
Project title

Gold Medal Stamps

Category

Product Design

Sub-category

Consumer –
with design fees over
£30,000

Client company

Royal Mail

Design consultancy

True North

Current date

28 June 2013

For publication

*True*North

Executive summary



Smashed original sales targets by 75%.

The UK postage stamp was once an iconic and culturally salient item for letter-writers and collectors alike. In recent years, however, digital communications have caused a decline in the use of stamps for mail, whilst the numbers of people regularly collecting stamps has also declined.

Royal Mail Stamps and Collectibles regularly issue special commemorative stamps. With the London 2012 Olympic and Paralympic Games approaching, Royal Mail saw an opportunity to reignite public interest in stamps by making them part of the national celebrations. To counter-balance negative stories about missed deliveries and lost mail, Royal Mail also hoped to generate positive PR from their involvement with London 2012.

True North was briefed to develop a stamp product that could be sold during London 2012. The product would have to compete in a marketplace cluttered with commemorative Olympic merchandise. With 65 official LOCOG licences granted across 20 product categories, the London 2012 licensing programme was the biggest in Olympic history. In addition, Royal Mail's marketing budget was dwarfed by that of the official Olympic sponsors.

True North's solution was to design and create a stamp for each Gold Medal win by the GB Olympic and Paralympic teams and make it available by lunchtime the following day. Focusing on the moment of triumph, True North overcame multiple challenges to bring the product concept to life.



Executive summary

The speed to market enabled people to own a moment of history they'd witnessed barely 24 hours previously. The stamps smashed original sales targets by 75% and delivering an ROI of 3,800%. A significant proportion of sales came from new customers. The stamps attracted more young people and women and 98% of press coverage was positive.

Despite the noise and muscle of its competitors, Royal Mail stamped its name on London 2012.

(word count 294)



3,800%

return on investment

38%

sales from NEW customers

£27M

PR equivalent value

Project overview

1. Outline of project brief

Royal Mail challenged True North to conceive and develop a Royal Mail special stamp product that could be sold during the London 2012 Olympic and Paralympic Games, with the aim of enhancing public perceptions of Royal Mail generally and the stamps and collectibles category specifically.

The product needed to:

1	Generate sales with NEW customers who had not previously bought Royal Mail Stamps and Collectibles products
2	Raise awareness of stamps as commemorative products, making them more relevant and appealing to a broader segment of the British public
3	Reinforce Royal Mail's association with the London 2012 Games and generate positive press coverage for the organisation as a whole
4	Achieve standout among the clutter of commemorative and licensed products that were expected to be produced around the London 2012 Games
5	Reinforce Royal Mail's reputation for design excellence, creativity and innovation in the production of special stamps

Project overview



Royal Mail needed to reinvigorate stamp collecting, make stamps popular and salient again.



Average UK stamp collector aged 65+.

2. Description

In recent years digital communications have precipitated a decline in the market for postage stamps. As consumer preference for email, SMS and social media has accelerated, the use of stamps for mail has fallen and their relevance challenged.

Stamp collecting has also become a dwindling pastime. With the average UK stamp collector aged 65 and over, Royal Mail, the UK's state-owned postal service, feared that stamps could fade from public consciousness altogether.

Royal Mail Stamps and Collectibles regularly issue specially commissioned stamps to commemorate events and celebrate individuals of national significance. Royal Mail produces its special stamps to exceptionally high standards, but relevance of these commemorative products was declining as mail volumes decreased.

Royal Mail needed to reinvigorate stamp collecting, make stamps popular and salient for younger consumers, whilst also using this opportunity to create positive coverage for the organisation as a whole.

With the London 2012 Olympic and Paralympic Games on the horizon, an opportunity arose to make stamps part of the national celebrations and excitement around a key moment in British history.

Project overview

3. Overview of the market

Historical evidence shows that specially commissioned stamps often generate a response from existing or lapsed customers, but generally fail to engage new customers – i.e. those who have never purchased special stamp products before. Even special stamp products commemorating other major national events, such as Diamond Jubilee and the Royal Wedding, whilst reasonably successful, didn't manage to engage new customers in large numbers. And overall, 85% of sales come from two types of regular order, existing customers: over 65s and men.

To capture the public's imagination and attract new customers, the London 2012 stamp product would have to deliver something truly unique and memorable. It would also have to compete in a marketplace cluttered with commemorative Olympic merchandise, much of which, at first glance, appeared far more 'relevant' to the event – for example, T-shirts, sports bags, mascots, pin badges and posters. In fact, with 65 official LOCOG licences granted across 20 product categories, the London 2012 licensing programme was the biggest in Olympic history. Over 10,000 licensed products would be manufactured and sold over the course of the Games.



“With 65 official LOCOG licences granted across 20 product categories, the London 2012 licensing programme was the biggest in Olympic history.”

IOC Marketing report, London 2012 Games

To add to the scale of the challenge, Royal Mail were NOT an official sponsor of the Games, and their budget was dwarfed by those of Worldwide Olympic Partners (Coca-Cola, VISA, SAMSUNG etc.), London 2012 Olympic Partners (BT, Adidas, EDF etc.), as well as London 2012 Olympic Supporters (Cadbury, CISCO, Deloitte etc.). The advertising campaigns of these 'big' sponsors would be sure to generate a lot of noise and distraction, so Royal Mail would have to work extremely hard to make itself seen and heard and assert its connection with London 2012.

Project overview



Success of Royal Mail's product would hinge on the speed with which it could be delivered.



This would challenge every system and skill-set available as it condensed what is usually an 18-month process into 24 hours or less. Nothing like this had ever been done before.

3. Overview of the market (continued)

Finally, the success of Royal Mail's product would hinge on the speed with which it could be delivered (see 6 below). However, numerous significant logistical and technical challenges stood in the way, from negotiating international image rights to tackling the complex design and security features of the stamps themselves. What's more, with a licence granted by LOCOG, the product would have to follow strict approval procedures and designated standards which could also potentially hold up the production process.

4. Project Launch Date

August 2012

5. Size of Design Budget

Approximately £50,000

6. Outline of Design Solution

In response to Royal Mail's brief, True North came up with the idea to design and create a stamp for each GB Olympic and Paralympic Gold Medal win. Each stamp would capture their victory and would be designed, artworked, printed, approved and on sale within 24 hours.

The idea was to tap into the pace and excitement of London 2012 and enable consumers to 'own' a piece of Olympic history as it unfolded. Rather than rely on stock photos of medal presentations, or posed shots taken after each event (both of which would delay image delivery and reduce speed to market), the stamp deliberately focused on the moment of triumph. The moment an athlete crossed a finish line, felled an opponent, held a flag aloft, or raised their arms in celebration as their Olympic dreams became reality. By making the stamps available for purchase by lunchtime the following day, the product sought to recreate and capitalise on that moment while it was still fresh in the public imagination. This immediacy would drive the success of the whole project, but would also challenge every system and skill-set available as it condensed what is usually an 18-month process into 24 hours or less. Nothing like this had ever been done before.



Project overview

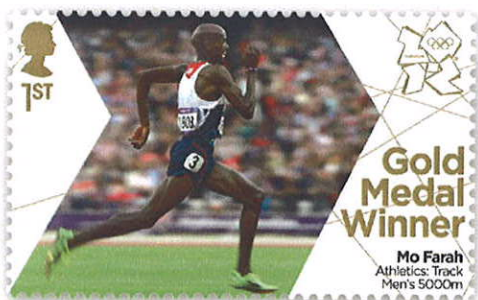
6. Outline of Design Solution (continued)

Special issue stamps are complex to produce and get to market. As mini ambassadors for Royal Mail, they need to be produced to the highest standards and undergo multiple rounds of development and consultation. They often involve complex copyright negotiations and, as legal tender, have to be presented to Her Majesty the Queen for Royal Approval.

The Gold Medal Stamps' production timescale not only magnified these challenges but also pushed the boundaries of conventional printing. To meet legal security requirements, all Royal Mail stamps have to include phosphor strips. Once positioned, phosphor takes a long time to dry – too long for the turnaround required by the London 2012 special stamps. To overcome this problem, True North came up with an innovative chevron design to frame the central photographic image of each athlete. The chevron echoed the number one in the London 2012 logo and communicated forward movement and pace. Critically, it also allowed for the creation of two white areas that could contain the requisite phosphor in a pre-printed template. In addition, the shape of the chevron helped to obscure other athletes who might feature in the shot and whose international image rights could delay and potentially derail product delivery.



Pre-printed stamp template



Digital overprint of winner's name, discipline and event



Completed stamp imported into miniature sheet



Completed miniature sheet imported into A4 souvenir sheet

6. Outline of Design Solution (continued)

This dynamic and flexible template allowed the Royal Mail design and editorial team to work with an unknown array of images at high speed. It enabled them to select, crop and retouch photos – usually done over a period of months – in approximately 50 minutes. They could then send the stamp designs for approval by LOCOG and others before overprinting and delivery to 517 Post Office branches for sale the following day.

(word count 483)



Team GB Olympic gold medal wins



ParalympicsGB gold medal wins

Summary of results



Delivering an ROI of 3,800%, this dwarfed the achievements of any previous special stamp issue, including those commemorating Diamond Jubilee and Royal Wedding.



Original sales targets smashed by 75%.

Commercial performance

Popular concept and high volume of sales

Despite Royal Mail NOT being a sponsor of the London 2012 Games (they were only one of 65 LOCOG licensees) Gold Medal Stamps captured the public imagination and became one of the most engaging and relevant commemorative products of London 2012.

Operating in a hugely crowded marketplace with very little advertising spend, the product smashed its original sales targets by 75% and delivering a return on investment (ROI) of 3,800%. This dwarfed the achievements of any previous special stamp issue, including the Diamond Jubilee and Royal Wedding special stamp products. It also left competitors' figures looking positively average. Hornby, for example, who developed a range of commemorative products, experienced sales way below expectation, leading to headlines such as "Hornby shares crash after Olympic disappointment" (Guardian, September 2012).

theguardian

Hornby shares crash after Olympics disappointment

Company admits its London 2012 products will lose £1m this year, against forecast profits of £2m

The speed of delivery for the Gold Medal Stamps was key: it capitalised on the high emotion of Team GB wins and enabled the public to transition from celebration to ownership in less than 24 hours ("Katherine Grainger and Anna Watkins collected gold yesterday," ran one supporting ad; "you can collect yours today").

Summary of results



**38% of sales from
NEW customers.**



**123,558 new
customers compared
with 18,788 for
Diamond Jubilee.**

Commercial performance (continued)

New customers engaged

Not only did the campaign exceed its sales objectives, it also succeeded in attracting NEW customers. Of the total sales generated, 38% came from people who had never previously bought Royal Mail Stamps and Collectibles products. In total, there were 123,558 new customers in 2012 (only 18,788 of these customers had bought Diamond Jubilee stamp products), compared to 63,259 in 2011 (which had included a special stamp issue to coincide with the Royal Wedding) and 37,929 in 2010.

What's more, compared to other commemorative stamp campaigns and themes, the new customers engaged through Gold Medal Stamps exhibited lower lapsing rates:



This trend reinforces the notion that the public embraced the product concept, leading to longer-term engagement with stamps and, crucially, a higher lifetime value for Royal Mail. Indeed, following the campaign, new collectors of stamps grew by 20%, which will help to open up new long-term revenue streams and valuable growth areas for Royal Mail.

Summary of results



New collectors of stamps grew by 20%.

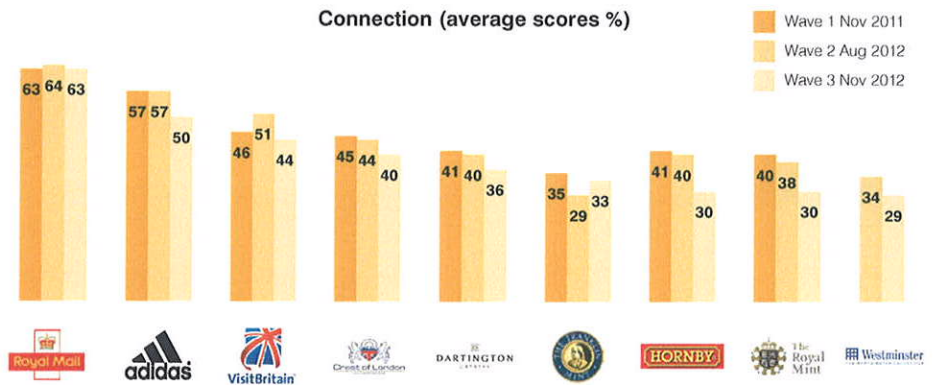
Public engagement

Appealing to a broader segment of the British public

Crucially, research carried out by independent researchers in 2013 showed that among the new customers there were more young people (18-34) and women (35+) than in the existing customer base. Questioned about the appeal of Royal Mail Stamps and Collectibles, positive responses were significantly higher among females than males. This suggests a potential shift in customer demographics following London 2012 from which Royal Mail could derive long-term business value.

Royal Mail brand proximity and awareness

Following London 2012, feelings of proximity to most other sponsors and competitors fell significantly. Royal Mail, however, saw a more enduring post-Olympics attachment, with feelings of proximity to the brand lasting longer than for most other Olympic sponsors:



Hall & Partners, Olympics Campaign Research

Summary of results



**Facebook 'likes'
increased by
8,800 to 20,600.**

Public engagement (continued)

The increased brand proximity was reflected in the Royal Mail's Facebook page 'likes', which increased by 8,800 to 20,600 during the London 2012 Games.



**PR value was over
£27 million, more
than all of the UK
sponsors combined.**

Media engagement

Positive coverage generated

The campaign generated huge amounts of editorial coverage. PR reach was 715,202,891, which is greater than that of all the UK Olympic sponsors combined, while the total PR value was £27,342,439. What's more, 99% of coverage was positive, balanced or neutral, turning Royal Mail from press target to press hero overnight.



**99% of coverage
was positive,
balanced or neutral.**



Summary of results

Platform for progress

Helping to reignite public interest in stamps, Gold Medal Stamps highlighted the value of limited-window exposure during one off national events. Royal Mail now has the know-how, design approach and technology to deliver high volumes of special commemorative stamps at speed and recognises that this speed holds major purchasing appeal with the British public.

Other influencing factors

Q: Did Royal Mail spend its way to success?

No. Royal Mail's advertising spend for Gold Medal Stamps was comparable to that of the Diamond Jubilee and Royal Wedding stamp issues. The distribution channels used were also roughly the same; online, phone and postal from Royal Mail, and over-the-counter at Post Office branches. In fact, fewer Post Office branches sold Gold Medal Stamps than for a usual issue, and stamp prices were in line with other commemorative stamp products.

Q: Were distribution channels increased compared with previous special stamp issues?

No. Distribution channels for Gold Medal Stamps remained more or less the same as for every other special stamp issue: direct from Royal Mail (website, phone and postal), and direct from Post Office branches. There were no retail distribution channels apart from at the Olympic Park, and these contributed only a minor proportion of sales.

Q: Was the PR coverage the real driver of success?

No. It was the concept that set this campaign apart, along with the product design which enabled this concept to be realised. The extensive press coverage no doubt helped to increase sales, but this coverage was generated by the excitement that built up around the idea and product design. As one Team GB rower was heard saying to another after winning their event: "We're going to be on a stamp!"

It was this that enabled Gold Medal Stamps to achieve cut-through during the biggest licensing programme in Olympic history, capturing the imagination of the British media (local, national and international with Stamps featured on the evening Olympic round-up shows) as well as the general public and athletes themselves.

None of the other 10,000 licensed and commemorative products for London 2012 achieved anything similar.

Research resources

-
- IOC Marketing Report, London 2012
www.olympic.org/Documents/IOC_Marketing/London_2012/LR_IOC_MarketingReport_medium_res1.pdf
 - Hall & Partners, Olympic Campaign Research, Jan 2013
 - Royal Mail customers database
 - Precise Media Monitoring (PR equivalent value)
 - Universal Media data analysis (ROI)