutor.

Marketing the Games

The inter-connectivity of marketing the 2014 Olympic winter games also intersects with the planning of the 2014 FIFA World Cup in Brazil. Several Olympic partners including Visa, Coca-Cola, and McDonald's are official partners of both properties and therefore have the need to balance out investments in both events. Additionally, other partners such as P&G are also sponsors of World Cup national teams including the national team of Brazil.

Other marketing considerations come into play as well. As mentioned earlier, both sponsors and their agencies are taking a more strategic approach to marketing the games. Since Sochi is not as large as other host cities and also has the added complexity of access, there is a broader need to look at the Russian marketplace and the EMEA region more holistically. There is a greater need for amplification of marketing activity in larger markets such as Moscow and St. Petersburg as well as regionally. This requires a greater engagement marketing presence in terms of experiential, retail, out-of-home, social, and traditional media. These types of considerations also are positive as it forces us to think outside the box and possibly integrate more cultural experiences as well as leaning on tourism components to help build a more wide reaching story.

In our experience, every Olympic Games or global sporting event takes on a life of its own. The ability to bring the world together, overcome human obstacles, showcase the greatest athletes in the world, and introduce a global audience to the unique culture of a city or country usually wins the day. Despite the logistical challenges outlined in this article, we expect Sochi to deliver a world-class Olympic Games and a rewarding experience for visitors attending.