

SPONSORING THE OLYMPIC GAMES – ENTERING A NEW MILLENNIUM

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Our society has entered the age of information and knowledge. Due to technology the barrage of information makes it difficult for recipients to recognize the information. Despite the increased advertising platforms available today, many corporations often fail to reach the attention of consumers. Simons & Chabris (1999) argue that getting one's attention is a prerequisite to reach awareness. Building on this premise, attention is the basis to successfully get a commercial message from a sponsor to a consumer. Franck (1998) describes that attention is a rare good in an era flooded with information. Hence, it takes special effort to capture consumer's attention. The sponsorship of the Olympic Games, a mega event of great public interest, seems to be successful at achieving attention. This may partly explain the reason why corporations are willing to pay more than 50 million US\$ for a TOP-sponsorship.

Sponsor activities have in common that sponsoring corporations use the sport (here the Olympics) in order to improve their relationships with their stakeholders (e.g. consumers, business partners, employees). A good relationship with stakeholders is a prerequisite to run a corporation efficiently. Of particular interest is an increase of the "buying intention" of the consumers which for Olympic sponsors can be potentially reached for all, watching the Olympic Games.

In this presentation a summary of the evolution of Olympic sponsorship over the past 35 years will be given. The customer, whose attention must be captured, will be the focus of the following analysis which is summarised in Figure 1.

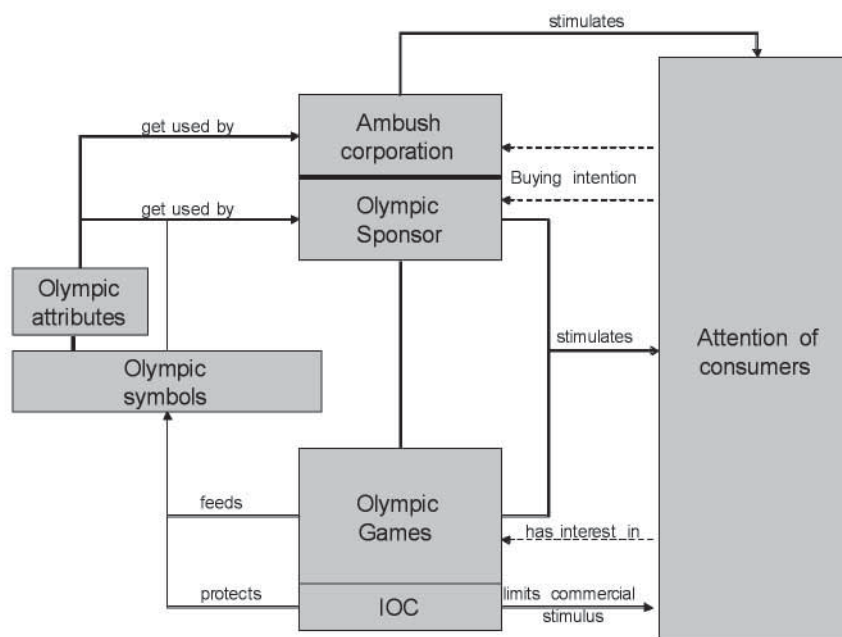


Figure 1: Relations between consumers, Olympic sponsors and Olympic Games

The figure illustrates the complexity of Olympic sponsorships. The presentation will not only present facts about Olympic sponsorships in the new millennium but also current challenges. Some particular relationships will be explained by empirical evidence from studies executed during the Olympic Games in Sydney 2000 and Athens 2004.

EMPERICAL DATA

This paper will consider data from several empirical investigations.

- 1) *Three country study from Preuss (GER), Séguin & O'Reilly (CAN) and McCarthy & Lyberger (USA)*: Mall intercepts of 1,875 consumers (500 in Canada, 441 in USA and 900 in Germany) conducted during the Olympic Games in Athens 2004. This study is based on a previous study from Séguin & O'Reilly (CAN) and McCarthy & Lyberger (USA) who interviewed 2,570 consumers (956 in Canada, 1,206 in USA and 408 in France) in their home countries during the Olympic Games in Sydney 2000. Data from both studies will be used.
- 2) *Survey by the Research Team Olympia (University of Mainz, Preuss 2004)*: Questionnaire answered by 1,299 spectators of football matches at the Olympic Games in Athens 2004.
- 3) *Video tape recording from Preuss (2004) supported by the UIPM (Union Internationale de Pentathlon Moderne)*: The recordings were taken during the Athens 2004 Olympic Games in 10 different countries. Focus was on the analysis of TV commercials from sponsors and ambush marketers.
- 4) *IOC Brand Study (1999) executed by Sponsorship Research International (SRi)*: This was the first large, wide-ranging data sample gathered on the Olympic brand. SRi queried 5,500 consumers in 11 nations as well as sponsors and members of the Olympic family about their associations with the Olympic Games. The research consisted of two-phases (1998 and 1999) including quantitative and qualitative studies. A similar study was completed in 2006 involving 10 countries.
- 5) *Qualitative study by Séguin & O'Reilly (2007)*: Ten in-depth interviews were done with Olympic TOP sponsors and senior executives from the Olympic marketing programs on the topic of ambush marketing.

SELECTED RESULTS

Olympic Attributes: Olympic symbols and the word "Olympic" may influence the image of a sponsor and/or a sport. Under the hypothesis that the players at the Olympic football tournament behave similarly to those at the FIFA World Cup tournament there is evidence that the Olympic spectators perceive the Olympic football tournament as more fair ($p < 0.01$), more multicultural ($p < 0.05$) and more peaceful ($p < 0.01$) than the FIFA World Cup. These findings suggest that there may be the potential of image transfer from the Olympic Games (e.g. symbols) to a sport and/or a corporation.

Success of sponsorships: A weak but highly significant relationship can be shown between the interest of the consumers in the Olympic Games and their buying intention of sponsors' products ($r = 0.210$, $p < 0.001$). The high level of consumer interest combined with the exclusive marketing opportunities associated with the Olympic Games makes the property a very expensive one for sponsors. As a result, the threat of ambush marketing around the Games is a concern..

Ambush Marketing: This marketing tool causes cluttering and therefore confuses consumers. It will be shown that many consumers struggle to distinguish between legitimate sponsors and non-sponsors. The data also suggests that those who have a greater interest in the Olympic Games are more able to distinguish legitimate sponsors from non-sponsors ($r = 0.219$, $p < 0.001$). Despite the fact that the empirical relationship is not strong, qualitative research stresses the concern of cluttering. Furthermore cluttering is also confusing consumers by identifying the sponsor-level among Olympic sponsors.

One reason that Ambush Marketing is prevalent at the Olympics is the difficulty (or the lack of ability) to protect the Olympic associations. As a result, corporations are able to make themselves appear as sponsors by indirectly associating with Olympic symbols and/or Olympic related attributes. This will be illustrated through TV-commercials recorded during the Olympics in Athens 2004. While the IOC has passed several restrictions to reduce ambush marketing activities, the issue of clutter must be strengthened.

IOC-Policy: In the past few years, the IOC has increased its efforts to enhance the value of Olympic sponsorships. Providing a “clean” city is one such effort where the IOC is aiming at providing a near “advertisement-free” Olympic host cities during the Olympic and Paralympic Games. By limiting the advertising space and allowing only Olympic sponsors to advertise – for a limited time – more awareness can be achieved for Olympic sponsors due to the reduction in clutter.

CONCLUSION

This presentation will address the challenges faced by the IOC in protecting the rights of its sponsors. This is critical for the IOC as marketing revenues are amongst the most important source of revenues for the Olympic Movement. Particular attention must be directed towards brand management. This will address the issue of clutter and ambush marketing while strengthening the Olympic brand.

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