

A critical review of Coca-Cola's Olympic Games sponsorship and corporate social responsibility

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Aim of the paper

Commercial sponsorship has had a significant impact on the sport industry and specifically, sport mega-events such as the Olympic Games. The longest continuous Olympic Games sponsorship is that of Coca-Cola. This paper presents an investigation into this 88 year sponsorship relationship with specific focus on critical aspects of corporate social responsibility (CSR). The research is founded on two broad aims. First, at an intra-organisational level, to investigate Coca-Cola's strategies and activations in relation to their Olympic Games sponsorship and CSR activities. Second, at an inter-organisational level, to examine the sponsorship partnership between Coca-Cola, the International Olympic Committee (IOC) and different local organising committees for the Olympic Games. Our focus here is on goal alignment and compatibility of CSR-based activities and strategies within an inter-organisational context.

Theoretical background

Sponsorship of the Olympic Games demands a sizeable price tag, with top tier sponsors paying in the vicinity of US\$100 million for marketing rights (Morgan, Frawley, Fujak & Cobourn, 2017). While sponsorship investment has continued to rise, so too has public criticism of mega-events and their sponsors in terms of negative event impacts and appropriateness of sponsor brands (e.g. Coca-Cola). This has triggered involved companies to invest significantly in CSR-based activities in conjunction with their Olympic marketing campaigns. As noted by Porter and Kramer (2006), there has been a notable shift towards social and environmental improvement strategies across a wide variety of industry sectors.

The ubiquity of sport sponsorship and recent rise of CSR has seen both areas attract research attention from various perspectives. However, to date, there is very little research exploring the nexus between sponsorship and CSR in a sport mega-event context. Sport organisations are increasingly engaging in CSR-based activities, at the same time, private firms are increasingly promoting their social responsibility through sport. Sport mega-events present a platform where these two avenues of CSR meet on a global stage. Our initial aim is to examine how a sponsoring firm's CSR manifest through a sport mega-event. Subsequently, we investigate this in relation to the IOC and Olympic organising committees' CSR strategies.

As recently noted, CSR in sport management research has lacked a critical approach (Breitbarth, Walzel, Anagnostopoulos & van Eekeren, 2015). Given the increasing scrutiny of the IOC and sponsors in terms of financial, environmental and social issues, a critical analysis of CSR in this context appears relevant. We see this study as the first step in providing a critical view of the role of CSR in a mega-event context. While companies are promoting their social responsibility through sport, pertinent questions arises as to whether or not these campaigns/activations are in fact generating societal benefit.

Examining what companies disclose through their official channels and what eventuates in reality is pivotal in this area. By providing a case-study of sponsorship and CSR, our study aims to set a future research agenda in an effort to answer important socio-managerial questions regarding CSR.

To achieve this wider aim, our study takes a critical approach and draws on the theoretical underpinnings of inter-organisational alliance literature, and previous sport-based sponsorship and CSR research. Inter-organisational alliance scholars have noted that compatibility of organisational strategy is important for creating mutual benefit and ultimately influencing alliance success (Das & Kumar, 2010). How this applies within the inter-organisational context of Coca-Cola's Olympic sponsorship is explored through a qualitative investigation.

Methodology

This case-study is based on a review of official documents and media reports pertaining to the Olympic Games and Coca-Cola, specifically in regards to CSR. Focus is on the Vancouver 2010 Winter Games and the 2012 London Olympic Games. A detailed investigation of documents provides the benefit of combining a historic overview of sponsorship partnership with more contemporary evolutions. Official documents include: Coca-Cola's Annual Reviews and Sustainability Reports from 2007-2014; Coca-Cola's London 2012 Sustainability Policy and Legacy Report; Final Reports of the IOC Coordination Commission, Marketing Reports and Knowledge Management Reports for 2010 and 2012 Games; IOC Sustainability Through Sport Report 2012. A media review is underway, searching for relevant articles through NewsBank Newspapers and Factiva databases.

Results & conclusion

Preliminary findings indicate that Coca-Cola primarily leverages their Olympic association to connect with consumers and it is evident that they have used the Games as a platform to promote their sustainable practices. The key themes emerging from the data include: leverage of event sponsorship; philosophy towards sustainability; and, targeted outcomes. This study is not yet complete as findings will be further analysed and conclusions drawn in the coming months. Once completed, we are confident that our study contributes to a greater understanding of how organisations leverage sponsorship of events to satisfy CSR-based objectives. It will also assist in determining the strategic potential of engagement and clarify issues of compatibility in a sponsorship context that questions whether actual benefit is delivered to society.

References

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