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Brand collaboration and associations occurring within a destination (Hong Kong) and a sport event (the Equestrian Games)
Olympic Games host and bid city marketing: exploring issue management in the relationships among stakeholders
Winning the Olympic marketing game: recall of logos at the 2006 Turin Winter Olympics
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Introduction

Marketing the Olympic Games

Guest editors: 
Frank Pons Université Laval  David Stotlar University of Northern Colorado  Cheri Bradish Brock University

“The Olympic Games are a positive force in marketing. Worldwide marketing expenditures increase as official sponsors and unofficial free-riders attach themselves to the Olympic logo, to particular sports, national teams or individual athletes. Global brands, in particular, see the Olympics and World Cup soccer as the two most important international sporting events; brand linkage to these events can boost brand awareness, preference and sales over competitors who cannot afford the global sponsorship prices set by the International Olympic Committee.”
John Quelch, Senior Associate Dean and Lincoln Filene Professor of Business Administration, Harvard Business School, 2008.

In sport, competing at the Olympic Games is considered by most athletes to be the pinnacle of their career. This global event transcends the political and cultural arena to create unforgettable moments for individuals – sports fans or otherwise – around the world. Until 1998 the Games were the reserved territory of amateur athletes, and organising committees struggled to make them happen every four years. However, since 1992, spurred by the presence of professional athletes, representing sponsorship and marketing opportunities, the Olympic arena has become a fabulous playground for marketers of all types. The Olympic brand has become an incredible commercial asset, and sponsors and other commercial partners compete for a piece of the Olympic dream, while consumers become gripped by Olympic fever.

The activation process for an Olympic sponsor is exemplified in the case study which introduces this special edition: Coca-Cola China’s Virtual Olympic Torch Relay programme at the 2008 Beijing Olympic Games (J. Andrew Choi). Olympic Games host and bid city marketing (Xiaoyan Xing, Anthony G. Church, Norm O’Reilly, Ann Pegoraro, John Nadeau, Amanda Schweinbenz, Louise Heslop & Benoit Séguin) addresses an important issue that is not often tackled in academic research and takes place long before as well as during the Games – an excellent introduction to marketing within the Olympics.

Olympic sponsorship: evolution, challenges and impact on the Olympic movement (Chrysostomos Giannoulakis, David Stotlar & Dikaia Chatziefstathiou) uses a historical perspective to study Olympic sponsorship, whereas Selection of leveraging strategies by national Olympic sponsors (Fiona Davies & Georgios Tsiantas) focuses on national Olympic sponsors and proposes an interesting conceptual model.

The critical role played by co-branding issues is highlighted in The Olympic Equestrian Games: brand collaboration and associations occurring within a destination and a sports event (Anna Fyrberg). Her paper is written in the context of the equestrian competition to be held in Hong Kong for Beijing 2008.

Winning the Olympic marketing game: recall of logos on clothing, equipment and venues at the 2006 Olympics (Tom Robinson & Lois Bauman) examines the visibility of sponsors’ logos and raises serious questions about the IOC ‘clean venue’ policy.

Many people worked long and hard to bring this special edition to publication. We would like to gratefully acknowledge the editor, Simon Chadwick, for proposing this edition and for giving its guest editors the opportunity to work on these papers. In all, there were 13 submissions, and those published here were selected through two stages of peer review and revision. Therefore, we would also like to express our gratitude to all the reviewers (see page 238) for this time-consuming and voluntary effort.
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Editorial

The real dilemma

For China, the 29th Olympic Games represent an important juncture in the country’s history. Having emerged from 20th century communism, China has entered a new era characterised by state-controlled capitalism, a drive for international competitiveness and a more outward-looking approach. Clearly the transition has been successful in some regards: recent economic growth figures were among the highest in the world. The wealth this has helped to create is one of the foundations upon which the Games have been built. The event itself, in turn, represents a significant opportunity for China to present a modern face to the world and to assert its status as a world power, both economically and in sporting terms.

The country has taken every opportunity to promote its hosting of the Games. This has included the now-infamous global torch relay, which although intended to be a shared celebration, had the opposite effect in some countries, highlighting social and political grievances associated with Chinese sovereignty and its preparations for the Games themselves.

While it is not the intention of the Journal to challenge or defend the Chinese position, we do question the impact and response of those in sport who are directly affected by what has happened so far. It seems we are now being tested in a completely new arena: a sponsorship property that is arguably the most valuable in the world; a global mega-event that is staged in summer only once in four years; and a host country that is an incredibly important marketplace, especially for the corporations that have the power and resources to associate themselves with an event such as the Olympics.

Ahead of the 2012 Games in London, one already senses that some of the UK domestic sponsors have been disconcerted by what they witnessed in the streets of the British capital in early April. The pictures of well-known British celebrities being grappled to the floor by protestors and protected by anonymous Chinese minders were hardly the strongest foundation for an effective marketing communications strategy. But it is the response of Coca-Cola to the torch relay debacle that has really highlighted the problems corporations must deal with if faced with the simultaneous juxtaposition of an ethical dilemma, direct consumer action and the opportunities presented by mass markets.

Neville Isdell, Chairman and Chief Executive of Coca-Cola, writing in the Financial Times, walked a very thin line between condemning and condoning what had happened, without doing either. Clearly aware that he had to appease an anti-Chinese mass (a very large and powerful market), while not disaffecting the Chinese population (another very large and powerful market), Isdell stressed that his corporation was working positively to promote a range of initiatives in Sudan, a country where China has some influence. In essence, Isdell seemed to be suggesting that the way forward for sponsors was not to antagonise either side in such arguments, but to build positive links between the two.

This is an interesting approach, and one that supplements my view that direct action, such as that taken by professional cycling sponsors including Adidas and T-Online, is the most effective form of market-led response. A collaborative model of engagement now seems to on the table, whereby a sponsor serves as the missing link between irate stakeholders and the world’s major sporting properties. The question is: which is the right approach? Are we really to believe that a ‘Coke and a smile’ will be enough to fundamentally address the global issues in which sport can become embroiled?

Simon Chadwick, Editor
### Abstracts

**Coca-Cola China’s Virtual Olympic Torch Relay programme at the 2008 Beijing Olympic Games: adding interactivity to a traditional offline Olympic activation**

J. Andrew Choi

This case study examines the interactive marketing initiatives of Coca-Cola China Company for one of its marquee Olympic properties, the Olympic Torch Relay. It provides insights into building increased brand interaction by adding an online interactive component to an age-old concept in Olympic activations.

**Olympic sponsorship: evolution, challenges and impact on the Olympic movement**

Chrysostomos Giannoulakis

Over the past decade, the Olympic Movement has become increasingly dependent upon financial support provided by corporate sponsors. This study explores the evolution of the Olympic sponsorship programme, presents current and future marketing strategies employed by sponsors, and discusses major challenges within the programme.

**Selection of leveraging strategies by national Olympic sponsors: a proposed model**

Fiona Davies

Selecting the most effective leveraging methods is crucial for national Olympic sponsors. This paper presents the Optimal Leveraging Activity model, which suggests that leveraging activities for high involvement products/services should primarily focus on enhancing brand image, knowledge and involvement, while for low involvement products/services a more sales-oriented approach is favourable.

**Winning the Olympic marketing game: recall of logos on clothing, equipment and venues at the 2006 Turin Winter Olympics**

Tom Robinson

This study looks at the visibility of logos during the televised broadcast of the 2006 Turin Winter Olympics and television viewers’ perceptions, recall and recognition of those logos. The results indicate that the number of brands and logos perceived was far greater than actually existed, bringing into question the effectiveness of the Olympics’ ‘clean venue’ policy.

**The Olympic Equestrian Games: brand collaboration and associations occurring within a destination and a sports event**

Anna Fyrberg

This paper aims to contribute to the concept of co-branding by recognising the role of consumer perception and the importance of the variety of contexts in which co-branding is perceived. A framework based upon previous research is contextualised into ‘service branding’ and used to investigate the associations between Hong Kong and the Olympic Equestrian Games.

**Olympic Games host and bid city marketing: exploring issue management in the relationships among event stakeholder groups**

Xiaoyan Xing

This paper explores relationships among stakeholders in Olympic Games host/bid city marketing. It outlines research questions, identifies a theoretical framework to better understand Olympic City marketing, presents four essays on issues within this framework, and provides conclusions and suggestions for research.
It’s easy to have an opinion about the Olympics. Most of those I come across seem to be gripes, typically falling into three categories.

First, there is the cost of the whole thing, particularly for venues which it appears will be used once, and then urgently need an alternative use. Isn’t it possible to do the whole thing on a shoestring, like in 1948? (Except it would cost a fortune to rebuild a tram system for the athletes to ride on the way to the stadium.)

Second, isn’t the whole patriotism thing hopelessly overdone? Shouldn’t we simply see the best performers in action, irrespective of where they come from?

And finally, why is it necessary to have increasingly overblown and elaborate ceremonies? If stilt-walkers are essential, why not have a stilt-walking event?

The trouble is that in many ways, these three are now what the Olympics are about. As a purely sporting event it suffers that there are only a minority of sports which are really big box office, and virtually all of those are either, like motorsport, one-day cricket, pro boxing or American football, unrepresented at the Olympics or, like football, basketball or tennis, distinctly junior versions of the real top-flight competitions held elsewhere. Just about the only Olympic sport with real standalone mass appeal is track and field, and it’s not a coincidence that it hasn’t had a high profile drug embarrassment.

The plain fact is that the Olympics only really presents the highest level of competition in sports for which the average sports punter won’t even punch the remote, leave alone pay good money and give up the time to watch. So to get the interest, and the money, coming in, we need the fancy venues, the razzmatazz and the flagwaving. Like many other Britons, I can be as indignant as the next man if I think my taxes are likely to be blown on architectural white elephants, but come 2012 I might well go along out of curiosity, not at the sport, but to see where my money has gone. And there’s no denying that the quickest sellouts at any Olympics are not bent sprinters but the opening and closing ceremonies.

As for patriotism – apparently “Britain” – or someone claiming to speak for “Britain” – has a target of 35 medals for this year’s Olympics, and a lot more for 2012. Now a lot of these appear to be in sports like yachting and rowing, which aren’t normally even back page news, but swaddle them with the flag, and they become everybody’s baby.

The relationship of the Olympic Games to sport is roughly the same as that of a blockbuster West End musical to the dramatic and musical arts. The performances might not actually be that good, and you might not even recognise the tunes, but who cares? Come and gawp at the scenery, be dazzled by the effects, and have a good night out. This is sport for people who, essentially, don’t like sport.

Come 2012 I might well go along out of curiosity, not at the sport, but to see where my money has gone.

John Old is a freelance economist, writer and management consultant.
Coca-Cola China’s Virtual Olympic Torch Relay programme at the 2008 Beijing Olympic Games: adding interactivity to a traditional offline Olympic activation

Abstract
This case study examines the interactive marketing initiatives of Coca-Cola China Company for one of its marquee Olympic properties, the Olympic Torch Relay. It provides insights into building increased brand interaction by adding an online interactive component to an age-old concept in Olympic activations.

Pre-publication updates
The main body of this case study was largely based on Coca-Cola China’s Olympic activation plan and personal interviews. It was also written and accepted almost a year prior to the start of the Olympic Games in Beijing. Two of the Olympic activations described in this paper were scheduled to take place in the months leading up to the publication of this work, while others are ongoing or scheduled to happen during the actual Games. The author has therefore attempted to verify the implementation status of the earlier initiatives and offered updates within the text. Due to the difficulty of accessing highly-sensitive corporate information, no official announcement from Coca-Cola China has been made that bears on the outcome of the two events. However, through personal contacts in Coca-Cola offices throughout Asia, updates have been provided in the text.

Keywords
Coca-Cola
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interactive marketing

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Peer reviewed
Executive summary

The purpose of this case study is to examine the integration strategies of internet technology by Coca-Cola China Company (CCCC) in one of its marquee Olympic activation programmes, the Torch Relay programme leading up to the 2008 Summer Games.

The concept of the Torch Relay is as ancient as the Games itself. More recently, however, the Torch Relay has become an essential component of Olympic sponsorship for corporations such as Coca-Cola, Samsung and Lenovo, thanks to the physical and emotional connection that the Olympic torch can, universally, induce. Unfortunately, while this paper was at draft stage the offline Torch Relay programme on the streets of major cities around world was experiencing an unprecedented level of protest and disruption. China’s alleged violations of human rights and its involvement with the Sudanese government brought hundreds and thousands of anti-China demonstrators onto the streets to oppose the celebration of the first global sporting event to take place in China.

All politics aside, the challenge for today’s Olympic marketers is to exceed the performance and expectation of past Olympic activations and to inject freshness and novelty to such an age-old marketing asset as the Torch Relay. Furthermore, with increased talks about potentially terminating the street-level relays around the globe for future Games, Olympic sponsors are in need of new strategies and ideas to provide alternate ways to leverage the Olympic Torch Relay property.

Coca-Cola China’s Virtual Olympic Torch Relay (VOTR) and other interactive Olympic marketing programmes bring new and interactive media to the Torch Relay plan, and provide contemporary marketing options for future Olympic marketers to consider.

The marketers at Coca-Cola China have the ambitious goal of providing rare Olympic experiences to their current and potential Chinese consumers by attempting to supply meaningful encounters that link its brand with that of the Olympics. They believe that the advent of internet-enabled technologies can ensure increased opportunities for Chinese consumers to become more actively engaged in the Olympic festivities. The brand architects at Coca-Cola China’s Olympic marketing team hope that such interactions will eventually lead the Chinese consumers to develop stronger affinity towards and identification with the Coca-Cola brand in what is the biggest potential market in the world.

Examination of Coca-Cola China’s VOTR programme also allows us to ponder the future direction of Olympic Torch Relay activation. By adding an online, interactive component, this programme did not occur in place of but in concert with the traditional Torch Relay runs throughout the world.

The levels of reception and participation in Coca-Cola China’s VOTR and other supplementary interactive Olympic marketing programmes by Chinese consumers could determine the amount of future usage of online interactivity in other comparable Olympic properties.

For this case study, I relied on telephone and email interviews with senior executives within the Coca-Cola Company and Coca-Cola China as the two primary sources of evidence – individuals directly responsible for conceptualising and implementing Coca-Cola China’s interactive Olympic marketing programmes, who prefer to remain anonymous. In addition, I have examined a number of confidential Coca-Cola Olympic documents from CCCC.

One of the most important sources of case study information is the interview (Yin, 2003). Merriam (1998) also contends that the main purpose of an interview is to obtain special kinds of information, and the inherent value of this case study is indeed to disseminate hard-to-access corporate sponsorship information to the sports marketing audience.
Background

08-08-08 0800... An astute sports fan would recognise these numbers as the official commencement date and time for the 2008 Beijing Olympic Games. In China, the number ‘8’ is considered auspicious, and it is quite evident that the organisers of the Beijing Games want this event to be the most auspicious in the history of the nation. The first-ever global sporting event to take place in the world’s most populous nation starts at 8am on 8 August 2008.

The purpose of this case study is to examine the integration strategies for internet technology by an experienced Olympic sponsor in one of its marquee Olympic activation programmes, the Torch Relay programme for the 2008 Summer Games. By bringing an element of interactivity to the Torch Relay programme, CCCC attempts to broaden the base of consumer engagement in the celebration of the Beijing Olympics and establish the foundation for brand interaction with current and future consumers by providing rare Olympic experiences.

Coca-Cola has belonged to an elite group of global Olympic sponsors over a number of summer and winter Olympic Games. Coca-Cola Company’s Olympic activation is one of its signature sports properties, and one that has certainly contributed to the development of global brand equity. However, it has not always been a smooth path for Coke when it comes to avoiding opposition groups. Most recently, Coca-Cola’s sponsorship of the 2008 Beijing Olympics Torch Relay around the world was the target of sharp criticism from anti-China protesters. Furthermore, such grave issues as Coke’s influence on obesity, water shortage and other environmental damages have drawn opposition from many parts of the world (Zacune, 2006).

The focus of this study, however, is on Coca-Cola as a sports sponsor, and it is hard to argue against the length and breadth of Coca-Cola’s involvement in sports marketing and sponsorship. One could argue that there are adverse physical effects on consumers associated with almost any given product – from alcoholic beverages to automobiles – in which case few sponsors would be ethically qualified as a subject for research. However, the primary goal of this study is to examine Coca-Cola’s activities as a legitimate sports sponsor, and to keep within a sports and interactive marketing context.

For this study I conducted several telephone interviews with two of the architects of Coca-Cola China’s Olympic marketing team who were responsible for conceptualising and executing the VOTR and other interactive Olympic marketing initiatives. A number of follow-up email interviews were also completed in order to verify and/or modify the facts and figures. Interview transcripts, as well as the first draft of the article, were reviewed by the two marketers for confirmation of its authenticity and accuracy. Coca-Cola China’s marketing and brand documents were also probed to gain additional understanding of the organisation, timeline and key deliverables.

Coca-Cola and Olympic marketing
Coca-Cola is the largest global beverage brand in the world, with global market share of 44% (McKelvey, 2006); some say that Coca-Cola offers soft drinks in more countries than have United Nations membership. Equally noteworthy is the brand’s Olympic heritage, which dates back to the 1928 Olympic Games in Amsterdam and which will continue until at least 2020 – a relationship that has lasted 92 years without interruption (Coca-Cola Company, 2007).

In 1996 Coca-Cola became the exclusive presenter of the Olympic Torch Relay (Coca-Cola Company, 2007) and initiated the activation of the Olympic Torch Relay as one of the key sponsorable components (Stotlar, 2004) throughout the markets that it had penetrated. With the five ensuing Olympics – summer and winter – the Olympic Torch Relay programme became a signature Olympic activation for Coca-Cola. However, the challenge for the Coca-Cola Olympic marketing organisation has since been to develop
strategies and tactics that outperform the success of each of the previous Olympic Torch Relay programmes. For the first time in its Olympic partnership history, at the 2008 Beijing Olympics, Coca-Cola China aimed to feature the Olympic Torch Relay programme via both online and offline platforms, thereby allowing more consumers in China to interact with and embrace the Olympic spirit and to build strong brand loyalty towards the Coca-Cola brand.

Olympic marketing
Marketing ‘through’ sport – utilising sporting events to market non-sport products (Stotlar, 2004) – has always been an important sponsorship strategy for Coca-Cola. For almost 20 Olympic Games, Coca-Cola developed and implemented a number of Olympic marketing initiatives, such as the Olympic Pin Trading Centre, Coca-Coca Polar Bear and Powerade-Aquarius Olympic Training Camp, to promote its existing and new brands at the Olympic host cities (Coca-Cola Company, 2007). Furthermore, these programmes were geared to provide new meanings and experiences to the consumers’ two-week Olympic experiences by showcasing the multi-layered stories and sub-themes that have highlighted each and every Olympics witnessed in recent years (Chalip et al, 2000). Majid et al (2007) also posit that stories and myths are the key ingredients of the Olympic viewing experiences that the brand can effectively tap into in order to enhance its Olympic association among consumers. The notion of patriotism is another essential value of Olympic experience that the more interested viewers of the 1996 Atlanta Games identified (McDaniel, 2002). Of interest then, when looking at Coca-Cola’s interactive Olympic marketing programme, is whether this veteran Olympic sponsor has incorporated any of these important findings into its ambitious internet marketing initiative for the 2008 Beijing Games.

China and the internet
According to a recent report published by China Internet Network Information Centre (CNNIC, 2007), the number for China’s internet users has reached 162 million – nearly 12.3% of China’s total population of more than 1.3 billion. In addition, 16 billion text messages were sent during the Chinese New Year and 600 billion in 2006. Numbers alone make it a viable option for Coca-Cola to explore the internet when expanding its Olympic marketing coverage. The effectiveness of integrating internet technology as one of the marketing communication tools to impact positively on consumer attitudes and loyalty towards the brand has been widely documented (e.g. Delpy & Bosetti, 1998; Putrevu & Lord, 2003; Shankar et al, 2003). The huge user group, together with a proven tactical platform, would be sufficient to rationalise Coca-Cola’s Interactive Olympic Marketing Programme. Interestingly, however, no internet activation of Olympic-scale sponsorship has yet to surface to engage consumers and Olympic fans alike.

Brand relationships and interactive marketing
Several researchers believe the internet can be a well-suited medium for building consumer-brand relationships and that corporate websites may even be able to build stronger consumer-brand relationships than does traditional advertising (Thorbjornsen et al, 2002). Moreover, marketers can potentially provide consumers with a more enjoyable experience by offering interactive marketing platforms (Pavlou & Stewart, 2000). The notion of interactivity can be defined as a dialogue between individuals through a medium (Bezjian-Avery et al, 1998), but it is ultimately determined by the willingness of consumers to respond to the medium (Pavlou & Stewart, 2000). Thorbjornsen et al (2002; p.19) conclude: “Interactive marketing is an iterative dialogue where individual consumers’ needs and desires are uncovered, modified and satisfied to the degree possible.”

The goal of any marketer would be to immerse this unique and powerful element of interactivity in developing brand loyalty through exploitation of interactive marketing platforms such as the internet and mobile communication devices. The importance of strengthening emotional ties between consumers
Coca-Cola China’s VOTR programme

FIGURE 1

OBJECTIVES OF VIRTUAL TORCH RELAY

TEACH CHINA TO DRINK AND INSPIRE CHINA TO LOVE

GOAL

LEVERAGE DIGITAL CHANNELS TO ENGAGE CHINESE YOUTHS AND YOUNG ADULTS
EXTEND COCA-COLA’S iMARKETING NETWORK FROM VIA INTERNET TO MOBILE AND INTERACTIVE OUTDOOR

MESSAGE

DESIGN UNIQUE USER EXPERIENCE TO COMMUNICATE BRAND’S CORE VALUE
CREATE AN INTERACTIVE PLATFORM TO CONNECT CONSUMERS AND BRAND

PROMISE

BUIDL 2008 OLYMPIC BRAND MEMORY
BUILD STRONG ASSOCIATION OF SHUANG WITH COKE THROUGH POWERFUL IDEA AND EXECUTION

and their brands has been emphasised by Fournier (1998), and measurement of brand loyalty is considered to be a good framework for long-term, committed consumer-brand relationships. The conceptual framework of this study is to explore how interactive technologies can be utilised to increase brand interaction and strengthen brand relationships that could lead to long-term brand loyalty towards Coca-Cola in China.

Objectives

The vision of the Coca-Cola 2008 Interactive Marketing Group is that Coca-Cola will play an integral role in connecting China together around the Beijing Olympics. Specifically, the VOTR aims:

1. To reach a target population of 200 million among the total Chinese population of 1.3 billion;
2. To build Coca-Cola brand love (loyalty) at key Olympic moments; and
3. To generate a comprehensive database of ‘opt-in consumers’ (those who have agreed to participate in future Coca-Cola interactive marketing activities) for future internet-based activations.

Behind these ambitious statements lie specific marketing objectives of the Coca-Cola Interactive Marketing Programme (Figure 1). “Teach China to drink and inspire China to love” was its overriding theme for the VOTR programme, but the interesting concept that kept emerging during conversations was ‘shuang’, the Chinese word for ‘physical and emotional refreshment’, reiterated as the core brand value of
Coca-Cola. The brand is positioning itself as the provider of ‘the ultimate shuang moment’ for Chinese consumers and Olympic fans alike through a number of engaging, memorable and historic Olympic activations. This is the key message or sub-plot surrounding the Beijing Games that is designed to make the two-week Olympic experience unique and different for Coca-Cola followers in China.

Strategically, Coke’s interactive Olympic marketing programmes seek to deliver unique Olympic user-experiences by following through on these ‘connection mantras’:

1. Connect with the Virtual Torch
2. Connect with Great Olympic Moments
3. Connect with the actual Relay
4. Connect with the Games
5. Connect with great memories.

On a tactical front, they aim to:

1. Enhance brand love by enabling participation in the Olympics – a departure from past Olympic experiences for the Chinese people, to whom the Olympic experience has always been limited to mere viewership;
2. Amplify brand message by connecting people;
3. Maximise VOTR property in multiple, digital ‘touch points’; and
4. Build in the Coca-Cola brand to consumers’ Olympic memories.

In the 12-month planning stage of the interactive Olympic marketing programme, between September 2006 and October 2007, the CCCC executive repeatedly expressed his desire to “make a statement” or “make history” through activations in 2008.

Implementation and results

Partnerships

The first step towards accomplishing interactive Olympic marketing goals is the building of partnerships. Whether a simple combo meal sweepstakes promotion with a Quick-Service-Restaurant chain in activating the NFL sponsorship or a product placement deal with one of the mega film-makers, Coca-Cola’s proclivity over the years towards “partnering up with the most viable business entity” has been no secret. The potential scale and reach of the interactive Olympic marketing activation programme required equally wide-ranging business alliances with key service providers. To name a few, Coca-Cola China has established a working agreement with:

**QQ.Com** – the largest internet portal site in China, whose registered users for its instant messaging software number 260 million.

**China Telecom** – the world’s largest wireline telecommunications and broadband provider, whose wireline subscribers number 220 million.

**Baidu.com** – the number one search engine in China and “sole warrior to fend off the global Google invasion”.

These three network and internet companies became the ‘technology anchors’ for Coca-Cola China. Other partners such as Tudou.com (friends and alumni locating websites), mop.com (a social networking website) and gaming software companies have all lined up to take part in the Coca-Cola VOTR programme and other interactive Olympic activations.
Interactive activation

1. Virtual Olympic Torch Relay (VOTR)
The essence of the Virtual Olympic Torch Relay is the building of the “longest virtual human-chain ever” via text messaging. Liu Xiang, the world-record holder in 110 metre hurdles and a Chinese Olympic icon, kicked off the VOTR on 31 March 2008 from the top of the Great Wall. This was the date when the Olympic Torch arrived in China for the first time, and Xiang was to instantly send 1 million text messages to a random group of Chinese Telecom subscribers. The text message was to capture the patriotic Olympic spirit and well-wishing statements, and would ask the recipient whether they would like to pass on the message to a friend(s) to build a historic virtual human chain. In reality, the VOTR centred on the concept of “passing on the Olympic spirit” through text messaging with a graphic of the torch and well-wishes. Coca-Cola aimed to connect with 200 million people via this virtual activation.

VOTR update, July 2008
The mass text-messaging ceremony featuring the Chinese Olympian Liu Xiang generated enormous interest and participation among Chinese consumers. Within the first week of the event, 30 million ‘well-wishing’ messages had been relayed throughout China, and the final tally of text messages was nearly 120 million. According to a source within Coca-Cola, the VOTR in China is being viewed internally as one of the biggest ‘buzz-generating’ Coca-Cola marketing events that has taken place in the Chinese market.

2. Interactive picture mosaic
Coca-Cola located the “100 most visible” outdoor billboards throughout China and converted them to fully-digitalised and interactive platforms for personal photo posting. When a consumer purchases Coca-Cola products during the Olympics, an access code to special features will be provided “under the cap”. This code will allow them to find the nearest mosaic board, where they can post their own digital photos for the duration of the Games, and to upload/change the images via the internet or wireless devices. The more Coca-Cola products the consumers purchase, the more spots are to be given to them to post their “Olympic moments”. This type of proof-of-purchase promotion is indicative of Coca-Cola’s commitment to driving volume while enhancing brand loyalty and visibility.

3. The Torch-cam webcast
Coca-Cola has also prepared to capture digitally exhilarating moments among fans on the street welcoming the actual Torch Relay. This was to be achieved either by attaching a tiny webcam to the torch itself or by sending out the Coca-Cola Torch Caravan to capture the crowds on digital cameras. The photos of the fans are to be posted on a number of partner portal sites, as well as on the www.iCoke.cn website for consumers to download and/or view 24 hours a day throughout the Olympics. The webcam concept could also provide uninterrupted live coverage of the Torch Relay across China for consumers interested in watching the torch online and viewing scenes from their own hometown.

Webcast update, July 2008
Worse-than-anticipated hostility towards the Torch Relay in some overseas stops in April 2008, when it encountered numerous vocal pro-Tibetan and human rights activists, precipitated a heightened level of security for the Chinese legs of the relay. As a result, all previously-discussed plans for sponsor-related live activities surrounding the relay were cancelled. Instead, the official website of the Beijing Olympic Games provides downloadable videos of the Torch Relays. Strategically, since April, the three official sponsors of the Torch Relay – Coca-Cola, Samsung and Lenovo – have taken a much lower-profile approach in promoting their corporate association with the Torch Relay.
4. ‘Watch and Win Olympic medals’
On each day of the Olympic Games, consumers will get a daily PIN code when purchasing a Coca-Cola product to enter this competition. For those who accurately predicted medal winners, Coca-Cola will publish the names of participants with the highest scores on the Live Coke Scoreboard at the www.iCoke.cn website. The winners will be able to redeem medals online at the www.iCoke.cn Olympic Prize Centre and the top scorers from each of the 51 provinces in China will be invited to Beijing for an exclusive ‘Coke Dream Team’ ceremony at the end of the Games.

5. ‘Live the Olympic Memories’
The organisers of the Beijing Games were in the planning stages of building the Olympic Memorial Museum next to the Bird’s Nest as this paper was being drafted. Coca-Cola plans to save an estimated 50 million of the digital photos assembled through its photo mosaic programme onto a digital time capsule and donate it to the museum. In the Coca-Cola ‘Live the Olympic Memories’ section of the museum, visitors will be able to browse, search and locate individual photos through digitally-enabled touch-screen monitors. The same images will be saved onto the website Your2008memory.com for participants to view and cherish their own unique Olympic experiences.

6. Cross-activation with Red Passion Centres
Red Passion Centre is an offline Olympic festival venue that Coca-Cola will build in each of the 60 ‘hot spots’ throughout China. It will feature live music, Olympic broadcasts on large screens, refreshments and other Olympic-themed, carnival-like activities for visitors to enjoy. The Virtual Torch saved on a cell phone will serve as a free ticket to enter any Red Passion Centre around the country. There will also be online/offline integration tents for the ‘Watch and Win’ competition and the human chain programme.

Conclusion
After reviewing the specific activations of Coca-Cola China’s interactive Olympic sponsorship programmes, it is evident that priority has been given to engaging Chinese consumers to experience the festive Olympic spirit throughout the country. Building brand touch points and establishing meaningful venues for experiential marketing are synonymous with sports sponsorship activation today. The Olympic marketing team at the Coca-Cola China office seem determined to turn Chinese consumers from mere viewers of the Games into more engaged consumers of the Beijing Olympics. Such an ambitious task will surely supply Coca-Cola with much sought-after brand touch points that will hopefully last longer than the 2008 Games.

In the midst of this grandiose aspiration is the presence and availability of interactive technology. By identifying and catering to the interactive trends of consumer behaviour, Coca-Cola China has made a strong attempt at involving the Chinese people in the Olympic Games, both physically and emotionally. In the long run, making these Olympic experiences personal and memorable is meant to lead to an increased level of affinity with the Coke brand in the minds and hearts of the Chinese consumers.

The VOTR programme also adds a new piece to the Olympic sponsorship puzzle – the integration of interactive technologies to the overall Olympic activation. What Coca-Cola has attempted to achieve at the 2008 Beijing Summer Olympics clearly requires enormous human and financial resources (estimated at $1 billion). The tangible results of this are yet to be measured, but it seems like a natural progression in Olympic sponsorship activation to recognise and include the next wave of powerful Olympic consumers – the exploding generation of the digitally-enabled. The technological advancement is wide open and available for every Olympic sponsor to seize. Coca-Cola China’s strategies in interactive Olympic marketing may well precipitate other sponsors exploring this potential more aggressively. Furthermore, the technological integration of an
ancient programme like the Torch Relay, which in 2008 witnessed a growing number of logistical and social issues, may even expedite the thought processes around moving the torch in the virtual world instead of through the city streets.

Brand interaction through newly-available interactive media could be a powerful and far-reaching initiative. For sports sponsors looking for ideas to enhance their partnerships with global sports properties such as the Olympics and the FIFA World Cup, the interactive marketing strategies and tactics employed by CCCC present some options. However, it would be worthwhile to investigate some of the unforeseen outcomes of these so-called digital activations. Just as interactive marketing platforms appear to offer faster and wider access to the global consumer base than traditional offline media, digital voices might be louder and more mobile in articulating their brand experiences, both positive and negative – and to a bigger audience.

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References


Biography

J. Andrew Choi is Assistant Professor at USF and teaches sports marketing, sales and business development, and business research methods. Prior to returning to academia in 2003, he worked professionally for more than 10 years in Asia. His previous posts include Regional Apparel Marketing Director for Nike Asia-Pacific headquarters in Hong Kong and Brand Manager at the Coca-Cola Korea Company. As an entrepreneur, he founded Hoochoo Enov8, a sports marketing consultancy whose clients have included Mercedes-Benz, Budweiser, LaCosteS and POSCO. He is also the founder of Hoochoo.com, a pioneering sports webzine in South Korea. His research interests are sports sponsorship, brand management and multicultural sports marketing. He publishes articles regularly in academic and industry journals as well as in highly-regarded Korean print media.


Olympic sponsorship: evolution, challenges and impact on the Olympic Movement

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Olympic Games
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sports marketing
Olympic Movement

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Abstract
Over the past decade, the Olympic Movement has become increasingly dependent upon financial support provided by corporate sponsors. This study explores the evolution of the Olympic sponsorship programme, presents current and future marketing strategies employed by sponsors, and discusses major challenges within the programme.

Executive summary
Over the past Olympiads, the International Olympic Committee (IOC), Olympic Organising Committees (OOCs), National Olympic Committees (NOCs) and the Olympic Movement in general have become increasingly dependent upon the significant financial support provided by corporate sponsors. The increased dependency of the Olympic Movement on corporate sponsorship is seen in the fact that 30% of the IOC budget and 40% of the United States Olympic Committee (USOC) funds are derived from sponsorship and licensing income (Stotlar, 2005). Olympic sponsorship not only involves financial support for the Olympic Movement but also provides products and services, technologies, expertise and personnel to help in the organisation of the Games (Lee, 2005). Sponsorship revenue for the 2002 Salt Lake Winter Olympic Games accounted for 54% of all income (Stotlar, 2005). In addition, the Athens 2004
Olympic sponsorship programme, with the combined support from domestic sponsors and The Olympic Partners (TOP), was the second largest source of revenue for the staging of the event, providing approximately 23% of the Organising Committee’s budget. As a result, in Greece, a nation of fewer than 11 million people, Athens 2004 sponsorship provided the highest-ever capita support of any domestic programme in the history of the Games (IOC, 2004).

On the other hand, new trends have illustrated the inefficiency of traditional advertising methods in the Olympic Games. One of the most recent examples is provided by Xerox Company, which decided to cease its 40-year Olympic Games sponsorship. The Olympic Games in Athens were the last games funded by Xerox, after the company had invested approximately $58 million (Lee, 2005). Instead, the company plans to direct its resources into other initiatives aimed at drawing customer attention and loyalty. Furthermore, Kodak, the first reported sponsor of the modern Olympic Games, announced that the company will end its 112-year association with the Olympics after the conclusion of the 2008 Games in Beijing (Olympic Challenge, 2007). With computer manufacturer Lenovo yet to re-sign its TOP deal beyond 2008, and rumours about the Canadian insurer Manulife withdrawing from the TOP programme, it has been argued that one of sport’s few global marketing opportunities is facing pivotal challenges with its sponsorship programme (Olympic Challenge, 2007).

The information above clearly illustrates the significance of corporate sponsorship to the viability of the Olympic Movement and the continuation of the Olympic Games, as well as the emergence of major challenges for the sponsorship programme. Although exploratory in its intent, this study highlights the need for a more dynamic approach towards Olympic sponsorship. In addition, the paper illustrates the evolution of the programme, the marketing approaches employed by Olympic corporate partners, and raises pivotal questions about what precautionary measures the IOC needs to implement in order to enhance the Olympic brand value. The following questions guided the study: (a) How has the Olympic sponsorship programme evolved throughout the years? (b) What are the mutual benefits for the IOC and corporate partners? (c) What were the marketing trends in Turin 2006 and what will be the marketing approach in Beijing 2008 and beyond? (d) What are the challenges within the Olympic sponsorship programme? and (e) What is the overall impact of Olympic sponsorship on the Olympic Movement?

Evolution of Olympic sponsorship

The Olympic Games and sponsorship have a longstanding relationship, initiated with the very first Olympic Games in 776 BC. In ancient Greece cities would sponsor participant athletes by providing athletic facilities, equipment and trainers. Although winners were only awarded a crown of wild olive leaves, both they and their sponsor cities won huge renown (Badinou, 2001). At the first modern Olympic Games – the Games were revived in Athens in 1896 as completely athletic games – two-thirds of the funds came from private donations. Interestingly, the largest expense of the Games, the refurbishment of the Panathinaiko Stadium, was financed via a single benefactor. However, “revenue was also received from private companies, including Kodak, which bought advertising in a souvenir programme” (Brown, 2000, p.75). It was not until the Stockholm Olympic Games in 1912 that companies purchased official rights from the IOC, such as rights to secure pictures and sell memorabilia. At the 1928 Amsterdam Games, the Organising Committee granted the right for concessions to operate restaurants within the Olympic stadium, and precautionary measures were implemented to restrict programme advertising and to ban marketing in and around the stadium (Brown, 2000).

The first financial surplus for an OOC was achieved at the 1932 Los Angeles Olympic Games. Brown (2000) noted “the 1952 Games in Helsinki marked the first attempt at an international marketing
programme, with eleven companies from eleven countries giving value-in-kind support, such as food for athletes and flowers for medal winners" (p.75). The number of sponsors continued to grow in the following Olympiads, with 46 companies participating at the 1960 Rome Games and 250 companies at the 1964 Olympic Games in Tokyo. The number of participating corporate sponsors reached its peak at the 1976 Montreal Olympics, with 628 sponsors and suppliers. Despite the extended number of corporate sponsors, the Games proved a financial disaster for the Organising Committee and the city of Montreal.

The 1984 Los Angeles Olympics were signature Games in terms of financial surplus and commercialisation of the event, and marked a turning point in Olympic sponsorship. The first privately financed Games produced a surplus of $232.5 million in Los Angeles and introduced the concept of protecting the local population from cost overruns associated with a sporting event (Burton, 2003). The marketing programme included 34 sponsors, 64 suppliers and 65 licensees, and sponsor hospitality centres were introduced for the first time (Brown, 2000). Through its marketing programme the Organising Committee provided the opportunity for corporate sponsors to affiliate themselves strongly with the Olympic Movement in a number of different ways. This major opportunity employed by the IOC could be seen as the largest opportunity in the history of Olympic sponsorship for corporate partners to capitalise on the elements of Olympism and secure an extended return on investment.

Marsano (1987, p.65) commented on the commercialisation of the Los Angeles Games: “There were plenty of opportunities for sale in the five-ring circus: television, commercials, product licensing, product exclusivity at the Games, team sponsorships, Olympic Movement sponsorships, award presentations, training centre support, product endorsements and almost anything a marketing person could devise."

Mutual benefits for the IOC and The Olympic Partners (TOP)
Following the unexpected financial success of the 1984 Games, the IOC realised that corporate sponsors could provide the Olympic Movement with substantial profits. Thus sponsorship became an integral part of the Movement. Simultaneously, the interconnection and interdependence between the staging of the Games and sponsorship was strongly enhanced. However, the financial success of Los Angeles was accompanied by major issues concerning overcommercialisation and ambush marketing (Stotlar, 2005).

In 1985, due to overcommercialisation and the extended ambush or ‘parasite’ marketing at the Los Angeles Games, the IOC introduced The Olympic Programme (TOP), a marketing initiative “whereby a limited number of sponsors would receive special treatment and benefits on a worldwide basis, while achieving product category exclusivity and protection for their Olympic sponsorship activities” (Stotlar, 2005, p.58). The original name of the programme was changed to The Olympic Partners (TOP) in 1995.

Brown (2000) noted that the change of the name reflected the nature of the relationship desired by the IOC between itself and the small number of multinational companies who are partners. Thus the IOC attempted, through the TOP programme, to secure a stable and controlled revenue base in order to maintain a successful and healthy relationship with its major corporate sponsors. In addition, the TOP programme was one of the steps towards the implementation of a modernised funding process of the Olympic Movement (Brown, 2000). With the initiation of the TOP programme, there was a dramatic increase in revenue throughout the six quadrennia (see Table 1).

The IOC has repeatedly trumpeted that the TOP programme is the only sports-related marketing programme in the world which provides complete category exclusivity worldwide, while encompassing sponsorship of the event, the organising body and all participating teams (IOC, 2002b). The IOC suggested
that the initiation of the product exclusivity for its partners resulted in a significant reduction of the overall number of sponsors, and the marketing programme achieved quality over quantity while increasing the revenues for the Olympic Movement (see Table 2). A reduction in the number of corporate sponsors was considered as one of the most important mechanisms for the IOC to restrict ambush marketing and to control the commercial aspect of the Olympic Games. Current TOP VI partners contribute an average of $80 million per product category in order to secure their four-year exclusive rights to two Olympic Games, both winter and summer, as well as rights to sponsor OOCs and all participating NOCs.

The above-mentioned information reported by the IOC indicates, initially, a well-managed marketing programme and a balanced business relationship with TOP partners. A major question is why TOP partners continue to invest almost $100 million each to be members of the programme? One major benefit is product exclusivity. What follows is a list of the additional benefits that TOP partners receive for their costly investment (Stotlar, 2005).

(a) Use of marks and designations (e.g. ‘Official Sponsor’ & ‘Official Product’)
(b) Public relations and promotional opportunities
(c) Access to Olympic archives
(d) Olympic merchandise and premiums
(e) Access to tickets and hospitality
(f) First right of negotiation

However, as the fee for TOP partners continues to rise, so the demands, requests and influence of TOP partners on the Olympic Movement and the organisation of the Games will increase. An example of the corporate partners’ influence on the organisation of the Beijing 2008 Games is IOC’s decision to move

### Table 1: Evolution of TOP programme

<table>
<thead>
<tr>
<th></th>
<th>TOP I</th>
<th>TOP II</th>
<th>TOP III</th>
<th>TOP IV</th>
<th>TOP V</th>
<th>TOP VI</th>
</tr>
</thead>
<tbody>
<tr>
<td>CITY</td>
<td>CALGARY/SEOUL</td>
<td>ALBERTVILLE/ BARCELONA</td>
<td>LILLEHAMMER/ ATLANTA</td>
<td>NAGANO/ SYDNEY</td>
<td>SALT LAKE/ ATHENS</td>
<td>BEIJING/ VANCOUVER</td>
</tr>
<tr>
<td>NUMBER OF CLIENTS</td>
<td>9</td>
<td>12</td>
<td>10</td>
<td>11</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>TOTAL REVENUE (US$ MILLION)</td>
<td>95</td>
<td>175</td>
<td>350</td>
<td>500</td>
<td>650</td>
<td>866</td>
</tr>
</tbody>
</table>

Source: IOC 2006

### Table 2: Sponsorship presence at US Olympic Games

<table>
<thead>
<tr>
<th></th>
<th>1980 LAKE PLACID</th>
<th>1996 ATLANTA</th>
<th>2002 SALT LAKE</th>
</tr>
</thead>
<tbody>
<tr>
<td>LOCAL PARTNERS</td>
<td>231</td>
<td>111</td>
<td>53</td>
</tr>
<tr>
<td>LICENSEES</td>
<td>165</td>
<td>125</td>
<td>69</td>
</tr>
<tr>
<td>TOTAL LOCAL PARTNERS</td>
<td>$30 MILLION</td>
<td>$633 MILLION</td>
<td>$840 MILLION</td>
</tr>
<tr>
<td>SPONSORSHIP REVENUE</td>
<td>$2 MILLION</td>
<td>$91 MILLION</td>
<td>$25 MILLION</td>
</tr>
<tr>
<td>TOTAL PARTNER REVENUE</td>
<td>$32 MILLION</td>
<td>$724 MILLION</td>
<td>$865 MILLION</td>
</tr>
</tbody>
</table>

all the swimming finals and most of the gymnastics finals during morning times, so that they can coincide with NBC’s live TV coverage, resulting in higher primetime rates. The decision, which was officially announced on 26 October 2006, caused major complaints, primarily by international swimming federations, since swimmers in Australia, Europe and China had to significantly adjust their training times for the sake of NBC’s live coverage. In addition, the change in the time of the swimming finals provides a significant advantage for the preparation of American swimmers in terms of the time zones. The above example clearly illustrates the increased influence of corporate partners on the organisation of the Games.

It is estimated that the TOP V programme generated more than $650 million for the period 2001-2004, including the Salt Lake 2002 and Athens 2004 Games (IOC, 2002b). Revenues from the TOP V programme and the Olympic Properties of the United States (OPUS) partnership programme accounted for approximately 54% of total Olympic marketing revenue generation within, and marketing programmes related to, Salt Lake 2002. Salt Lake generated a total $2.071 billion in revenue, the greatest ever in the Olympic Winter Games history (Brown, 2002). Approximately 67% of that amount was contributed to the Salt Lake Organising Committee (SLOC) to support the staging of the Games. The remaining 33% was distributed throughout the Olympic family (IOC, USOC, International Federations and Olympic Solidarity). The IOC (2002b) stated that “the success of Olympic marketing programmes allowed the SLOC to far exceed the target revenue projections at the time of the Salt Lake City bid for the 2002 Olympic Winter Games” (p.94). Specifically, SLOC’s $1.39 billion total share of Olympic marketing revenue exceeded the organising committee’s total bid revenue target of $313.2 million by 87%. In addition, the TOP V programme’s direct contribution to SLOC far surpassed the committee’s original target of $50 million with $131.5 million, exceeding SLOC’s bid projection by 163% (IOC, 2002b).

Olympic sponsorship in Turin 2006 and Beijing 2008

Current estimates of spending by TOP VI sponsors (Turin and Beijing) are $866 million, with approximately 33% going to the Beijing Organising Committee for the Olympic Games (BOCOG) and 17% to the Turin Organising Committee (TOROC) (IOC, 2006). The sponsorship approach of major corporations at the Winter Olympic Games in Italy seemed to vary based on the formidable challenges the 2006 Games presented. The first of these was the time zones and delayed TV coverage to the US market. Consequently, the US TV ratings for the 2006 Turin Games were the lowest in 20 years. The landscape today is seen to be different from 20 years ago, as consumers have access to hundreds of channels and cable networks, which makes their media choices virtually unlimited. This fact also means more opportunities for ambushers and creates a diluted audience (Seguin, 2002).

The 2006 Turin opening ceremonies attracted 244,575 visitors to the website. This figure represented a 95% increase over the 2004 Summer Games in Athens. A record number of daily hits to the official 2006 Turin website occurred on 16 February, with over 50 million page views (IOC, 2006). While this falls short of the projected TV audience of 2 billion, the trend signals a change for Olympic sponsors to extend their placement to additional sites. During previous Olympic Games, TV coverage produced superstars for a lifetime, yet with the fragmented media access points, the Olympians of today may well prove to be short-term stars. The Games have also encountered increasingly negative publicity as evidenced by various doping scandals among Olympic athletes. Specifically, during the 2006 Winter Games, the Austrian cross-country coach was suspended, and an out-of-competition testing done on the Austrian team found blood-doping paraphernalia in the team’s residence at the Olympic Village. The much touted US skier Bode Miller, who commented at a press conference that he skied better when he was intoxicated, subsequently failed to win a single
Olympic sponsorship

As a result, many Olympic sponsors prefer to focus their marketing dollars on the platforms created by the IOC and the organising committees, instead of forming alliances with individual athletes.

As fees for Olympic sponsors continue to rise dramatically ($80 to $100 million per sponsor for a four-year agreement with the IOC), corporations are becoming more strategic in how they market their brands through the Olympic Games. By integrating Olympic sponsorships into their global marketing strategy, corporations are able to ensure greater benefit for their investment. Corporations, apart from the TOP VI sponsors, are collectively set to invest approximately $1 billion for sponsor rights leading to the 2008 Olympic Games in Beijing (Mosher & Sun, 2006).

Because the 2008 Olympics represent the large and untapped Chinese market, corporations are fuelled with high expectations regarding their investments. The totality of sponsorship revenues for Beijing will come not only from the TOP programme, but from the Organising Committee programmes as well. BOCOG sponsors have reportedly paid as much as $100 million for access only to the 2008 Games and the Chinese National Olympic Committee and Team for the period 2004-2008. Led by German auto producer Volkswagen paying $100 million, BOCOG has signed seven additional sponsors (BOCOG launches, 2006). Adidas has signed up as an official supplier for the BOCOG staff but also secured rights to the Chinese team. Sandrine Zerbib, Greater China head with Adidas, stated: “What is most important for us, we believe, is that it will create a stronger bond with Chinese consumers and will help us accelerate our development in this market.” (Katzmark, 2005).

A similar market objective was expressed by United Parcel Systems (UPS) International President David Abney when UPS signed up with BOCOG: “This sponsorship is another important step in strengthening our brand presence in one of the fastest growing markets in the world. Our goal is to be the leading global package delivery and logistics company to, from and within China.” (UPS to sponsor, 2006).

The revenue attainable by the OOC has, for the first and probably last time, eclipsed that of the TOP. The two factors creating this situation are: (a) the TOP programme is full, offering no opportunity for additional categories; and (b) the enormity of the Chinese market, at 1.3 billion people. TOP VI sponsors are also interested in tapping into the Chinese consumer market. The general manager of Coca-Cola’s Beijing Olympic project group noted that “China offers business potential, with every person consuming on average 13 servings of the group’s beverages per year, less than other world markets” (‘Coca-Cola to extend’, 2005). Fellow TOP VI sponsor McDonald’s summarised the trend in a succinct manner, saying: “any company that is in a global business has to pay attention to China” (Kronick & Dome, 2006). McDonald’s is planning to nearly double its restaurants in China, from 580 to 1,000, by 2008, and has signed an individual sponsorship agreement with NBA star Yao Ming to drive the relationship (Liu & Cohen, 2005). Parry (2006) stated “Relationships are the most important thing when setting out to do business in China. You have to prove who you are and build your reputation up and be there for the long-haul.” According to Kronick and Dome (2006), “the Beijing Olympics will not be about sport, it will be about creating a superbrand called China.” It should be noted that while the Chinese market is huge, only 25% of consumers have the capacity to afford Western goods and services.

However, there remains uncertainty among potential investors, especially due to the authoritarian government and the existing political climate in China. An additional obstacle and reservation among sponsors regarding the Beijing Games is a potentially cluttered and noisy marketing environment that seems very likely to be created. For that reason, companies like Visa have integrated a co-branded effort to their marketing strategies. The instability of some Asian markets, in comparison to Western markets, has led various US and European companies to implement co-branded efforts with Asian companies. For instance, a partnership between Visa and global sponsor Samsung (a co-branded credit card) was launched in March
2005 (Woodward, 2005). This strategy will allow Olympic sponsors to link back to Asian brands with special products or prepaid programmes that will provide North American and European companies the platform for acceptance in the Asian market.

**Olympic sponsorship beyond Beijing**

The Vancouver Organising Committee (VANOC) has secured the rights for the 2010 Winter Games, while London will host the 2012 Summer Olympics. Five of the current TOP sponsors have extended through 2012, and Coca-Cola has renewed its sponsorship status through 2020. Bell-Canada bid $200 million to become the official telecommunications sponsor and Royal Bank of Canada Financial Group paid $110 for the banking services rights.

At this early stage it is interesting to note that VANOC's 2003 bid documents only projected a total of $200 million from all sources (Lazarus, 2005). The 2012 London Organising Committee is projecting revenues of $750 million from TOP sponsors and $600 million from domestic partners ('Look Forward to 2012', 2005). While the allure of 1.3 billion Chinese fades into history, Vancouver and London are positioned to attract tourists to comfortable and secure destinations. In Olympic tradition, leaders of these economies will attempt to lure business development through their day on the Olympic stage.

TOP partners and Olympic marketing executives have repeatedly expressed concerns about the relevance of the Olympics in the future and the impact on the Olympic sponsorship programme. It is argued that corporations today are faced with fragmenting TV audiences and other market factors which may make the Olympics less relevant. Due to fragmentation of entertainment options, it could be difficult for properties such as the Olympics to attract younger consumers. According to Seguin (2002), "the end result of the failure to target and position the brand to these young segments would be lost generations of consumers" (p.50). Sponsors suggest that more research is needed in this area to further identify the needs and strategies of younger consumers.

**Challenges within the Olympic sponsorship programme**

One significant challenge for corporate partners in terms of their sponsorship with the IOC is to identify the criteria for evaluating effectively their return on investment, taking into account the continually transforming nature of the Olympic Games both as a mega sporting event and a sociocultural phenomenon. Despite the fact that multinational companies are willing to invest more than $100 million in order to be TOP partners, some of these companies appear indecisive when it comes to their expectations from sponsoring the Olympic Games. Effective and successful sponsorship involves clear objectives, as well as clear activation strategies to a specific audience.

Amis et al (1997) suggested that one of the two ways in which a firm could turn the intangible potential resource of sports sponsorship into a sustainable competitive advantage is through fiscal preponderance. Namely, “spending large amounts of money on a shotgun approach of forging and developing links with as many high-profile athletes, teams or events as possible in the hope that at least one will develop into a successful relationship” (p.94). In addition, the authors stated that specific objectives of entering into a sponsorship agreement vary with the resources and desires of individual firms.

Amis et al (1997) proposed the resource-based approach, which provides an insight into what constitutes a sports sponsorship opportunity capable of producing a sustainable competitive advantage. This concept is particularly applicable to Olympic sponsorship, where potential sponsors need to assess their desired outcomes through their association with the Olympic Movement. The IOC on its part needs to maintain a consistency among various sponsors’ objectives and their alignment with the Olympic ideals.

Another major challenge relating to the Olympic Games as a mega-event is that sponsors’ attempts to attract consumers around the globe may be ineffective, since their image and marketing strategy might be conceived differently in various parts of the world and within the diverse global audience that the Olympic
Games attract. Additional concerns for sponsors are the rights and privileges specific to television broadcast. Sponsors pay the IOC/NOCs for sponsorship rights. Then, if they wish to get maximum benefits for their association with the Olympics, they must make significant further investments in media, especially in television broadcasting. Finally, they must invest in various projects/campaigns to leverage their investment in the Olympic property.

In 2002, Seguin performed a qualitative study with Olympic TOP executives, NOC sponsors and Olympic marketing executives. Results indicated that the power of the Olympic brand provides partners with benefits that are not available in other sport properties. Despite this notion, the study revealed a number of issues that may potentially cause threat to the Olympic brand. These included: brand management, clutter, public relations, ambush marketing, sponsor protection/recognition, rights fees, doping and lack of added-value initiatives. Respondents reiterated that the Olympic organisation as a whole had failed to recognise the value of marketing and the importance of brand management to the future of the Olympic Movement. Recognising that Olympic ideals should not be compromised, respondents reinforced the need for sound brand management and marketing strategy. Finally, clutter was seen to be one of the most significant weaknesses of the Olympic property. It is believed that there are too many companies that have access to the Olympic brand. Added to this, there is variance in the levels of professionalism of the entities associating themselves with the brand. It was suggested that many of the NOCs have little marketing expertise and they lack the core skills that are needed to enhance the Olympic brand (see Table 3 for a summary of interviewees’ responses).

The Olympic brand offers unique benefits to sponsors, potentially more than any other sporting event or sports brand. An association with the Olympic ideals and the Olympic Movement can significantly enhance a sponsor’s brand image and appeal.

Coca-Cola, the longest supporter of the Olympic Movement, stated within its 2002 Salt Lake press kit: “The Coca-Cola company is proud to help create unique and memorable experiences for the Olympic Games fans worldwide, while simultaneously providing resources to help more athletes and coaches pursue their athletic goals.” (Coca-Cola, 2002).

Similarly, Xerox noted: “Xerox has tested new products in rigorous Olympic settings while enjoying the goodwill that Olympic sponsorship generates. Throughout its Olympic history, Xerox brought document processing at the Games to a higher level.” (Xerox, 2002).

Finally, McDonald’s used the theme “McDonald’s USA restaurants catch the Olympic spirit” to promote their new products during the 2002 Games (McDonald’s, 2002). Interestingly, the majority of press kits published by corporate partners during the 2002 Games included extensive factsheets and quotable quotes that showcased the importance of each sponsor to the staging, organisation and financial viability of the Olympic Games.

Unarguably, the Olympic property remains of great value to sponsors. It is important, however, that the IOC protects the Olympic image by extending the brand research and implementing it into future marketing initiatives; namely, enhancing the Olympic brand. This could be achieved by:

(a) understanding what is the consumers’ perception of the original Olympic image;
(b) promoting the Olympic brand in a consistent manner throughout the world; and
(c) maintaining and expanding into youth target audiences through the utilisation of internet and mobile phone communications.

In the qualitative study performed by Seguin (2002), TOP and Olympic marketing executives recommended that the IOC needed to implement a fully integrated public relations campaign that would help unify promotional strategies, solidify brand management campaigns, reduce clutter, help to control aspects of ambush marketing and further enhance the value of the Olympic brand.
**TABLE 3** Summary of interviewee responses to the current Olympic marketing programme

<table>
<thead>
<tr>
<th>BENEFITS</th>
<th>KEY COMPONENTS TO SUCCESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>• SCORE OF PROPERTY</td>
<td>• IDEALS OF OLYMPISM (PURITY)</td>
</tr>
<tr>
<td>• POWER OF THE OLYMPIC BRAND</td>
<td>• ASSOCIATION WITH ATHLETES</td>
</tr>
<tr>
<td>• BRAND FIT, ASSOCIATION</td>
<td>• POWER OF THE BRAND</td>
</tr>
<tr>
<td>• IDEALS OF OLYMPISM</td>
<td>• ACTIVATION AT THE LOCAL LEVEL BY SUPPORTING LOCAL OLYMPIC TEAM</td>
</tr>
<tr>
<td>• ASSOCIATIVE ENERGY</td>
<td>• FULLY INTEGRATED AND LEVERAGED OVER A SIGNIFICANT PERIOD OF TIME</td>
</tr>
<tr>
<td>• REVENUE GENERATION</td>
<td>• TELEVISION COVERAGE</td>
</tr>
<tr>
<td>• CONTRIBUTE BACK TO THE COUNTRY</td>
<td>• EXCLUSIVITY IN 200 COUNTRIES WORLDWIDE</td>
</tr>
<tr>
<td>• RIGHTS TO MARKS</td>
<td>• HOSPITALITY EXTENSIONS</td>
</tr>
<tr>
<td>• HOSPITALITY BENEFITS</td>
<td>• DEEP UNDERSTANDING OF WHAT ONE IS LOOKING TO ACHIEVE WITH THE BRAND ASSOCIATION</td>
</tr>
<tr>
<td>• ABILITY TO DRIVE SALES</td>
<td>• PROTECTION OF EXCLUSIVITY FOR PARTNERS</td>
</tr>
<tr>
<td>• AWARENESS OF OLYMPIC BRAND</td>
<td>• CLEAR DEFINITION OF STRATEGIC OBJECTIVES</td>
</tr>
<tr>
<td>• POINT OF DIFFERENTIATION</td>
<td>• SPONSOR SERVICING</td>
</tr>
<tr>
<td>• WORLDWIDE PROPERTY WITH OPPORTUNITY TO BUILD PROGRAMMES LOCALLY/GENERALLY</td>
<td></td>
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</tbody>
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<table>
<thead>
<tr>
<th>WEAKNESSES</th>
<th>THREATS</th>
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<tr>
<td>• PUBLIC RELATIONS</td>
<td>• CLUTTER</td>
</tr>
<tr>
<td>• PROTECTION OF RIGHTS</td>
<td>• AMBUSH MARKETING</td>
</tr>
<tr>
<td>• OVER-COMMERCIALISATION</td>
<td>• POLITICS</td>
</tr>
<tr>
<td>• CLUTTER-DILUTION</td>
<td>• LACK OF SPENDING (TIME AND MONEY) ON BRAND</td>
</tr>
<tr>
<td>• WINDOW OF MARKETING OPPORTUNITY AROUND THE GAMES LIMITED</td>
<td>• TELEVISION RIGHTS, LACK OF BROADCAST INTEGRATION WITH SPONSORSHIP</td>
</tr>
<tr>
<td>• AMBUSH</td>
<td>• UNPREDICTABLE RATINGS FOR TELEVISION</td>
</tr>
<tr>
<td>• LACK OF RELEVANCE TO YOUTH</td>
<td>• RELEVANCE OF OLYMPICS TO YOUNGER GENERATION</td>
</tr>
<tr>
<td>• ERODING EFFECTS OF BRAND FROM SCANDALS</td>
<td>• DOPING</td>
</tr>
<tr>
<td>• HIGHLY OVERPRICED</td>
<td>• MISMANAGEMENT OF FUNDS</td>
</tr>
<tr>
<td>• SPONSOR RECOGNITION</td>
<td>• COST ESCALATION WITH PROPERTIES</td>
</tr>
<tr>
<td>• LACK OF INTEGRATION BETWEEN THE PROPERTY AND TELEVISION</td>
<td>• CONVERGENCE OF CATEGORIES</td>
</tr>
<tr>
<td>• LACK OF PROGRAMMES TO SUPPORT SPONSORS</td>
<td>• ABILITY FOR A COMPANY TO CONNECT AT ALL LEVELS</td>
</tr>
<tr>
<td>• LACK OF IMPACT ON ATHLETES</td>
<td>• NON-SIGNAGE CLAUSE/CLEAN VENUE</td>
</tr>
<tr>
<td>• CLEAN VENUE RESTRICTIONS</td>
<td>• UNDER-SERVICING SPONSORS AND NOT DELIVERING VALUE</td>
</tr>
<tr>
<td>• COMMUNICATING THE ROLE OF SPONSORS</td>
<td>• NON-ACTIVATION OF SPONSORSHIP BY SPONSORS</td>
</tr>
<tr>
<td>• SPONSOR SERVICING</td>
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Source: Seguin 2002
The impact of Olympic sponsorship

Evidently, protecting the Olympic image and the value of sponsorship for the Olympic partners are major concerns for the IOC, primarily because of the increased risk of marketing scandals and corruption issues. In order to publicise and further trumpet the significant support of corporate sponsors to the viability of the Olympic Movement, the IOC’s marketing department has introduced a series of public relations campaigns. These aim to raise public awareness regarding the importance of corporate sponsorship. In addition to these campaigns, the IOC has undertaken several market research studies to strengthen and promote the Olympic image and to understand attitudes and opinions towards the relationship between the Olympic Games and corporate sponsorship. In the 1992 Barcelona Games, 79% of people in the US, England and Spain stated that the Olympic Games would not be viable without sponsorship. Furthermore, 86% stated that they were in favour of the Games being sponsored. Similar studies in 1996 found that one third of the respondents in a nine-country study suggested that their opinion of the sponsoring company has been raised as a result of the sponsorship of the Olympic Games (Brown, 2000). In a Sydney study, 34% of spectators stated that “sponsorship makes a valuable contribution to the Olympics and makes me feel proud about sponsors” (At the Olympics, 2001).

In the 2002 Winter Games, the IOC commissioned Sport Marketing Surveys (SMS) to conduct market research on site with spectators, corporate guests and media. According to the results of the study, “unprompted awareness of the Olympic sponsors was very high among Olympic spectators and media, and all possessed a strong understanding of the importance of sponsorship to the Olympic Movement and the staging of the Games” (IOC, 2002a). Furthermore, results indicated that 92% of the spectators agreed that “sponsors contribute greatly to the success of the Games”; 76% of the media agreed that they “welcome sponsorship support if it helps the Games to be staged”; and 45% of spectators stated that they would be more likely to buy a company’s product or service as a result of that company being an Olympic sponsor. Similar studies in Athens depicted the positive attitudes of spectators and media towards corporate partners’ support of the Olympic Movement.

Dynamic Logic, a US independent research company with expertise in marketing effectiveness, conducted a study in the summer of 2004 among one million participants. The purpose of the study was to compare the impact of Olympic sponsorship between North American and European consumers. According to the results, the majority of both North American and European consumers (50% and 40%, respectively) viewed Olympic sponsors as “industry leaders”. Half of the respondents reported that they would not be able to view any of the Games or events on free or public access television without advertising sponsors. In general, North American consumers seemed to be more aware than Europeans of advertising associated with the Olympics. North American consumers were also more likely to say that they pay attention to advertisements with the Olympic rings (66%, compared to 51% of Europeans). In addition, a quarter (25%) of North American respondents and only 12% of Europeans reported that they paid closer attention to advertisements that mentioned or had an association with the Olympics (Impact of Olympic Sponsorships, 2004).

As mentioned above, research studies conducted by the IOC have illustrated the significant impact of Olympic sponsorship on spectators’ perceptions of the Games. However, most of the studies have been conducted with Olympic sponsors’ guests as primary participants. It is inevitable that these studies project a highly positive perception of participants with regards to the value of Olympic sponsors to the viability of the Olympic Movement, since the results are published in the IOC’s official marketing reports. According to the results of the marketing study conducted by Dynamics Logic, it appears that Olympic sponsors need to make more targeted marketing efforts to take into account not only geographic distinctions, for example, between
American disclosure of the interest of different consumer groups. The latest trends in Olympic sponsorship have highlighted the need for a shift from traditional marketing to more innovative approaches – including advancements in transmission technologies, such as satellites, microwave or fibre optic technology. Therefore, developments in communications technologies, both complimentary and peripheral to the internet advancements, reorient the mode of informing the audience of the Olympic Games and exposing the main events (Lee, 2005). This is mainly based not only on the huge increase in the number of media tools and facilities, but on the capability and the quality of the new technologies (Lee, 2005).

Discussion

The Olympic Games have become one of the most large-scale and profitable global media attractions. Events associated with the Games have not only become great entertainment, occupation and lifestyle, but also business as well (Lee, 2005). The history of Olympic sponsorship has demonstrated the increased financial dependency of the Olympic Movement on corporate sponsors. Sponsorship and the Olympics have a well-established relationship and one that has significantly increased in complexity (Stotlar, 1993).

Arguments have been raised about the escalating price for TOP level sponsorships. An online poll with Marketing magazine in 2005 found that 67% of respondents thought that Olympic sponsorship was out of proportion to its marketing value. However, the authors believe that the best indicator is to examine where marketers invest their money.

Clearly, the pace of Olympic marketing and sponsorship has not slowed. However, a lingering question is whether the nature of the Games will be influenced and altered in the near future through overcommercialisation and the increasing financial dependency of the Olympic Movement on sponsors. IOC President Jacques Roggue appears steadfast in his commitment to keep sponsor images off the field of play. Yet as the sponsorship fees increase, so may the influence of corporate entities.

Critics have always charged the Olympic Games with being more about marketing and politics and less about sport. Townley (1993) suggested:

“The Olympic Games are now regarded by many countries as a magic wand that, when waved, can not only achieve profit but can also assist in obtaining high political kudos and indeed transform countries… The power and influence of the Olympic Movement goes beyond sport. Some argue that the IOC has attained the status of a quasi-governmental body.” (p.32)

Previous Summer Olympics events, such as the 1996 Atlanta Games, have been criticised over-the-top marketing and a carnival-like atmosphere, as well as for being another advertising medium deluging Olympic fans. The reality is that sponsorship has become an integral part of the Olympic Movement, which involves an ongoing commitment by Olympic partners who strive to find new ways to gain maximum returns on their investment. The question is whether the organisation and staging of a mega-event such as the Olympic Games would be feasible without the financial contribution of corporate sponsors. The answer is that the Games would not be feasible, since the cost of staging the Games has increased dramatically, over the past decade in particular.

It is clear that the current situation favours a long-term relationship between the IOC and a small number of sponsors. As Brown (2000) noted: “The IOC is placing more emphasis on promotion of the roles played by sponsors and on initiatives to ensure that sponsor exclusivity is preserved” (p.78). However, the threat of ambush marketing and corruption scandals is always present. McKelvey and Grady (2004) noted “the law typically favours ambush marketers, who have grown increasingly sophisticated in developing marketing campaigns that cleverly create associations with premier events while simultaneously...
circumventing the use of registered trademarks, trade names and symbols” (p.193). Thus controlling the clutter of numerous sponsors at all levels of the Olympic marketing programme is unarguably a major challenge for the IOC.

Ambush marketing can be intentional – a tactic used by unscrupulous businesses to exploit the goodwill of the Olympic Movement – or inadvertent. Ambush marketing is a real threat to IOC’s sponsorship and licensing programmes because it undermines the value of official sponsorship and licensing rights and impairs the IOC’s ability to attract future sponsorship and licensees. It also threatens the financial viability of future Olympic Games by impairing the ability of organisers to raise necessary sponsorship and licensing funding. Undoubtedly, OOCs have been particularly proactive in protecting official sponsors’ investments and combating parasite marketing (McKelvey & Grady, 2004). In a recent interview conducted by Sports Business Journal, Jacques Roggue, IOC President, was asked how he balances the Olympic ideals with commercialisation and other challenges (Genzale, 2006). He replied:

“First, let me remind you that the Games are the sole organisation where there is no bill boarding in the venues. There is no advertising on the bib or equipment or clothing of the athletes. That gives a kind of commercial-free environment. The second issue is that we say and we think that the support of the corporate world has led to the democratisation of sport.” (p.23)

Olympic sponsors will continue to seek new ways to leverage benefits through their investment in the Olympics. It is the IOC’s critical role to continue affiliating with sponsors that do not simply create ‘noise’, but with those sponsors who create ‘meaning’ and add true value to the overall Olympic experience. According to Kronick and Dome (2006): “Olympic sponsorship is a marathon, not a sprint.” Building relationships, whether with 1.3 billion people in China or with corporations and consumers in the developed economies of North America or Europe, epitomises the objectives of Olympic sponsors. The impact of Olympic sponsorship extends far beyond the IOC and a relative limited number of corporate sponsors and Olympic partners.

Considerable discussion has taken place within the IOC about changing the process by which the Games are awarded. Pundits at the IOC proclaim that awarding the Games [without a bidding process] to countries that are less economically developed will expand the Olympic ideals to a more global audience. Close et al (2007) noted:

“The interpretation of the IOC’s decision in favour of Beijing would seem to lend itself to the conclusion of many observers that the main mission of the Olympic Movement is not the professed one of promoting Olympism, at least of its own sake, but instead that of pursuing the aims of the Movement’s corporate stakeholders, and above all of the biggest of these, those stakeholders that have acquired a controlling share in the movement as a commercial enterprise and corporate body.” (p.22)

Previously noted statements from Coca-Cola about the Chinese market and the implied efforts of Volkswagen to increase automobile production and sales in China indicate that Olympic sponsorship appears to be more about the market than about the Olympic Games. This could lead to a situation where the IOC became a victim of its own success due to its increased dependency on the revenues from corporate partners. At what point do the Olympic Games become a travelling trade show to the world’s most lucrative markets, where the entertainers are paid in medallions of gold, silver and bronze?

The trend can already be seen in ticketing for the Games. For Turin, tickets to the opening ceremony ranged from $250 to $850, making it increasingly difficult for the average citizen to obtain access to Olympic events. Evidently, there is an array of lower-priced tickets, which have historically been available
for less attractive sports. Unfortunately, tickets to more attractive sports are often secured by Olympic sponsors for use in corporate hospitality. Furthermore, the tickets frequently go unused, as evidenced by the empty seats in lower tiers seen on the TV broadcasts of figure skating in the 2006 Games. Consequently, many Olympic fans were left without access to tickets due to corporate hospitality issues.

The Olympic Games seem to follow new marketing trends, such as moving from business-to-consumer (b2c) to business-to-business (b2b) strategies. However, in order to enhance the Olympic property value, the IOC needs to review its current sponsorship strategy and reduce the amount of clutter at all levels.

It is rather difficult to predict how Olympic values will look like in the 21st century. Their pertinence and social relevance, and by extension the Olympic Games as we know them today, will be exactly as we can confirm and define them to ourselves as a culture or society, or even according to the distinct needs of corporate sponsors (Tavares, 2006).

A stated goal of the IOC is “to ensure the independent financial stability of the Olympic Movement and thereby to assist in the worldwide promotion of Olympism” (IOC, 2006). Undoubtedly, the major paradox is whether the nature of the modern Olympic Games, which has been transformed to a multi-billion dollar global business, may continue to constitute an appropriate vehicle for the transmission of the higher ideals that Olympism has espoused. The authors believe that Olympic ideology has much to offer to the Olympic Movement, not necessarily because its values remain necessary ingredients of a successful marketing strategy for the sake of Olympic business. As Chatziefstathiou (2005) has emphasised elsewhere, Olympic ideology, notwithstanding its inherent contradictions and paradoxes, can contribute to the global cultural space of the Olympic Movement including the Olympics, which still have the potential to act as a forum for alternative worldviews and epistemologies.

Biographies

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References


Olympic sponsorship


Selection of leveraging strategies by national Olympic sponsors: a proposed model

Keywords
Olympic sponsorship  
leveraging  
involvement  
Athens

Abstract
Selecting the most effective leveraging methods is crucial for national Olympic sponsors, who have limited time to achieve their sponsorship objectives. This paper presents the Optimal Leveraging Activity (OLA) model, which suggests that leveraging activities for high involvement products/services should primarily focus on enhancing brand image, knowledge and involvement, while for low involvement products/services a more sales-oriented approach is favourable. The leveraging activities of four Grand National Sponsors of the Athens Olympic Games illustrate the differences.

Executive summary
National Olympic sponsorships enable companies in the host country to gain from consumer interest in, and support of, the Olympic Games. Contracts are of limited duration, so companies cannot afford to learn through trial and error: they need to set clear brand objectives and select the most effective leveraging activities to achieve them. Cornwell et al (2001) suggested that specific leveraging methods might address different dimensions of brand equity, while Tripodi (2001) proposed two ways in which sponsorship might affect consumer attitudes and behaviour, based on advertising models. Using these ideas, and those of Reed & Ewing (2004), who produced a set of seven models of advertising effects, an Optimal Leveraging Activity (OLA) model is proposed. This takes into account the level of involvement (high or low) and dominant type of processing (affective or cognitive) involved in attitude formation towards the sponsoring brand to suggest the most appropriate leveraging methods.
Where involvement is high, leveraging activities aimed at brand image enhancement and differentiation, leading to consumer brand preference, are required before sales increases can be expected. If processing of information is highly cognitive, activities need to help the consumer learn about the brand by providing information and, if possible, trial. Where affective processing is dominant, associations with national athletes and memorable moments, and also community involvement, will tap into this dimension.

For low involvement products, purchase may be habitual, or on impulse. The buying decision may be made at point of sale – mere awareness of a sponsorship can sway consumer choice, and sales-related activities such as Olympic packaging and point of sale promotions will be effective. Discount coupons and sales promotions will appeal where decision-making is more rational, while competitions, mementoes and athlete endorsement may strengthen the affective dimension.

The study tests the model in the context of the Athens 2004 Olympic Games. Alpha Bank and Cosmote (communications), with high involvement products and services, were the highest-spending sponsors, while the products of the dairy company sponsorship partners Delta and Fage would be categorised as low involvement. From interviews with company executives, it was found that all these companies were satisfied with the outcomes of their Olympic sponsorship. The multiple leveraging activities (exhibitions; developing Olympic-related products; involvement with ticketing, booking and the visitor programme; and sponsorship of individual Greek competitors) carried out by Alpha Bank and Cosmote educated the consumer about the sponsorship and the brand, enhanced brand image and increased goodwill towards the companies. The activities of Fage and Delta, who wanted to consolidate market position, develop new distribution channels and position new products, were more sales-related: sales at Olympic venues; Olympic branding on packaging, transport and refrigerators; competitions for retailers and customers; and sales promotions.

Although all companies used activities such as advertising, competitions, promotions and internal marketing activities, the overall profile of leveraging activities was very different for high involvement and low involvement brands, and reflects the suggestions provided in the OLA model.

Introduction

Since 1984 the International Olympic Committee (IOC) has administered The Olympic Programme (TOP), which gives a small number of companies exclusive rights to Olympic sponsorship, in particular to product and service categories. This enables companies such as Coca-Cola, McDonald’s and Visa to develop long-term partnerships with the Olympic movement and reap the benefits of a strong association. Other sponsors, however, negotiate contracts through the Organising Committee and National Olympic Committee; contracts are generally limited to the four-year period up to and including the Games, awarded in product and service categories which do not conflict with the TOP sponsors.

There are various levels of sponsorship available; the highest level for London 2012 is labelled ‘Tier 1’. For Beijing 2008, sponsors at this level are known as Beijing 2008 Partners, while for Athens 2004 they were called Grand National Sponsors. Such sponsorships provide an opportunity for companies in the host country to gain from consumer interest in, and support of, the Olympic Games. They are also extremely important to Organising Committees, both for financial investment and for their assistance in putting in place the infrastructure needed to meet the challenges of staging an event of such magnitude (Apostolopoulou & Papadimitriou, 2004).

A key difference between a TOP sponsorship and a national sponsorship is that TOP sponsors have the chance to develop a long-term association with the Olympic Games, so that Olympic sponsorship can become a permanent part of their brand and communications strategy. They can also learn from the...
evaluation of previous campaigns in order to maximise future Olympic sponsorship effectiveness. National sponsors, on the other hand, have four years in which to achieve their sponsorship objectives.

Kuzma et al (1993) point out that many companies learn what sponsorship strategies work best for them through a process of trial and error; national sponsors cannot afford to do this. They need to build awareness of their sponsorship from scratch, and they may have little relevant experience on which to draw. The attention paid to the sponsorship is likely to peak at or near the time of the actual Games, just when the contract is due to finish, thus differentiating this type of sponsorship from a similar length of contract with a team or an annual event. However, the benefits can be considerable: a memorable sponsorship may leave an enduring post-Olympic legacy linking the company with the image, values and memories of the Games.

Wally and Hurley (1998) found that the extent to which companies’ corporate reputations were enhanced by association with the Olympics was uncorrelated with the level of sponsorship investment, indicating that a sound strategy is more important than the amount spent.

Realistic objectives and careful selection of leveraging activities can maximise the likelihood of a successful sponsorship. This paper proposes a framework, the Optimal Leveraging Activity (OLA) model, to guide selection of leveraging activities, and illustrates it with reference to the different leveraging strategies employed by some of the national sponsors of the Athens 2004 Olympic Games.

The sections below briefly review the literature on sponsorship objectives and leveraging, before moving on to consider their contribution, as part of a firm’s integrated marketing communications (IMC) strategy, to the building of brand equity. Models of advertising effects are then presented and applied in the sponsorship context, relating them to the brand-building process. The paper then explores the implications for optimal leveraging of sponsorships.

**Literature review**

**Sponsorship objectives, brand equity and leveraging**

Three broad categories of sponsorship objectives have been identified in the literature (Cornwell & Maignan, 1998): increasing sponsor or brand awareness, enhancing brand and/or corporate image, and increasing sales. Dolphin (2003) suggests that another objective may be to develop customer relationships. Crompton (2004) points out that in most cases a long-term view is taken, so that awareness, image or relational objectives are pursued in order to create a favourable environment for future sales. The objective of media coverage, thought important in the earlier days of commercial sponsorship, is now largely discounted (Pope, 1998), as extent of media coverage has been shown to have little impact on consumers’ attitudes and behaviour towards a brand.

More recently, internal marketing objectives have been recognised, with Hickman et al (2005) illustrating how a sponsorship can heighten employee commitment. Finally, increasing community involvement and social responsibility have been found to be important objectives for companies sponsoring local and charitable events (Kuzma et al, 1993).

Farrelly et al (1997), Thwaites et al (1998) and Thwaites & Carruthers (1998) found great differences in the amounts companies would invest to leverage their sponsorships; they hypothesised that more mature sponsorship markets, and more experienced sponsors, were more likely to appreciate the crucial importance of integrating their sponsorship with other marketing communications. Some years later, as the concept of IMC becomes more widely implemented, it appears that an increasing number of companies are taking this message on board (e.g. Barrand, 2005). For firms taking an IMC approach, sponsorship may be regarded as just one of a raft of possible communication options which marketers may consider (Keller, 2001); thus the focus shifts from the choice of methods to leverage a particular sponsorship, to selecting a sponsorship which, along with its
Leveraging strategies

supporting communications, will contribute strongly to an overall IMC strategy. Madhavaram et al (2005) state that the basis for such an IMC strategy should be the brand identity strategy, i.e. the putting together of a unique package of associations for the brand. The IMC strategy then acts as a basis for the development of strong brand equity.

Keller and Lehmann (2006) put forward a hierarchy of the steps involved in creating a high level of customer-based brand equity, which can aid marketers in choosing suitable communication strategies and methods. The steps are:

1) Awareness – the consumer can recognise and recall the brand.
2) Associations – the brand has a set of positive tangible and intangible associations.
3) Attitude – the consumer has a positive attitude towards the brand.
4) Attachment – the consumer prefers the brand over others and becomes loyal to it.
5) Activity – the consumer purchases the brand regularly and may become involved with the brand in other ways.

From an IMC perspective, selection of a sponsorship would take into account the stage of brand development; a brand wishing to build awareness might sponsor a popular television series or high-profile football team (e.g. NTL’s sponsorship of Glasgow Celtic and Glasgow Rangers to break into the Scottish market), while a high-equity brand might choose a prestigious event which would further enhance the brand image (e.g. the Volvo Ocean Race).

Companies taking on Olympic sponsorship may have made a rational decision that such sponsorship can fit well into their IMC strategy; on the other hand, they may have felt an obligation, as a major company of the hosting country, to become a sponsor. Whichever is the case, once the decision is made, the company has four years to gain maximum benefits.

This paper will focus on the leveraging of the sponsorship for this limited time, rather than the place of the sponsorship in an overall IMC strategy.

Considering customer-related sponsorship objectives in relation to Keller and Lehmann’s hierarchy, awareness objectives are relevant at Stage 1, generation of brand awareness, and at Stage 2, where awareness of the sponsorship provides a positive association of the brand with the sponsored property. Enhancement of the brand image through the sponsorship association may then help in the development of a positive attitude towards the brand, which may lead to preference. Cornwell et al (2001) explored in more detail how sponsorship can contribute to specific elements of brand equity; their work confirmed that sponsorship is perceived to be more useful at lower levels of the above hierarchy, contributing more strongly to general elements of brand equity (awareness, brand and corporate image) than to distinctive elements (brand personality, differentiation from competition, quality image and brand loyalty). While it was hypothesised that active management and leveraging of the sponsorship would result in a greater contribution to all the distinctive elements, managers perceived these practices to contribute significantly towards brand differentiation only. The authors suggested that the lack of relationship with the other distinctive elements might have resulted from the lack of control on the type of leverage used in the study: specific leveraging activities could be used to address different distinctive elements of brand equity. This highlights the current lack of academic literature analysing methods of leveraging, how much consideration goes into their selection, and how they contribute to the fulfilment of sponsorship objectives.

Empirical research into the contribution of leveraging activities is undoubtedly hampered by the fact that few sponsors appear to evaluate the returns from their sponsorship in any systematic fashion. This is due, at least in part, to a perceived lack of reliable methods of evaluation. Crompton (2004) quotes from IEG (2002) that 40% of 200 surveyed companies spent nothing on sponsorship evaluation, while a further 35% spent less than 1% of their sponsorship budget. He points
out that the measurement of media coverage, the most common method used, can be very misleading as it does not take into account whether any message about the company or brand has actually reached consumers’ minds, i.e. it cannot measure the success of awareness or image objectives.

Grohs et al (2004) wonder why measurement of awareness is so infrequently carried out, since both recall and recognition measures are available, and suggest that this may be due to the high proportion of non-sponsors that are often mentioned by respondents to awareness surveys. More sophisticated measurement requires consideration of how the effects of sponsorship activities can be isolated from other market changes.

To measure changes in image or perception, ‘before’ and ‘after’ measures are required, so pre-planning is essential. Sales may be compared with those in a similar time period prior to the sponsorship, or directly linked to a sponsored event by distributing coupons which can be redeemed or form part payment for a product (Crompton, 2004). While this can give information on event attendees and their interest in the sponsoring brand, it gives no information on whether they will continue to buy, nor does it take into account the effects of sponsorship on those who have an interest in the event but do not attend.

**Models of how sponsorship works**

The Keller and Lehmann (2006) hierarchy of brand equity development has obvious parallels with the Lavidge and Steiner (1961) Hierarchy of Effects model of advertising, which proposes that advertising needs to move the consumer through: the cognitive stages of becoming aware of the product and learning about it; the affective stages of developing a liking and then a preference for the product; and finally the conative stages of deciding to purchase and finally purchasing the product. Tripodi (2001), applying this model in the sponsorship context, argues that awareness objectives need to be satisfied first – this may mean awareness of the product itself, if it is new to the market, or it may mean awareness of the sponsorship. The consumer needs to learn about a new product, or add knowledge of the sponsorship to what he/she already knows. It will take longer for the sponsorship to make an impact on attitudes towards the brand, and still longer for this to be reflected in sales. This would indicate that leveraging activities in the early stages of the sponsorship should be aimed at increasing awareness – for instance, a national Olympic sponsor could use the media to draw attention to the sponsorship, display the Olympic logo on its advertising material and website, and become involved with more high-profile aspects of Olympic preparation which would give it a chance to publicise the sponsorship.

Mere association with the Olympics may enhance the sponsor’s image, but stronger effects may be gained by seeking out leveraging activities which generate an emotional response, perhaps sponsoring home country competitors or the building of facilities which can be used by the community after the Games. This model suggests, however, that more sales-specific activities such as point of sale displays and special Olympic product ranges should not be implemented until later in the sponsorship term.

Tripodi (2001) offers an alternative explanation using the Awareness-Trial-Reinforcement model of advertising put forward by Ehrenberg (1974). According to this model, few consumers are totally brand loyal – they will try different brands without knowing much about them or developing an attitude towards them (i.e. without going through the knowledge stage or the affective stages of the hierarchy of effects). Advertising’s primary role is to stimulate repeat purchasing, and in this context sponsorship gives consumers a reason to repurchase a particular brand rather than switch to another one. Tripodi (2001) states that this implies that sponsorship effects are largely confined to those who already use the brand. However, it is possible that under this model, sponsorship could stimulate initial trial also, by those who are already favourably disposed towards the sponsored property. In a purchase situation where several alternatives are
similar, knowledge of a sponsorship may sway consumer choice (Davies, 2002). Acceptance of this model would imply that sales-related leveraging activities should be implemented, along with awareness-generating activities, from the start of the sponsorship. A national Olympic sponsor would immediately produce products in Olympic packaging, set up point of sale displays and offer coupons and free samples to encourage product trial.

These models, however, are only two of the many that have been put forward to explain the processes by which advertising influences consumer preferences and purchases in different situations. Reed and Ewing (2004) have reviewed the many proposed models and amalgamated them into a set of seven, which take into account involvement (high, medium or low); type of purchase (one-time or infrequent, regular or impulse); and the process of attitude formation, which differs according to whether rational or emotional factors dominate, whether trial is possible and whether it is a first or subsequent purchase. These aspects will now be considered in the sponsorship context.

Involvement and type of purchase

High involvement products are those in whose selection a consumer invests substantial time and effort. The choice involves a high level of risk, whether economic or psychological, and such products are generally bought less frequently. A low involvement product may be purchased out of habit or on impulse; such products tend to be bought more often, they cost less, and the repercussions of a bad choice are minimal. Reed and Ewing (2004) use sub-categories of ‘medium involvement’ to describe moderately high-cost purchases that are made annually or every few years, and ‘lower involvement’ to describe one-off purchases that, while fairly inexpensive, require more thought than habitual or impulse purchases (for instance, a kettle or iron).

The work of Petty et al (1983) suggests different routes of cognitive processing of information on high and low involvement products: high involvement products follow the Hierarchy of Effects (Lavidge & Steiner, 1961), while for low involvement ones consumers might go directly from awareness to trial. This suggests that marketing communications should support high and low involvement brands in different ways. For high involvement brands, Keller and Lehmann’s (2006) model will guide marketers through the hierarchy from awareness to action. During the four-year cycle of an Olympic sponsorship, many consumers may buy only once, or even not at all, from a high involvement product or service category such as cars, mobile phones or bank accounts. Thus the marketing communications strategy needs to be focused on using the sponsorship to create strong and enduring favourable associations for the brand and differentiate it from competitors. A focus on the corporate brand rather than individual sub-brands will enable the sponsorship to influence future buying decisions across the company’s portfolio (provided, of course, that sub-brands are strongly linked to the corporate brand). Increased sales may not be evident until the later stages of the sponsorship, or even some time after the Olympics. Some brands would have potential to generate customer activity solely associated with the sponsorship, e.g. a bank launching an Olympic credit card may find that consumers take up and use the card due to a wish to associate themselves with the Olympics, even though they have no particular need for another credit card.

For low involvement brands, consumers may move directly from awareness to the action of trial purchase; if the brand is liked it will take its place in the consumer’s consideration set for the product/service category. Sales increases may be expected much earlier in the sponsorship term than for high involvement products. Marketing communications then need to be used to ensure the brand stays in the consideration set and is not forgotten, and to enhance the image of the brand so that it is perceived as superior to others in the consideration set – thus validating the consumer’s decision to buy it, providing a reason to buy it again, and generating some degree of loyalty. Brand associations will be valuable, both in enhancing image and in increasing the number of

Leveraging strategies
situations in which a consumer will think of the brand, thus lowering the probability that it will be forgotten.

Petty et al (1983) found association with a celebrity endorser to have more impact on consumer attitudes towards low involvement products – extending this theory to the sponsorship field, association with a preferred event may be more effective in changing attitudes to low involvement products than to high involvement products. For low involvement products, mere awareness of Olympic sponsorship may be enough both to stimulate product trial and to create a positive product image. Free samples, coupons or discounts may be required to stimulate trial among habitual purchasers of other brands. However, as there is little depth of processing of the association, consumers will need to be reminded of it frequently, especially at the time of purchase; this indicates an emphasis on point of sale displays, advertising at retail outlets, and Olympic-related packaging. Coupons to be collected and exchanged for Olympic merchandise could stimulate repeat purchase.

**Process of attitude formation**

Reed and Ewing (2004) argue that in most instances of consumer choice leading to first purchase of a brand, cognitive and affective processing take place simultaneously, giving rise to a conceptual attitude towards the brand. In other words, even the initial awareness of a brand creates both cognitive associations (e.g. product or service category, function, attributes) and affective ones (e.g. feelings associated with the advertising or person generating awareness of the brand, the place in which it is advertised, the brand name or logo). The balance of cognitive and affective elements of attitude will depend on the specific situation and also on the individual consumer’s personality. Exceptions may occur: a consumer making a specific search for a technical product or service, and with no prior knowledge of the product category, may form an attitude purely based on cognitive processing (awareness of brands and their features, benefits and price); the emotional desire for a premium brand may cause affective processing to distort cognitive input, so that a consumer buys irrationally; or an impulse buy may be made with limited knowledge of the brand, in which case an experiential attitude will be formed post-purchase.

Once the consumer has purchased or tried the brand (for instance, a test drive of a car, or a free sample of a food product), experience will then play a part in influencing attitude towards the brand and whether a subsequent purchase is made.

One implication for marketing communications is that if cognitive and affective processing is occurring simultaneously from first awareness, even communications designed primarily to raise awareness need to give thought to the image being portrayed and the emotions likely to be generated. In the limited time span of local Olympic sponsors, communications need to be designed to address the ‘awareness’ and ‘associations’ phases of Keller and Lehmann’s (2006) hierarchy simultaneously, creating positive attitudes.

While the Olympic association itself is a good start in this respect, further positive associations could be gained by sponsorship of home competitors, local community involvement, and memorable and upbeat promotional campaigns. If the sponsor’s product is a highly technical one, Olympic sponsorship could be used to differentiate the brand; a consumer overloaded with technical information on features and benefits, unable to decide which combination made the ‘best’ brand, might use this as a choice criterion.

Use of the product in some aspect of the Games, or by an Olympic athlete, could increase brand esteem. For products and services where affective processing dominates, sponsors could increase the esteem of the brand by associating it with particular high-profile or champion athletes (this can be a high-risk strategy, as it depends on the athlete’s reputation enduring throughout the sponsorship period). Another possibility would be the sponsorship of a prestige sport. To encourage emotional and impulsive purchases, the sponsor’s product needs to be widely available and prominently associated with the Olympics through packaging and point of sale promotion.
A proposed model of leveraging methods
From the preceding discussion, it appears that involvement and type of processing are crucial elements to take into account when deciding upon methods of leveraging. The OLA model (Figure 1) suggests the most appropriate types of activities that might be employed.

For all high involvement products, sponsorship needs to focus on creating a strong and enduring association of the corporate brand with the Olympic Games, building an enhanced image and long-lasting goodwill towards the brand, and differentiating it from competitors.

From the start of the sponsorship, PR, advertising and promotional activities should prominently feature the Olympic association. For products and services where a high cognitive element is involved, a prospective customer needs to know more about the product or service in order to move towards attachment to the brand or the action of purchase. Information, advocacy and (if possible) trial will assist this process. The company could get involved in activities such as ticketing, enabling it to send product information when contact is made with prospective attendees. PR may be used to give information about the brand, or highlight its use in Olympic preparation. A car company sponsor could bring its latest models to a sponsored event, or a communications company could set up a tent where people examine their latest mobile phones.

<table>
<thead>
<tr>
<th>DOMINANT TYPE OF PROCESSING</th>
<th>LEVEL OF INVOLVEMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>PREDOMINANTLY COGNITIVE</td>
<td>HIGH</td>
</tr>
<tr>
<td>HIGH-PROFILE ADVERTISING, PR AND PROMOTIONAL EVENTS, LINKING CORPORATE BRAND TO OLYMPICS</td>
<td></td>
</tr>
<tr>
<td>WEBSITE LINKS</td>
<td></td>
</tr>
<tr>
<td>SPONSORSHIP OF HOME COUNTRY ATHLETES / TEAMS</td>
<td></td>
</tr>
<tr>
<td>SPONSOR VOLUNTEER PROGRAMME</td>
<td></td>
</tr>
<tr>
<td>COMMUNITY INVOLVEMENT</td>
<td></td>
</tr>
<tr>
<td>STRONG PRESENCE AT CEREMONIES</td>
<td></td>
</tr>
<tr>
<td>HIGH-QUALITY OLYMPIC MERCHANDISE</td>
<td></td>
</tr>
<tr>
<td></td>
<td>LOW</td>
</tr>
<tr>
<td>COUPONS</td>
<td></td>
</tr>
<tr>
<td>SALES PROMOTIONS</td>
<td></td>
</tr>
<tr>
<td>VENUE SALES AND ADVERTISING</td>
<td></td>
</tr>
<tr>
<td>POINT OF SALE DISPLAYS</td>
<td></td>
</tr>
<tr>
<td>SAMPLES</td>
<td></td>
</tr>
<tr>
<td>OLYMPIC BRANDING ON PACKAGING</td>
<td></td>
</tr>
<tr>
<td>RETAILER PROMOTIONS</td>
<td></td>
</tr>
<tr>
<td>JOINT PROMOTIONS</td>
<td></td>
</tr>
<tr>
<td>COMPETITIONS</td>
<td></td>
</tr>
<tr>
<td>MEMENTOES</td>
<td></td>
</tr>
<tr>
<td>USE / CONSUMPTION BY ATHLETES</td>
<td></td>
</tr>
</tbody>
</table>
For products and services with which consumers connect more emotionally than rationally (e.g. clothing, accessories, decorations for the home), affective attitudes towards the brand are more important than in-depth knowledge. So communications need to focus strongly on the positive contribution made by the brand towards the event, and the association of the brand with emotional experiences related to the Games. Sponsorship of home country competitors may link the sponsor with emotions of national pride; involvement with the volunteer programme, and support for projects which will leave a lasting legacy for the local area, will also be valuable in bringing the company closer to the consumer. Prominence at opening and closing ceremonies and celebrations of home country victories strengthen emotional connections with the brand. Sponsors may produce good-quality products especially for an event (e.g. t-shirts with the event name and sponsor brand name and/or logo); these can act as a long-term reminder of the connection.

The right hand column of the model focuses on low involvement products, for which trial may often precede in-depth knowledge or perceptions of the brand. Thus, along with generating initial awareness, the leveraging strategy needs to induce trial of the product. This can be done at an event through having a stall or giving samples; prior to the event, trial can be encouraged by corporate or retail promotions. Joint promotions between two complementary sponsors can create additional brand associations.

### TABLE 1  Grand National Sponsors of Athens 2004 Olympic Games

<table>
<thead>
<tr>
<th>COMPANY NAME</th>
<th>PRODUCT CATEGORY</th>
<th>SPONSORSHIP CONTRIBUTION (EUROS)</th>
<th>INTERVIEWED BY APOSTOLOPOULOU &amp; PAPADIMITRIOU (2004)?</th>
<th>INTERVIEWED FOR THIS STUDY?</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALPHA BANK</td>
<td>BANKING</td>
<td>74M (CASH AND SERVICES)</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>HELLENIC TELECOMMUNICATIONS ORGANISATION (OTE-COSMOTE-OTENET) CONSORTIUM</td>
<td>TELECOMMUNICATIONS</td>
<td>58.7M (CASH AND SERVICES) 102.7M (COMPANY INFRASTRUCTURE UPGRADES FOR GAMES)</td>
<td>NO</td>
<td>YES (COSMOTE)</td>
</tr>
<tr>
<td>DELTA</td>
<td>DAIRY PRODUCTS (JOINT SPONSOR)</td>
<td>18.5M CASH (SHARED WITH FAGE)</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>FAGE</td>
<td>DAIRY PRODUCTS (JOINT SPONSOR)</td>
<td>18.5M CASH (SHARED WITH FAGE)</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>HEINEKEN/ATHENIAN</td>
<td>BREWERY</td>
<td>17.6 M CASH (SHARED WITH FAGE)</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>HYUNDAI HELLAS</td>
<td>AUTOMOTIVE</td>
<td>16.4M (CASH AND IN KIND)</td>
<td>NO</td>
<td>NO</td>
</tr>
<tr>
<td>HELLENIC BROADCASTING CORPORATION (ERT)</td>
<td>TELEVISION AND RADIO</td>
<td>16.7M (IN ADVERTISING TIME AND SPACE)</td>
<td>NO</td>
<td>YES</td>
</tr>
<tr>
<td>HELLENIC POST (ELTA)</td>
<td>POST AND COURIER SERVICES</td>
<td>11.7M (CASH AND IN KIND)</td>
<td>YES</td>
<td>NO</td>
</tr>
<tr>
<td>OLYMPIC AIRLINES</td>
<td>AIRLINES AND AIRLINE TICKETS</td>
<td>10M (IN KIND)</td>
<td>YES</td>
<td>YES</td>
</tr>
<tr>
<td>PUBLIC POWER CORPORATION S.A. (DEI)</td>
<td>ELECTRIC ENERGY</td>
<td>300M (IN INFRASTRUCTURE AND SERVICE UPGRADES)</td>
<td>YES</td>
<td>NO</td>
</tr>
</tbody>
</table>

(Source: Apostolopoulou & Papadimitriou, 2004, with last two columns added)
Leveraging strategies

Where cognitive processing dominates, discount coupons and special promotions can give the consumer a rational reason to buy. Coupons, when several must be collected in order to obtain a reward, may stimulate repeat purchase, and this could in turn lead to habitual purchasing of the sponsor’s brand.

Where affective processing is more important, Olympic athletes may be used to endorse the brand, or Olympic-related competitions or mementoes may be offered, associating the brand with the excitement and emotion of the Games. Processing of brand associations does not take place so deeply for low involvement products, so it is essential that consumers are reminded of the association prominently at the time of purchase: on point of sale displays, packaging, and in-store advertising. Many low involvement products are sold through retailers, thus leveraging strategies which incentivise and help retailers to promote the product are also appropriate.

To summarise, this paper contends that realistic sponsorship objectives, and the optimal leveraging strategies to achieve them, will differ according to characteristics of the sponsoring brand, in particular the degree of involvement and the balance of cognitive and affective processing. This paper now examines the leveraging activities of the Athens 2004 national sponsors in the light of the above discussion.

The study

Sponsors of the 2004 Athens Olympic Games

For the 2004 Games, the National Sponsoring Programme comprised three tiers: Grand National Sponsors, Official Supporters and Official Providers. Greece being the smallest country so far to have staged the Olympics, the total number of partners was only 38, much fewer than the 93 partners of the previous Olympic Games in Sydney. The revenue raised was $302 million, against Sydney’s $492 million, indicating a much greater average spend per partner (Apostolopoulou & Papadimitriou, 2004; Athens 2004 Sponsorship report, 2005). The bulk of the investment came from the 10 Grand National Sponsors. These are listed in Table 1, along with short descriptions of their businesses and their amounts of sponsorship investment, in cash or kind.

Apostolopoulou and Papadimitriou (2004) studied the motivations and objectives of the national sponsors prior to the Games. They discovered a great sense of obligation; firms felt that as Greek companies of their size and/or history, it was their duty to help the country and to be associated with the challenge of staging the Games. In some cases this outweighed concerns of whether sponsorship fitted with broader corporate objectives, or whether they would even see a financial return on the investment. Given that Greece is a small country with a long historical association with the Olympic Games, and that the 2004 Games were billed as the Olympics “coming home”, this sense of duty may have been felt more strongly by Greek companies than by companies in other, larger countries in which the Games have been held. Ludwig and Karabetsos (1999), for instance, found that objectives related to the Olympic tradition were the least important for sponsors at the 1996 Atlanta Games. However, commercial objectives were also set, generally in line with those described in marketing literature: increasing sales and market share, image enhancement, increasing brand awareness, internal marketing, community involvement and social responsibility.

This study asked some of the national sponsors of Athens 2004 to reflect upon their objectives, sponsorship strategies, and outcomes of their sponsorships. Apostolopoulou and Dimitriou (2004), as well as recommending a study of leveraging activities in relation to objectives, suggested the possibility that objectives of national sponsors might change over time, and so the objectives stated at post-Olympic interviews are compared with those given to the earlier authors. The various leveraging strategies used are then compared and assessed, asking whether they differed according to each sponsor’s stated objectives or the type of product/service, and comparing them to the framework suggested earlier.
Methodology

The sample for this study was the 10 companies designated as Grand National Sponsors of the Athens Olympic Games in August 2004. Marketing executives from each company were asked for a face-to-face interview. Six agreed to be interviewed; four of these (Alpha Bank, Delta, Fage and Olympic Airlines) had been interviewed in 2004 by Apostolopoulou and Papadimitriou; the other two were the Hellenic Broadcasting Corporation (ERT) and Cosmote, part of the Hellenic Telecommunications Organisation. For each company, one executive with direct responsibility for sponsorship was interviewed; all had been in post during the period of Olympic sponsorship.

The interviews were based around a semi-structured questionnaire, covering objectives, benefits sought, integration of sponsorship with corporate strategy, leverage (tools and budget), evaluation (methods and budget), and overall appraisal of the sponsorship. Interviews took place during April and May 2007, lasted between one and two hours, and were conducted in the Greek language. It was hoped that the time-lag since the Games would have enabled an evaluation of the long-term financial impact of these sponsorships: for high involvement brands in particular, as argued earlier, sales increases resulting from a sponsorship may not occur for some considerable time.

However, although all companies professed themselves satisfied with the outcomes of their sponsorship, none was willing to provide any supporting quantitative data. In order to ensure, as far as possible, that information was not distorted by inaccurate recollection, the list of topics for discussion was supplied to respondents prior to interview, to enable them to look up any necessary points. Where possible, information on leveraging activities was also confirmed from the companies’ website archives of announcements and press releases. It is possible that some post-rationalisation of objectives may have occurred, but comparison of objectives with those divulged to Apostolopoulou and Papadimitriou (2004) shows this to have been minor, as discussed below.
## TABLE 3  Summary of brand characteristics and leveraging activities

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>LEVERAGING ACTIVITIES</th>
<th>SPENDING</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALPHA BANK</td>
<td>ISSUED ATHENS 2004 CREDIT CARDS&lt;br&gt;ACTED AS ONE OF THE TICKET DISTRIBUTION CHANNELS (3.5 MILLION TICKETS)&lt;br&gt;TICKETS OFFERED TO STAFF, CUSTOMERS AND VARIOUS SOCIAL INSTITUTIONS&lt;br&gt;SOLD AROUND 60,000 OLYMPIC TOKEN COLLECTIONS&lt;br&gt;OLYMPIC MEMORABILIA AND PANORAMA OF OLYMPIC SPORTS TRAVELLING EXHIBITIONS&lt;br&gt;SPONSORED SIX TOP GREEK OLYMPIANS&lt;br&gt;SET UP 16 ATMS IN OLYMPIC VENUES&lt;br&gt;HOSTED 3,700 KEY INTERNATIONAL CLIENTS&lt;br&gt;500 STAFF WERE OLYMPIC VOLUNTEERS&lt;br&gt;COMPETITIONS AND SALES PROMOTIONS&lt;br&gt;ADVERTISING</td>
<td>BETWEEN 50% AND 100% OF SPONSORSHIP SPEND</td>
</tr>
<tr>
<td>COSMOTE</td>
<td>ATHLOPOLIS TRAVELLING ROADSHOW, ENABLING VISITORS TO EXPERIENCE THE OLYMPIC ATMOSPHERE THROUGH THE CREATIVE USE OF TECHNOLOGY&lt;br&gt;SET UP BOOKING BUSINESS STORE, TELECOMS STORE IN OLYMPIC VILLAGE, AND AUTOMATIC PHONE CARD SELLERS AND HELP DESKS IN OLYMPIC VENUES&lt;br&gt;SPONSORED GREEK WEIGHTLIFTERS, TRACK AND FIELD ATHLETES, AND MEN'S VOLLEYBALL TEAM&lt;br&gt;PROMOTED NEW MOBILE PHONE SERVICES AND OLYMPIC SMS GAME&lt;br&gt;OVER TWO THIRDS OF WORKFORCE INVOLVED IN OLYMPICS&lt;br&gt;CLIENT HOSPITALITY&lt;br&gt;COMPETITIONS AND SALES PROMOTIONS&lt;br&gt;ADVERTISING&lt;br&gt;SLOGAN “ONE IDEA, ONE TEAM, ONE VOICE”</td>
<td>BETWEEN 50% AND 100% OF SPONSORSHIP SPEND</td>
</tr>
<tr>
<td>FAGE</td>
<td>SPONSORED ASSOCIATED SPORTING EVENTS, PARTICULARLY FOR CHILDREN&lt;br&gt;EDUCATIONAL ACTIVITIES FOR YOUNG PEOPLE&lt;br&gt;BRANDING OF TRUCKS, BUSES AND IN-STORE REFRIGERATORS&lt;br&gt;SOLD PRODUCTS AT OLYMPIC VENUES&lt;br&gt;INTERNAL MARKETING&lt;br&gt;CLIENT HOSPITALITY&lt;br&gt;COMPETITIONS, CROSS-PROMOTIONS, SALES PROMOTIONS&lt;br&gt;ADVERTISING&lt;br&gt;SLOGAN “FOR PARTICIPATION, FOR PASSION, FOR SUCCESS”</td>
<td>10-20% OF SPONSORSHIP SPEND</td>
</tr>
</tbody>
</table>
### Findings

**Sponsorship objectives**

Table 2 summarises the objectives stated by the six sponsors. Those most relevant to the brand-building hierarchy are listed first, and it can be seen that all companies had objectives related to awareness (brand and/or new product or service) and image. All stated that a main objective had been enhancing corporate image, and believed that their support of the national effort in organising the Olympic Games had resulted in their being perceived as good corporate citizens, involved in the community and demonstrating social responsibility. More brand-specific image objectives were mentioned by Alpha Bank, who wished to reinforce in consumers’ minds an image of reliability, efficiency and credibility, while Fage, which is regularly involved in sponsoring healthy activities, desired to align the company image more strongly with the ancient Greek principle of “a healthy mind within a healthy body”.

At higher stages of the brand-building hierarchy, competitive advantage was sought by all apart from the two companies who formed a joint sponsorship, while three mentioned brand loyalty and all mentioned the ultimate objective of an increase in sales or market share. Only Olympic Airways specifically referred to the creation of a post-Olympic legacy.

Internal company objectives, related to improved employee relations and staff motivation, were important to four companies; four also mentioned the specific objectives of introducing new distribution systems and/or creating a customer database.

These findings are consistent with the pre-Olympics objectives discussed by Apostolopoulou and Papadimitriou (2004), with the addition of brand
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loyalty and customer database objectives. One of the companies specifying these objectives had been interviewed in the earlier research and was not reported as having these objectives; the company was involved in issuing tickets for the Games and it could be that they realised the potential for database creation at a later date and took advantage of the opportunity.

Comparison of leveraging activities to the OLA model

There were great differences in sponsors’ investments in leveraging activities, and the amount spent on these. While all companies were involved in advertising and used the Games for client hospitality, there were distinct differences in the number and type of other activities. Table 3 categorises the company brands by level of involvement and the primary type of influence on the purchasing decision, and lists the various leveraging activities undertaken by each.

It is clear from Tables 1, 2 and 3 that the two companies spending the most on leveraging, and making use of the greatest number of leveraging activities, were also those who had invested the highest sponsorship contribution and had cited most sponsorship objectives. These companies, Alpha Bank and Cosmote, had tailored their leveraging activities to their objectives, while also making use of the distinctive characteristics of their products and services to differentiate their sponsorships from others. As recommended by the OLA model for high involvement products and services, high-profile events and a prominent presence at Olympic venues linked their brands strongly to the Olympic Games, creating a high level of awareness and associating them strongly with the Olympic movement and its values. The intangibility of services increases the importance of associated tangible products, and so Alpha Bank took the opportunity of an Olympic-branded credit card to continually remind customers of the Olympic association.

Banking services would normally conform to a rational decision-making process, so Alpha Bank also took advantage of its branch network to act as a ticket distributor, which brought potential customers into the bank and gave them the opportunity to learn more about the brand. Similarly, Cosmote set up a telecoms store at the Olympic arena, giving attendees the chance to see and handle the company’s products. The sponsorship of Greek competitors by both companies fostered emotional links, giving customers an affective involvement which could assist in differentiating them from competitors. Sales per se were of lesser importance; even when items were sold, such as the Olympic token collection, the expected benefit was not so much financial as the opportunity to be linked with items that the consumer would treasure as memories of an unforgettable event.

The main objective of Cosmote’s store at the Olympic arena was not to amass instant sales, but to give consumers the opportunity to see and try their products.

Fage and Delta, operating in partnership, did not cite objectives relating to awareness, brand loyalty or competitive advantage. They invested less heavily in sponsorship and leveraging than Alpha Bank and Cosmote, and did not promote their corporate identity as strongly. Their external marketing objectives were concerned with consolidating their positions in the market, positioning new products in the market and developing new distribution channels. Sales analyses were carried out to evaluate their sponsorship. Thus most of their outward-directed leveraging activities were product-related – selling their products at Olympic venues, Olympic branding on packaging, transport and refrigerators, competitions for retailers and customers, and sales promotions. The OLA model would suggest this sales-oriented approach, with constant reinforcement of the Olympic association at point of sale, as suitable for low involvement brands.

Community involvement through young people’s sporting and educational activities (Fage) and Delta’s Clean Beaches Project created emotional goodwill, important as affective processing would be likely to dominate for these food brands.

The remaining two companies, ERT and Olympic Airlines, spent less than 10% of their sponsorship
investment on leveraging the sponsorship. Table 1 shows that their investments were all in kind rather than cash, ERT contributing advertising time and space and Olympic Airlines free and discounted flights. ERT is Greece’s only public broadcaster, so national pride and responsibility would have made it unthinkable for them not to be a sponsor, but their relationship with consumers is different from that of a commercial brand. In terms of the dimensions of the OLA model, choice of television channel would be considered a low involvement decision with primarily affective processing, as consumers switch between the repertoire of brands available to them according to what programme they would most like to watch. The model would indicate a focus on boosting immediate sales (in this case, viewing figures) with primarily emotive appeals – in this case, ERT’s advertising of its Olympic coverage.

Olympic Airlines was at that time in the process of becoming a private corporation. As the country’s national airline, bearing the name of the Games, they felt a strong obligation to sponsor, and were also motivated by the belief that it would assist them in their repositioning. However, financial considerations led them to limit their leveraging activities to linking themselves through advertising, name and logo with the Olympic Games, and selling Olympic-related products on their flights.

The pattern of leveraging activities broadly follows the OLA recommendations (Table 4).

High involvement brands spent more and implemented multiple activities aimed at increasing awareness, associating themselves strongly with the Olympic image and values, and differentiating themselves from competitors. Sponsorship was integrated with long-term strategy, which for these companies would be focused on fostering enduring customer relationships. For low involvement products, objectives focused more on product placement, point of sale and distribution, and most external leveraging activities used were at the product level, designed to encourage product trial. However both Delta and Fage also undertook community-orientated activities, more indirectly associated with their sponsorship of the Olympics. These demonstrate an integration of Olympic sponsorship with their ongoing brand-building activities to link Fage with sporting activity and young people, and Delta with the environment.

Evaluation of sponsorship
All these sponsors analysed their television exposure, and Alpha Bank, Cosmote and Fage also carried out print media analysis and some consumer research. Delta and Fage monitored sales, while all companies apart from ERT also took account of internal feedback. While Alpha Bank, Cosmote and Fage spent between 1% and 5% of their sponsorship fee on evaluation, the other companies spent no additional money at all. This reflects the general picture of sponsorship evaluation reported by Crompton (2004) – little extra spending, and much measurement of media coverage, which does not measure consumer effects.

All companies stated that they were satisfied with the outcomes of their sponsorships, particularly in terms of corporate image and goodwill. They all professed to have achieved their stated sales and marketing objectives, both internal and external. However, they stated that confidentiality prevented them from disclosing any financial returns or consumer data. Because of this, and the fact that objectives were not set quantitatively in the first place, it is impossible to quantify returns or carry out a cost-benefit analysis.

A consumer study (Tsiantas, 2007) carried out in 2005 confirmed the importance of leveraging activities in creating awareness of the sponsorship. Unprompted recall of Olympic sponsors was highest for Cosmote (67%) and Alpha Bank (56%), the two companies who had carried out the greatest amount of leveraging, while the third-placed company (Fage) only achieved 36%. It can be argued, though, that unprompted recall is more important for these high involvement brands as purchase decisions are likely to be made in advance, while low involvement purchase decisions may well be made at point of sale, making recognition more important than recall.
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**TABLE 4** External leveraging activities in context of the OLA model

<table>
<thead>
<tr>
<th>COMPANY</th>
<th>DISTINCTIVE LEVERAGING ACTIVITIES</th>
</tr>
</thead>
<tbody>
<tr>
<td>ALPHA BANK</td>
<td><strong>COGNITIVE DIMENSION</strong></td>
</tr>
<tr>
<td>INVOLVEMENT: HIGH</td>
<td>PRESENCE AT VENUES: 16 ATMS</td>
</tr>
<tr>
<td>PROCESSING: PRIMARILY COGNITIVE, BUT CONSUMER MAY FIND DIFFICULTY IN DIFFERENTIATING BETWEEN OFFERINGS</td>
<td>CUSTOMER CONTACT ACTIVITIES: TICKET DISTRIBUTION, TRAVELLING EXHIBITIONS</td>
</tr>
<tr>
<td>COSMOTE</td>
<td><strong>COGNITIVE DIMENSION</strong></td>
</tr>
<tr>
<td>INVOLVEMENT: MEDIUM TO HIGH</td>
<td>PRESENCE AT VENUES: TELECOMS STORE, AUTOMATIC PHONE CARD SELLERS AND HELP DESKS</td>
</tr>
<tr>
<td>PROCESSING: COGNITIVE AND AFFECTIVE</td>
<td>CUSTOMER CONTACT ACTIVITIES: TRAVELLING ROADSHOW, TELECOMS STORE</td>
</tr>
<tr>
<td>OLYMPIC AIRLINES</td>
<td><strong>AFFECTIVE DIMENSION</strong></td>
</tr>
<tr>
<td>INVOLVEMENT: HIGH</td>
<td>OLYMPIC MERCHANDISE: SALE OF PRODUCTS ON FLIGHTS</td>
</tr>
<tr>
<td>PROCESSING: COGNITIVE AND AFFECTIVE</td>
<td></td>
</tr>
</tbody>
</table>

**Discussion**

For national sponsors, Olympic sponsorship is an opportunity that comes around very infrequently; for most such companies it will be a one-off opportunity. This increases the pressure on them to capitalise on the event, although they will have little previous first-hand experience to draw on. So it is important that they pay attention to how Olympic sponsorship has been executed in previous years, while also taking into account national and cultural factors which may affect the workings of sponsorship at a particular Games. Lessons could also be learned from sponsorship experiences of other international events on a smaller scale than the Olympics; for instance, in the UK, the Commonwealth Games which took place in Manchester in 2002.

Athens 2004 was unique in that it brought the Olympic Games back to where the modern Olympics were first held, in 1896. No other country has the same sense of historical involvement with the event, and this, coupled with the small size of the country and small number of large corporations compared to previous hosts such as the USA and Australia, put a great sense of obligation onto large national companies. Thus the prime reasons for sponsorship related to national pride and responsibility, and sponsors believed their willingness to take on that responsibility would in itself create goodwill towards them. However, every company also cited various
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marketing objectives. Two companies did little to leverage their sponsorships, while the other four divide into two groups of two, and sponsorship strategies reflect differences in both objectives and types of products/services, as suggested by the OLA model presented in this paper. Although strategies were different, all companies declared themselves satisfied with the benefits gained from their sponsorships.

For high involvement products and services (left hand column of the OLA model), the model recommends a more relationship-oriented strategy, with the aim of creating and retaining customers who are loyal both attitudinally and behaviourally. Product/service purchases are less frequent and a more protracted decision-making process takes place, so a sponsorship strategy which is integrated with overall corporate strategy should reflect this. There should be more emphasis on enhancing image and perceptions of the company, giving the consumer knowledge about the brand and developing an attitudinal attachment to it, than on sales. Where rational decision-making is important, companies should take opportunities to

<table>
<thead>
<tr>
<th>LOW INVOLVEMENT BRANDS</th>
<th>DISTINCTIVE LEVERAGING ACTIVITIES</th>
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<tbody>
<tr>
<td><strong>COMPANY</strong></td>
<td>(ALL HIGH INVOLVEMENT BRANDS USED ADVERTISING AND PR, AND HAD WEBSITE LINKS)</td>
</tr>
<tr>
<td><strong>FAGE</strong></td>
<td>COGNITIVE DIMENSION</td>
</tr>
<tr>
<td>INVOLVEMENT: LOW</td>
<td>SALES PROMOTIONS</td>
</tr>
<tr>
<td>PROCESSING: PRIMARILY AFFECTIVE</td>
<td>AFFECTIVE DIMENSION</td>
</tr>
<tr>
<td></td>
<td>COMMUNITY INVOLVEMENT: ASSOCIATED SPORTING EVENTS, EDUCATIONAL ACTIVITIES FOR YOUNG PEOPLE</td>
</tr>
<tr>
<td></td>
<td>COMPETITIONS</td>
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<td></td>
<td>GENERAL</td>
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<tr>
<td></td>
<td>VENUE SALES AND ADVERTISING</td>
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<tr>
<td></td>
<td>POINT OF SALE: OLYMPIC BRANDING ON REFRIGERATORS</td>
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<td></td>
<td>OLYMPIC BRANDING ON PACKAGING AND TRANSPORT</td>
</tr>
<tr>
<td></td>
<td>JOINT PROMOTIONS</td>
</tr>
<tr>
<td><strong>DELTA</strong></td>
<td>COGNITIVE DIMENSION</td>
</tr>
<tr>
<td>INVOLVEMENT: LOW</td>
<td>SALES PROMOTIONS</td>
</tr>
<tr>
<td>PROCESSING: PRIMARILY AFFECTIVE</td>
<td>AFFECTIVE DIMENSION</td>
</tr>
<tr>
<td></td>
<td>COMMUNITY INVOLVEMENT: CLEAN BEACHES PROJECT</td>
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<tr>
<td></td>
<td>COMPETITIONS</td>
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<td></td>
<td>GENERAL</td>
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<td></td>
<td>VENUE SALES AND ADVERTISING</td>
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<td>OLYMPIC BRANDING ON PACKAGING</td>
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<td>JOINT PROMOTIONS</td>
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<td><strong>ERT</strong></td>
<td>GENERAL</td>
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<tr>
<td>INVOLVEMENT: LOW</td>
<td>ADVERTISING</td>
</tr>
<tr>
<td>PROCESSING: AFFECTIVE</td>
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provide information and product trial, while the creation of emotional involvement can enhance the affective element of attitude towards the brand, and provide differentiation from competitors. Alpha Bank and Cosmote followed such a strategy. Their exhibitions around Greece, their physical and staff presence at Olympic venues, and their involvement in ticketing and booking services ensured a strong association with the event, as well as opportunities for consumers to learn more about the companies and their products and services. Sponsorship of Greek competitors tapped into consumers’ emotional involvement as they supported their home athletes.

The two dairy companies, Delta and Fage, sell products which would be categorised in the OLA as low involvement, with primarily affective processing, thus requiring a more sales-oriented strategy which facilitates emotional and impulse purchases. Consumers may easily be persuaded to try these products, and the companies capitalised on this by setting up points of sale in the Olympic arena, running competitions and sales promotions with retailers, and promoting the Olympic association on packaging. Unlike products sold by Alpha Bank or Cosmote, which would be kept for months, years or even a lifetime, dairy products are consumed soon after purchase and consumers do not have an ongoing relationship with them, in the way they might have with their bank. Thus the dairy companies focused on making profits through their sales in the Olympic period, using packaging and point of sale promotions to remind consumers of the Olympic link at the point of purchase, while also using their links with the Olympic Games to reinforce their healthy image.

Conclusion

This paper has presented the Optimal Leveraging Activity (OLA) model to guide national Olympic sponsors towards the choice of leveraging activities which will achieve greatest benefits in a limited period of sponsorship. It has illustrated this in the context of the Greek national sponsors of the 2004 Athens Olympic Games. The model is a first attempt, in a limited context, to provide guidelines to sponsors on the best mix of leveraging activities to undertake. For consumer companies (especially those with little previous sponsorship experience) undertaking National Olympic sponsorship, it should be a valuable guide. However, it does not make provision for Olympic sponsors in the business-to-business, rather than business-to-consumer, market.

The model could be applied outside the Olympic context to other time-limited, non-renewable sponsorships. Further research is required to investigate the optimal leveraging strategies for existing sponsor agreements which have the potential to run for a much longer term. An Integrated Marketing Communication (IMC) approach would suggest, however, that sponsors seeking a new sponsorship contract should use as one of their selection criteria the possible opportunities for leveraging activities to fit into the overall corporate and communication strategy.

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Biographies

Fiona Davies is a lecturer at Cardiff Business School, Cardiff University, and a competitive runner and duathlete. Her research interests are in sponsorship, particularly that of sport and its effects on consumer attitudes and behaviour.

Georgios Tsiantas is a former postgraduate student of Cardiff Business School. Having gained his MBA, he now works for Citibank International plc, Greece.
Leveraging strategies

References


Winning the Olympic marketing game: recall of logos on clothing, equipment and venues at the 2006 Winter Olympics

Keywords
logos
signage
billboards
clean venue policy
brand protection
content analysis

Abstract
This study looks at the visibility of logos during the televised broadcast of the 2006 Winter Olympic Games in Turin, and television viewers’ perceptions, recall and recognition of those logos. The results indicate that the number of brands and logos perceived was far greater than actually existed, bringing into question the effectiveness of the Olympics’ ‘clean venue’ policy.

Executive summary
The Olympic Games are the world’s largest sporting event, attracting athletes from all over the world. The Olympics also attract marketers from around the globe to compete for a chance to display their products’ names and logos to billions of television viewers. These marketers realise that the Olympic Games are the most profitable global media event and that having their name associated with the Olympics is solid business practice. In order to control the marketing atmosphere of the Olympics, the International Olympic Committee (IOC) has adopted brand protection and ‘clean venue’ policies, which prohibit commercial messages on the competition field or in areas visible to television viewers. These policies differ radically from most non-Olympic sporting events, where sponsors’ names and logos are displayed on athletes’ clothing and equipment and on signs and billboards throughout the arenas and stadiums.

The purpose of this study is to analyse the television coverage of logos, hereafter referred to as just logos, during the broadcast of the 2006 Turin Winter Olympic Games, then measure audience perceptions,
recall and recognition of logos. By comparing visibility and impact, the intent of event organisers and marketers is contrasted with the influence upon the viewing audience to determine if the efforts of the IOC are effective. To make this comparison, a content analysis was conducted to determine what logos were shown on television during the prime time Olympic coverage (62 hours). To evaluate viewers’ perceptions, a survey was given to a convenience sample of 454 university students 10 days after the completion of the Games (Sandler & Shani, 1989).

The results of the content analysis indicated that logos were shown 864 times for 2 seconds or longer, giving a total exposure of 5,424 seconds and representing 37 different brands. According to the IOC guidelines, athletes’ clothing is allowed one manufacturer logo, and equipment can have up to five brand names or logos. Logos were most numerous in alpine skiing and freestyle skiing events, where athletes had ski suits, helmets, goggles, gloves, ski poles and skis, all with names and logos.

The greatest number of respondents reported seeing two logos (28.6%) during their viewing of the Olympics, and 51.1% of respondents estimated seeing two or more logos on a single athlete’s clothing. Most respondents estimated seeing one or more signs or billboards in Olympic venues, when in fact only one sign was shown during the television coverage. Overall, recall of logos seen on clothing, equipment and signs was generally low. Nike was the most often recalled brand name, followed by Roots and Burton.

Audience awareness of a sponsored brand has been the standard measure for Olympic marketing success, but measurements of perceptions may be a better indicator. The results of this study indicate that while the Olympic Committee is remarkably successful at keeping signs and logos out of the venues, the television audience perceived that there were signs visible on television. In fact, respondents generally perceived there to be more logos on billboards and signs in the venues than they perceived to be on athletes’ clothing and equipment.

Introduction

The Olympic Games are the world’s largest sporting event, attracting athletes from every walk of life and all corners of the world. Participants prepare and train for a chance to represent their country and compete against the world’s greatest athletes in front of billions of fans. Performances are measured and judged, timed and scrutinised, and winners are rewarded not only with a medal but also with the prestige and title of Olympic champion.

Another competition at the Olympic Games, one that is just as fierce but takes place behind the scenes, is the marketing competition. Olympic marketing also attracts competitors from around the globe, competing for a chance to display their products’ names and logos to billions of television viewers. As described by the IOC, “the Olympic Games are the most effective international corporate marketing platform in the world, reaching billions of people in over 200 countries and territories throughout the world” (IOC, 2006). The Olympic Games are the most profitable global media event, with more than US$4 billion in revenues in 2001-2004; thus marketing at the Olympics and having your company’s name associated with the Olympics has become a solid business practice (IOC, 2006; Lee, 2005).

In addition to broadcasting to viewers worldwide, the Olympics boasts receptive audiences who already have a positive attitude towards events, sponsors and advertisers (Stipp & Schiavone, 1996). Access to this large, diverse and receptive group is worth marketers’ investment of time, money and resources for this one sporting event. According to Stipp and Schiavone (1996), viewers’ perceptions of advertising during the Olympics have a “remarkably positive image” (p.27). Viewers’ positive perceptions of advertisers are not limited to their awareness of the support these advertisers provide to the Olympics; when asked, viewers also rated corporate responsibility and contributions to worthwhile causes higher for companies with Olympic connections (Stipp & Schiavone, 1996).
Winning the Olympic marketing game

While the achievements of Olympic athletes are measured and judged according to strict competition guidelines, there are no such rules for measuring Olympic marketing success. Instead, the policies governing Olympic marketing focus on the visibility of logos during televised broadcasts because of the possible persuasive effects on the audience. This policy is in place because the IOC wants the audience to see only the brands that have an exclusive sponsor relationship with the Olympics. Jacques Rogge, IOC President, has stated that corporate involvement in terms of donating money, providing products and lending their expertise is the only way to ensure the success of the Olympics (Roy & Graeff, 2003), and exclusivity of advertising exposure is absolutely essential in order to encourage corporations to become involved in the Olympics. Additionally, Seguin et al (2005) believe that exclusivity is “a key element in increasing awareness, knowledge and the likelihood of sponsorship success” (p.227). Since marketers’ success equals audience awareness, those companies that the Olympic marketing policies allow to be seen, or those that are able to bypass or defy the regulations.

Because the IOC invests so much time and effort in promoting and protecting the visibility of their sponsors, it is important to determine whether that investment is worthwhile. An analysis of the effectiveness of IOC policy must begin with establishing what logos are visible to the audience during the televised broadcast of the Olympic Games. Then we can measure audience perceptions, recall and recognition of those logos to determine if the IOC and event organisers are achieving their desired goals by limiting marketers’ access to the Olympics.

Literature review

Olympic marketing
Sponsorship was defined by Tripodi (2001) as “the provision of assistance by a commercial organisation (sponsor), in cash or kind, to a sports property (sponsee), in exchange for the rights to be associated with the sports property for the purpose of gaining commercial and economic advantage” (p.96). Sponsoring the Olympics is expensive, but it can result in substantial benefits and brand recognition if utilised correctly (Crimmins & Horn, 1996) including transferring the goodwill of the Olympics to the sponsored brands (Dudzik & Gröppel-Klein, 2005). The main reasons marketers spend the money necessary to become an Olympic sponsor is to enhance awareness of their brand, to improve their brand’s image and to strengthen brand equity (Cornwell & Maignan, 1998). But most importantly, sponsorship “allows brands to be presented to a vast array of audiences” (Tripodi, 2001, p.110) that marketers might not otherwise reach.

The major sponsors of the Olympic Games are known as The Olympic Partners (TOP), and they account for about 40% of all Olympic marketing revenue (Roy & Graeff, 2003). The 2006 TOP group included Coca-Cola, McDonald’s, Atos Origin, Omega, GE, Panasonic, Kodak, Samsung, Lenovo, Manulife and Visa. From 2005 through 2008, these 11 companies will provide financial support in excess of $866 million for the 2006 Turin and 2008 Beijing Games, as well as for 202 individual national Olympic committees and for the IOC itself (IOC, 2006).

In order to protect the exclusive marketing atmosphere of the Olympics and the financial investment of TOP, the IOC has adopted the brand protection and clean venue policies, which prohibit commercial messages on the competition fields and in any area visible to the television viewers (Torino Organising Committee, 2006). The Olympic clean venue policy claims that the “Olympic Games are the world’s greatest international sports event” and that the clean venue policy “contributes to maintain this unique characteristic” (Torino Organising Committee, 2006). The Olympic clean venue policy claims that the “Olympic Games are the world’s greatest international sports event” and that the clean venue policy “contributes to maintain this unique characteristic” (Torino Organising Committee, 2006). Marketing opportunities in most non-Olympic sporting events include sponsors’ names and logos on athletes’ clothing and equipment and on signs and billboards in arenas. The Olympics are the only sporting event where advertising is not allowed in the arenas, on the
athletes, or in the venues (IOC, 2006). The IOC does differentiate between a manufacturer’s logo and other advertising: they allow participants to have a small manufacturer’s logo on their clothing and equipment. All other logos must be blocked so that they cannot be seen on television. For example, during the 2006 Turin Games, the Dell logos on reporters’ computers in the press boxes were taped over. In a more extreme example, Samsung logos were removed from TVs in their own VIP lounge because Samsung was not the official TV sponsor of the Olympics. Nike designed patches to cover the swoosh logo on the back and neck of the US curling team’s uniforms, and in the event venues, workers covered any equipment logos brought in by reporters with black electrical tape and told the reporters to either remove all labels from their beverages or to have them completely out of sight (Associated Press, 2006).

The IOC’s allowance for trademarked logos for Olympic manufacturers states that an athlete’s clothing or equipment company, whose business it is to make the clothing and equipment, can place its name or logo where it can be seen by television cameras. In contrast, Coca-Cola, a member of TOP, could not place logos on clothing or equipment because the company makes soft drinks and not sporting equipment. Seeing logos on clothing and equipment, viewers may assume that this is a form of advertising despite the no advertising policy at Olympic events and venues. “One possible reason for this type of ambiguity is that sponsored activities, especially sport sponsorships, get extensive broadcast coverage which in turn may cause some to think that sponsorship is another form of advertising” (Erdogan & Kitchen, 1998, p.369).

The average fan is generally not able to differentiate between sponsorships, advertising and ambush marketing because he/she views all marketing communications activities as advertising (Gemma, 2003; Head, 1981; Lyberger & McCarthy 2001). For example, Adidas was cited as the seventh most recognised brand during the 2000 Sydney Olympic Games even though the company was not an official Olympic sponsor (Garrahan, 2000, as cited by Hartland & Skinner, 2005). Lyberger and McCarthy (2001) identified a growing trend in consumer apathy towards the sponsorship of mega sporting events, citing the growth of sports’ sponsorships and the amount of clutter from signs and banners at the events as a factor in consumers’ inability to differentiate between advertising and sponsorship.

**Ambush marketing**

Official sponsors are often at odds with one another as they vie for the attention of the same audience (Scherer et al, 2005). Olympic marketing has thus been divided into two groups: the official sponsors and everyone else. Because of the hefty financial obligation associated with becoming an official Olympic sponsor, companies that do not have money are left to find alternative forms of marketing in order to associate themselves with the Olympics (Tripodi & Sutherland, 2000). The most common type of alternative marketing is ambush marketing. Ambush marketing is when a company attempts to attract some of the audience’s attention away from the official sponsors and towards itself (Meenaghan, 1994). The IOC believes that ambush marketing is as detrimental to their official sponsors as it is to the Olympics themselves (Payne, 1998). The Turin 2006 website states that “ambush marketing is a dishonest, parasitic and illegal way to do business; companies that practise it deceive the consumer, threaten sports and discredit themselves” (Torino Organising Committee, 2006). Meenaghan (1994) speculates that the reason event organisers like the IOC protect against ambush marketing is that they believe it “threatens the integrity of events and may, if left unchecked, financially undermine the future staging of such events (e.g. the Olympics) as sponsors refuse to become involved with events which can no longer deliver on promised sponsorship benefits” (p.79).

Jerry Welsh, a former executive at American Express, coined the term ambush marketing. He views ambushing as an innovative tool that is completely legitimate under a free market system (Brewer, 1993). While official sponsors cringe at ambush marketing,
Winning the Olympic marketing game

with many demanding legal action be taken to prevent it, ambushers themselves continue thinking of yet
more unofficial ways to display their brands or logos.

Ambushing does not always include illegal
marketing activities, and its status as ‘ambush’ may
depend entirely upon perspective. One of the first
recorded incidents of ambush marketing was in the
1984 Los Angeles Summer Olympics when Kodak
became the sponsor of ABC’s broadcast of the
Olympics and of the US track team (Sandler & Shani,
1989). Another instance of ambush marketing
happened during the 1996 Atlanta Summer Olympics,
when Nike placed their logo on a building opposite
the Olympic stadium (Hartland & Skinner, 2005).

During the 2002 Salt Lake City Olympic Games,
Schirf Brewery, a small local company that was not an
Olympic sponsor, devised a marketing campaign to
connect itself with the Olympics by labelling delivery
trucks with “Wasatch Beers. The Unofficial Beer of the
2002 Winter Games” (Sauer, 2002). The company
used only words that were not copyrighted and did not
use the Olympic rings or other official insignia.

Official sponsors consider these types of activities
ambushing because non-sponsoring companies
connect themselves with the Olympic Games and their
audience without paying the cost of sponsorship. An
even greater concern for official sponsors is that
consumers are beginning to accept the fact that non-
sponsor advertising exists and that consumer do
not make the distinction between official and non-official
sponsors (Lyberger & McCarthy, 2001). Despite the
IOC’s best efforts to eliminate ambush marketing
through the brand protection and clean venue policies,
some researchers believe that these attempts are
ineffective and that ambush marketing will continue to
plague the Olympics (Hartland & Skinner, 2005;
Johar & Pham, 1999).

The television audience

The Olympic Games provide a unique marketing
atmosphere because they draw spectators from all over
the world who view the events through the television
broadcast. This is the main reason the IOC emphasises
visibility to the television audience in its clean venue
policy. Commercial time during the Olympics is often
reserved for TOP sponsors as a preferential advertising
opportunity; however, many other companies vie for
the opportunity to air commercials during the Olympics
because of the huge audience.

Buying commercial time during the Olympics does
not guarantee that the audience is paying attention,
but with billions of people watching the events,
marketers count on large numbers of viewers tuning in
to each commercial break. Lardinoit and Derbaix
(2001) found that television commercials are
significantly more effective than field sponsorships or
signage, as measured by both unaided recall and
recognition. However, for televised sports, arena
advertisements have become standard practice for
sports marketing as they are used to support other
marketing communications activities like print and
broadcast advertisements. In a study comparing the
impact of sports arena advertising with the impact of
television commercials, Pokrywczynski (1994)
determined that both the quality and quantity of arena
advertising exposures should increase in order to be as
effective as television commercials. Exposures 8 to 20
times longer than a commercial were suggested to be
comparable to a television commercial in impact.
Clarity of the brand name or logo was also a factor in
determining effectiveness. Pokrywczynski also noted
that the success of arena advertising depends upon
previously held brand attitudes. Other researchers
have agreed with Pokrywczynski’s conclusions and
added that recall for stadium signs is higher when
they are shown for a longer period of time (Robinson
& DeMars, 1998), when the brand is related to the
event in some way (Johar & Pham, 1999; Pham &
Johar, 2001; Roy & Graeff, 2005; Speed &
Thompson, 2000), when the audience has a positive
attitude toward the event (Crimmins & Horn, 1996),
when the audience likes the brand (Speed &
Thompson, 2000; Stipp & Schiavone, 1996), or when
the brands are well known or prominent (Johar &
Pham, 1999; Lardinoit & Derbaix, 2001; Pham &
Johar, 2001; Roy & Graeff, 2003).
Winning the Olympic marketing game

Regarding sports marketing, Keenan et al (1995) looked at news and editorial sports photographs that contained a product placement and found that when “the photos contained an identifiable product, logo, brand name, or even advertisement, the result is the print equivalent of a movie or broadcast product placement”. Similar to logos appearing in newspaper photos, and which could also be considered product placement are stadium signs that are visible to the television audience. During sporting events, there is some question as to whether or not anyone is paying attention to the logos and signs embedded in the periphery of the event, such as on a scorer’s table or on the arena walls, because individuals who attend sporting events or watch them on television are likely paying more attention to the game than the sponsors’ signs (Pham & Johar, 2001). Crimmins and Horn (1996) advocate impact studies and suggest that visibility may not be as important as impact. In other words, what viewers think they see is more important than how many times they actually see a logo during a televised sporting event (Crimmins & Horn, 1996).

Visibility, awareness, impact
Marketing professionals and academic researchers have tested subjects’ awareness of event sponsors and have shown that it is an effective measure of sponsorship success (O’Reilly et al, 2007). For event sponsors’ objectives, such as market share, sales and brand image to be met, viewers must first see the names and logos at the event and then recognise that the signs are from a sponsor. Sandler and Shani (1989) state, “the first step in sponsorship effectiveness is the correct identification of a firm as a sponsor” (p.41), and Pham and Johar (2001) have called identification by recall or recognition “one of the most important measures of sponsorship effectiveness” (p.124). Recall and recognition measurements are, however, useful only as preliminary measures of sponsorship’s advertising effectiveness because they do not provide an understanding of the relationship between consumer engagement and sponsorship (Meenaghan, 2001). Although secondary measurements can increase understanding of consumer-sponsor relationships, a preliminary measurement cannot be ignored.

In an early study of Olympic marketing, Sandler and Shani (1989) explored the effectiveness of official sponsorship in comparison to other marketing strategies (i.e. ambush marketing) by measuring consumer awareness of televised commercial messages. This study demonstrated that official sponsors do achieve greater awareness than non-sponsors, but for some products and product categories (i.e. high involvement products) ambush marketing had its greatest effect on consumer recall. Roy and Graeff (2003) determined that although Olympic sponsorship allows companies with high brand recognition to solidify their position in the product category, these companies cannot necessarily shape consumer attitudes towards their brands through sponsorship. They also found that even though consumers had a positive attitude towards brands that sponsored the Olympics, consumers still had a difficult time recalling the specific brands that were TOP members. For example, only 35% of respondents correctly identified Coca-Cola as a sponsor of the 2002 Winter Games in aided measures (Roy & Graeff, 2003). This fact is troubling to both TOP sponsors and the IOC, and is one reason why the IOC feels they need to protect TOP sponsors with strict brand protection and clean venue policies.

Researchers have found that consumers are not always able to remember event sponsors. (Johar & Pham, 1999). Many times consumers construct memories based on other marketing communications, like print and broadcast advertising, which assist them in identifying an event sponsor. According to Johar and Pham (1999), there are two heuristics that consumers use to construct memories in order to identify an event sponsor. The first heuristic is called relatedness, which refers to consumer assumptions of a semantic relationship between an event and its sponsoring companies (p.310). Sponsors that appear to be related to an event are more likely to be identified as a sponsor of that event. For example,
NBA players wear basketball shoes; therefore, consumers might assume that Nike sponsors the NBA. The second heuristic is market prominence, which means that brands that are prominent in the marketplace are easier for consumers to remember and are therefore more likely to be identified as a sponsor than a less prominent brand (Pham & Johar, 2001).

Research into the Olympics has not focused on the recall and recognition of the type of advertising that the IOC is so careful to protect against and police, namely logos on athletes’ clothing and equipment or on signs that are visible during the events. Looking at the viewer’s awareness of brands and logos is essential, especially when one considers the time, effort and expense the IOC dedicates to monitoring these types of advertising.

The viewing audience may not understand or care about the intricacies of Olympic marketing, but they are still the targets of the marketing, and they are why the IOC created the brand protection and clean venue policies. Television viewers develop positive attitudes towards the companies that are connected with the Olympics and are able to overcome marketing ambivalence that are the results of attitudes towards advertising. Although the IOC, the marketers and the event broadcasters may each have their own objectives for Olympic marketing and visibility, these objectives are not always reflected in the audience’s perceptions. Therefore, this research will be guided by the following research questions:

RQ1: What logos were visible during the 2006 Turin Winter Olympic Games’ television broadcast?

RQ2: Where on clothing and equipment and in what venues were logos displayed?

RQ3: Where do television viewers of the Olympics recall seeing logos on clothing and equipment or on signs in event venues?

RQ4: What logos were recalled most often by television viewers in unaided measures?

RQ5: What logos were recognised most often by television viewers in aided measures?

RQ6: How do the television viewers’ perceptions of the presence of logos differ from their actual existence during televised Olympic events?

Methodology

A content analysis was conducted to determine what logos are shown on television during prime time Olympic coverage. The analysis was based on a recording of NBC’s prime time coverage of the Olympic Games (62 hours total over a period of 16 days in February 2006) as presented on NBC’s Salt Lake City, Utah, affiliate. The only sports not shown during prime time coverage were ice hockey and curling. Logos were coded for the date, length of exposure, placement on clothing or equipment, event, and athlete’s name and country. Placement of logos was broken down further by article of clothing and type of equipment. Commercials broadcast during the coverage were noted for product and brand, but no coding was done on clothing and equipment during these ads.

Only logos shown on screen for more than 2 seconds were coded. Logo exposures under 2 seconds were not coded because they may not have been clearly visible unless a slow motion or freeze-frame technique was used. In addition, viewers might not have concentrated on logos in shorter exposures because the logos were often not the focal point of the camera angle. Exposures were timed twice and then averaged for accuracy in timing and reliability. This is similar to the coding technique used by Pokrywczynski (1994) for timing television logo exposures. Interviews with athletes either directly before or after the event were also coded. During these interviews, the athletes usually wore their competition clothing and held the
Winning the Olympic marketing game

Equipment that they would use or had used in the competition.

Most logos that appeared during prime time television coverage of the Olympics were on the athletes’ clothing and equipment, but there were some exceptions during the broadcast period. Feature clips of athletes in other competitions besides the Olympics, such as World Championship events, showed logos, including scenes of venues displaying a number of logos. These instances were shown in news feature-style clips and were therefore not included in the content analysis.

To evaluate viewers’ perceptions, a survey method was modelled after the Sandler and Shani (1989) study, which investigated the effectiveness of Olympic sponsors in the presence of ambush marketing and consumer awareness. A survey questionnaire was given to a group of university students (n = 454) two weeks after the completion of the 2006 Winter Olympic Games. We felt confident using a student sample because other researchers have used student samples or primarily student samples to examine the recall and effectiveness of sponsorships (Dudzik & Gröppel-Klein, 2005; Lardinois & Derbaix, 2001; McDaniel, 1999; Sandler & Shani, 1989). Respondents who did not watch any portion of the Olympics were excluded from the study, leaving 392 usable questionnaires (86.3%). This response rate was similar to that of Sandler and Shani, who reported that 82% of their respondents had watched at least a portion of the Olympics. The respondents had a mean age of 21.7, 55% of the respondents were male and 45% were female, and they reported watching the televised coverage of the Olympics an average of three nights.

Survey questions asked respondents to identify how many days they had watched the coverage of the Turin Olympics and which events they had watched. Respondents were asked to estimate how many logos appeared on a single athlete’s clothing, on a single athlete’s equipment, and in a single venue on billboards or signs. Respondents were then asked to recall through unaided measures any logos they had observed during the coverage of the Olympics and where they had seen them. The final question asked respondents to determine, through aided measures, what logos they recognised from a list of logos. This list included official Olympic sponsors, brand names from commercials televised during the events, and logos from clothing and equipment manufacturers who sponsored Olympic teams.

Although this study compares the actual Olympic broadcast with survey questionnaire responses, there is no way of determining whether respondents watched a particular event or day of broadcast and were thereby exposed to a specific brand name or logo. Observations obtained through content analysis and survey responses can only be compared, not correlated.

Results

RQ1 asked what logos were visible during the television broadcast of the 2006 Turin Winter Olympic Games. According to the content analysis, logos that were shown for 2 seconds or longer appeared 864 times, totalling 5,424 seconds during the 62 hours of NBC’s prime time coverage of the 2006 Turin Olympics (see Table 1). These exposures represented 37 different brands, with 98.4% of exposures lasting less than 30 seconds. No TOP sponsors had names or logos that were visible to the television audience.

The content analysis revealed in response to RQ2 that the athletes’ clothing had one manufacturer brand name or logo, in keeping with IOC policy, with three exceptions (see Table 2). The first exception was figure skating, during which no brand names or logos were displayed on the athletes’ clothing, and the second exception was speed skating, during which two logos were displayed, one on the skaters’ right breast and one on the right knee. The third exception was when some athletes were coded with two brand names or logos, seen only prior to or after their events when they wore additional articles of clothing, such as jackets or hats. This happened only five times, for a total on-screen time of 30 seconds.
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### Table 1: Logos shown on screen

<table>
<thead>
<tr>
<th>BRANDS</th>
<th>NUMBER OF APPEARANCES ON SCREEN</th>
<th>TOTAL ON-SCREEN TIME IN SECONDS</th>
<th>AVERAGE ON-SCREEN TIME IN SECONDS</th>
</tr>
</thead>
<tbody>
<tr>
<td>NIKE</td>
<td>293</td>
<td>2,024</td>
<td>33.7</td>
</tr>
<tr>
<td>UVEX</td>
<td>102</td>
<td>538</td>
<td>11.7</td>
</tr>
<tr>
<td>OAKLEY</td>
<td>77</td>
<td>492</td>
<td>8.9</td>
</tr>
<tr>
<td>TOMMY HILFIGER</td>
<td>37</td>
<td>267</td>
<td>4.3</td>
</tr>
<tr>
<td>SPYDER</td>
<td>31</td>
<td>146</td>
<td>3.6</td>
</tr>
<tr>
<td>ADIDAS</td>
<td>27</td>
<td>192</td>
<td>3.1</td>
</tr>
<tr>
<td>ASICS</td>
<td>24</td>
<td>200</td>
<td>2.8</td>
</tr>
<tr>
<td>ROSSIGNOL</td>
<td>22</td>
<td>143</td>
<td>2.5</td>
</tr>
<tr>
<td>BRIKO</td>
<td>21</td>
<td>102</td>
<td>2.4</td>
</tr>
<tr>
<td>MIZUNO</td>
<td>21</td>
<td>106</td>
<td>2.4</td>
</tr>
<tr>
<td>VOLKL</td>
<td>20</td>
<td>134</td>
<td>2.3</td>
</tr>
<tr>
<td>ATOMIC</td>
<td>19</td>
<td>152</td>
<td>2.2</td>
</tr>
<tr>
<td>CARRERA</td>
<td>19</td>
<td>63</td>
<td>2.2</td>
</tr>
<tr>
<td>BURTON</td>
<td>17</td>
<td>116</td>
<td>2.0</td>
</tr>
<tr>
<td>HART</td>
<td>13</td>
<td>71</td>
<td>1.5</td>
</tr>
<tr>
<td>REUSCH</td>
<td>12</td>
<td>38</td>
<td>1.4</td>
</tr>
<tr>
<td>SCOTT</td>
<td>12</td>
<td>75</td>
<td>1.4</td>
</tr>
<tr>
<td>Fila</td>
<td>11</td>
<td>44</td>
<td>1.3</td>
</tr>
<tr>
<td>Red</td>
<td>9</td>
<td>88</td>
<td>1.0</td>
</tr>
<tr>
<td>Salomon</td>
<td>9</td>
<td>54</td>
<td>1.0</td>
</tr>
<tr>
<td>Roots</td>
<td>8</td>
<td>69</td>
<td>0.9</td>
</tr>
<tr>
<td>Bula</td>
<td>7</td>
<td>21</td>
<td>0.8</td>
</tr>
<tr>
<td>GiRO</td>
<td>7</td>
<td>30</td>
<td>0.8</td>
</tr>
<tr>
<td>POC</td>
<td>7</td>
<td>58</td>
<td>0.8</td>
</tr>
<tr>
<td>Bolle</td>
<td>5</td>
<td>31</td>
<td>0.6</td>
</tr>
<tr>
<td>Marker</td>
<td>5</td>
<td>17</td>
<td>0.6</td>
</tr>
<tr>
<td>Alpina</td>
<td>4</td>
<td>23</td>
<td>0.5</td>
</tr>
<tr>
<td>Bern</td>
<td>4</td>
<td>14</td>
<td>0.5</td>
</tr>
<tr>
<td>Roxy</td>
<td>4</td>
<td>35</td>
<td>0.5</td>
</tr>
<tr>
<td>Fischer</td>
<td>3</td>
<td>10</td>
<td>0.3</td>
</tr>
<tr>
<td>Karbon</td>
<td>3</td>
<td>14</td>
<td>0.3</td>
</tr>
<tr>
<td>Quicksilver</td>
<td>3</td>
<td>27</td>
<td>0.3</td>
</tr>
<tr>
<td>Dragon</td>
<td>2</td>
<td>13</td>
<td>0.2</td>
</tr>
<tr>
<td>Head</td>
<td>2</td>
<td>7</td>
<td>0.2</td>
</tr>
<tr>
<td>Swix</td>
<td>2</td>
<td>2</td>
<td>0.2</td>
</tr>
<tr>
<td>BMW</td>
<td>1</td>
<td>2</td>
<td>0.1</td>
</tr>
<tr>
<td>Kbc</td>
<td>1</td>
<td>6</td>
<td>0.1</td>
</tr>
<tr>
<td>TOTALS</td>
<td>864</td>
<td>5,424</td>
<td></td>
</tr>
</tbody>
</table>
Up to five brand names or logos were counted on the athletes’ equipment, depending on the amount of equipment needed for a particular event. The most logos were observed in alpine skiing and freestyle skiing events, where athletes could have logos on ski suits, helmets, goggles, gloves, ski poles and skis (see Table 2). Even when all of a skier’s equipment displayed a brand name or a logo, however, gloves and ski pole logos were rarely observed. Glove logos were observed 11 times for a total of 46 seconds, and ski pole logos were observed twice for a total of 4 seconds. The largest number of equipment logos that were visible at the same time for 2 seconds or longer was three.

RQ3 asked where television viewers of the Olympics remembered seeing logos on clothing and equipment, or on signs in event venues. The first part of Table 3 shows the survey respondents’ estimates for the number of logos they thought they had observed on a single athlete’s clothing during an Olympic event. The greatest percentage of respondents (28.6%) reported seeing two brand names or logos, and a total of 51.1% of the respondent estimated seeing two or more than two logos on a single athlete's clothing. The content analysis indicated that athletes generally had only one brand name or logo on their clothing.

The second part of Table 3 shows the number of logos survey respondents estimated seeing on a single athlete’s equipment during an Olympic event. The majority of the respondents (34.7%) said they could not recall seeing any names or logos on an athlete’s equipment. The content analysis revealed that logos were visible on equipment in 9 of the 13 coded Winter Olympic sports, for a total of 2,554 seconds.

The third part of Table 3 shows the number of logos survey respondents estimated to be displayed on signs in a single venue. Most respondents (67.4%) estimated that they had seen one or more signs or billboards in Olympic venues when, in fact, there were no billboards or signs for any advertiser, including TOP sponsors, in any of the venues during Olympic events, with one exception. A fan seated in the audience held up a sign reading GoldenPalace.com during the women’s 1,000 metre speed skating competition on February 19 at the Palavela Venue. The Associated Press (2006) reported that as soon as the Olympics’ brand protection workers spotted the sign, it was immediately removed from the venue. Although the sign was quickly removed, it did receive 8 seconds of visible television airtime.

RQ4 asked what logos respondents could recall seeing in unaided measures. Table 4 lists the brand names or logos with the highest recall. Overall, recall of logos seen on clothing, equipment or signs was generally low, with only 121 of the 392 respondents (30.8%) able to name one or more brand name or logo they remembered seeing during the Olympic coverage (see Table 4).

Nike was the most recalled brand name or logo, with 58 respondents (14.7%); followed by Roots, with 40 respondents (10.2%); and Burton, with 23 respondents (5.8%). Of the 10 most recalled brand names or logos, Coca-Cola, Visa and McDonald’s were the only brands that were part of TOP.

TABLE 2 Logos on clothing and types of equipment (n = 869)

<table>
<thead>
<tr>
<th>CLOTHING</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>BODY SUITS (FOR SPEED SKATING, SHORT TRACK SKATING AND ALPINE SKIING)</td>
<td>380</td>
</tr>
<tr>
<td>JACKETS</td>
<td>31</td>
</tr>
<tr>
<td>PANTS</td>
<td>11</td>
</tr>
<tr>
<td>HATS</td>
<td>10</td>
</tr>
<tr>
<td>T-SHIRTS</td>
<td>4</td>
</tr>
<tr>
<td>SHOES</td>
<td>2</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>EQUIPMENT</th>
<th>FREQUENCY</th>
</tr>
</thead>
<tbody>
<tr>
<td>GOGGLES</td>
<td>174</td>
</tr>
<tr>
<td>HELMETS</td>
<td>152</td>
</tr>
<tr>
<td>SKIS</td>
<td>73</td>
</tr>
<tr>
<td>SNOWBOARDS</td>
<td>16</td>
</tr>
<tr>
<td>GLOVES</td>
<td>11</td>
</tr>
<tr>
<td>GLASSES</td>
<td>3</td>
</tr>
<tr>
<td>SKI POLES</td>
<td>2</td>
</tr>
</tbody>
</table>
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In response to RQ5, Table 5 shows the most recognised brand names or logos in aided measures. Recognition was greatest for Nike, with 166 respondents (42.3%, n = 392) reporting that they had seen the Nike brand on clothing, equipment or signs during the Olympics. Visa had the second highest recognition rate, with 124 respondents (31.6%), and Coca-Cola was the third highest recognised, with 111 respondents (28.3%). Content analysis showed that of the eight companies with highest recognition, five (Visa, Coca-Cola, McDonald’s, Home Depot and Budweiser) were never shown on clothing, equipment or signs during the broadcast.

<table>
<thead>
<tr>
<th>ESTIMATED NUMBER ON CLOTHES</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>102</td>
<td>26.0</td>
</tr>
<tr>
<td>1</td>
<td>90</td>
<td>22.9</td>
</tr>
<tr>
<td>2</td>
<td>112</td>
<td>28.6</td>
</tr>
<tr>
<td>3</td>
<td>52</td>
<td>13.3</td>
</tr>
<tr>
<td>4</td>
<td>15</td>
<td>3.8</td>
</tr>
<tr>
<td>5 OR MORE</td>
<td>21</td>
<td>5.4</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTIMATED NUMBER ON EQUIPMENT</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>136</td>
<td>34.7</td>
</tr>
<tr>
<td>1</td>
<td>83</td>
<td>21.2</td>
</tr>
<tr>
<td>2</td>
<td>83</td>
<td>21.2</td>
</tr>
<tr>
<td>3</td>
<td>53</td>
<td>13.5</td>
</tr>
<tr>
<td>4</td>
<td>17</td>
<td>4.3</td>
</tr>
<tr>
<td>5 OR MORE</td>
<td>20</td>
<td>5.1</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTIMATED NUMBER ON SIGNS</th>
<th>FREQUENCY</th>
<th>PERCENTAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0</td>
<td>127</td>
<td>32.4</td>
</tr>
<tr>
<td>1</td>
<td>39</td>
<td>9.9</td>
</tr>
<tr>
<td>2</td>
<td>47</td>
<td>12.0</td>
</tr>
<tr>
<td>3</td>
<td>48</td>
<td>12.2</td>
</tr>
<tr>
<td>4</td>
<td>32</td>
<td>8.2</td>
</tr>
<tr>
<td>5 OR MORE</td>
<td>99</td>
<td>25.3</td>
</tr>
</tbody>
</table>

Only Nike, Oakley and Adidas were actually observed through content analysis. Again, Visa, Coca-Cola and McDonald’s were the only TOP sponsors recognised when aided measures were employed.

RQ6 asked about the difference between what the television audience reported they saw and what logos and signs actually appeared on the television broadcast. The respondents consistently reported seeing more advertising than actually appeared. In fact, respondents who reported watching more of the Olympics also estimated seeing more logos. A Pearson’s r calculation showed positive correlations between the number of days watched and the number of logos estimated to have been seen. All categories were significant at the .01 level: for clothing (r = 0.183); for equipment, (r = 0.181); and for billboards or signs (r = 0.133). Increased viewing time did not result in greater awareness of the unique ‘clean’ nature of the Olympics – the opposite was shown to be the case.

Discussion

One of the main concerns for brand protection during the Turin Olympics was the visibility of brands and logos on television (Torino Organising Committee, 2006). To enforce brand protection for TOP sponsors, the IOC took action to conceal the brand names or logos of other companies during the Games. For example, the Associated Press (2006) reported that Spyder Active Sports logos, which were on the jackets of the entire Austrian Olympic team, were too large for the IOC clean venue policy, so tape was used to cover the Spyder logo. Although these duct tape-clad athletes were not seen on television, the content analysis showed five other athletes who were seen during Olympic coverage had duct tape on their helmets, gloves, or goggles—presumably to cover brand names or logos that were either deemed too large for IOC standards or belonged to companies other than manufacturers.

Even with the restrictions of the IOC clean venue
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Policy and actions like those described above, however, 37 different brands were able to legally get their brand names or logos on television during NBC’s coverage of the Olympic events. Clothing and equipment manufacturers took full advantage of the opportunity to include their logos on products worn or used by athletes, resulting in 5,424 seconds of overall television coverage for their brand names or logos. For brands such as Nike, Uvex, Oakley, Hilfiger and Spyder, whose brands saw the most television time, the trade-off for the expense of official sponsorship was television exposure worth millions of dollars.

The measurements of visibility and awareness have been the standard for Olympic marketing success, but perhaps measurements of perceptions are a better indicator of marketing success. For example, as the amount of time the respondents watched the Olympics increased, their perceptions of the number of logos appearing during the broadcast also increased. The majority of the respondents (67.6%) claimed to have seen at least one or more signs displayed in the venues; 51.1% claimed to have seen two or more logos on clothing, and 44.1% claimed to have seen two or more logos on athletes’ equipment.

Respondents consistently claimed to have seen more logos and signs than were actually visible during the broadcast. One explanation for this could be the heuristic of relatedness, as described by Pham and Johar (2001). For the respondents, there was clearly a semantic relationship between the Olympic Games and the existence of sponsor names, logos and signs. Because it was the Olympics, respondents assumed that the logos and signs were part of the events.

The intention of the clean venue policy is to create a unique sports atmosphere in which events can be watched without the advertising clutter associated with typical college or professional sports broadcasts. The results of this study clearly indicate that while the Olympic Committee is remarkably successful at keeping signs and logos out of the venues, the perception of the viewing audience was that the signs did exist and were visible on television. In fact, respondents generally perceived there to be more logos on billboards and signs in the venues than they perceived to be on athletes’ clothing and equipment.

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Winning the Olympic marketing game

Viewers also confused the types of logos they reported seeing during the Olympic broadcast. It is clear that they did not realise that all of the logos shown (with the single exception of GoldenPalace.com) were for clothing and equipment manufacturers. For example, Coca-Cola and Visa were perceived to be on athletes' clothing and equipment, when, in fact, they were not displayed on any clothing or equipment at all. Again, we see the heuristic of relatedness present as respondents assume that sponsors' names should be on athletes' clothing and equipment.

Even though the brand protection and clean venue policies are in place, most viewers were not able to differentiate between the brand names or logos seen during the Olympic events and the products advertised on television commercials during the broadcast. Respondents gave answers for recall and recognition questions that corresponded to brand names in commercials broadcast during the Olympics rather than from clothing and equipment seen during the events. This finding supports past research that determined that a 30 second commercial has a more substantial impact on recall than do stadium signs (Pokrywczynski, 1994). Pokrywczynski speculates that the difference in recall may be due to length, frequency, timing of the exposures and the creative marketing tactics used in the television commercials as compared to a simple logo on a stadium sign, equipment, or clothing. This general perception is not congruent with official Olympic sponsorship ideas about when and where companies may employ their marketing strategies.

The example of Nike: exposure of a non-TOP company

Results showed that the Nike ‘swoosh’ was shown for 144 continuous seconds during one speed skating event and for 131 seconds during a second speed skating event. For the complete prime time broadcast of the Olympics, the Nike swoosh was shown 293 times for a total of 2,024 seconds (the equivalent of 67.46 30 second advertisements), with an average exposure time of 6.9 seconds. The logo had six different exposures of 30 seconds or longer. Overall, Nike accounted for 33% of all brand names or logos shown, and 6 of the 21 countries competing in the Olympics sported the Nike swoosh on clothing or equipment.

Measures of recall and recognition for Nike were the highest of any brand name or logo, but even at the highest level and considering the ‘relatedness’ and ‘prominence’ of the brand, less than half of respondents identified the Nike brand name or logo in recall and recognition. Nike was also the brand name or logo seen the most often during a single event. The swoosh logo was observed 67 times during the speed skating events on the national skating uniforms from the United States, the Netherlands, China and Korea. The logo’s visibility was maximised for the oval-shaped track and the camera angles from the outside of the track for both speed skating and short track events. The swoosh was strategically placed high on the right chest (not on the usual left side) and again at the top of the left knee, placement that was ideal for visibility: As a skater leaned forward and then leaned to the left to skate around corners, the Nike logo was visible whenever the athletes were facing the cameras. Nike’s planning and strategy to sponsor the countries with the best speed skating teams resulted in their logo appearing on the teams that received the most television coverage and the most medals.

The need for further research

Audience marketing confusion may be a product of ambivalence and ad avoidance. Ad avoidance techniques are employed as viewers perceive ad clutter. The ad avoidance techniques then inhibit the ability to see the actual marketing strategies used in the Olympics. If viewers are unable to estimate the amount of marketing on clothing and equipment and in venues, and if they also confuse commercials with logos shown in actual Olympic coverage, the ideals behind the brand protection and clean venue policies will not be congruent with actual viewer perception. Does the IOC’s emphasis on restricting logos observable by the television audience have the desired
impact? Further research is needed to explore these inconsistencies. Research should also explore the heuristics of relatedness and prominence in relation to the existence of logos and signs at the Olympics (Pham & Johar, 2001). Viewers clearly assume brand names, logos and signs appeared during the broadcast that were not actually there. Future research should determine if there is, in addition to a relatedness between events and brands, a relatedness between events and certain types of advertising (e.g. equipment and apparel logos and stadium signs).

Also, with such a huge focus on the brand protection and clean venue policies in the Olympics, researchers should determine why viewers did not notice the ad-free venues. Viewers have perhaps been so bombarded with ads during other televised sporting events that they transfer those perceptions of ad clutter to the Olympic Games. Research should explore why the perception of ad clutter is being transferred to a sports setting were there is no clutter. Does the viewing of other sporting events in other venues transfer perceptions of sponsors’ logos and signs to the Olympics? Does viewing other sports that have more advertisements influence perceptions of the Olympic Games? Do viewers simply believe that all sports are cluttered and thus not register the fact that the Olympics are not? Research should also address how to avoid perceptions of ad clutter in the Olympics.

The findings from this study are important for those who organise the Olympics as they plan policy reinforcement and for those who want to sponsor the Olympics as they review the benefits and cost associated with sponsorship. Audience involvement is certainly a concern for sponsors, but the findings can best be understood through the audience bias. As one survey respondent wrote, “I didn’t pay attention to any of that. I was watching the events. I don’t really care who sponsors them, only that the athletes are living their dreams. What were you watching?”

**Conclusion**

In the Olympic Games, the standards for winning are clearly defined and measured, but in the Olympic marketing game, the outcomes are not so easily determined because the players are not always competing with the same definition of winning. For TOP sponsors and Olympic marketers, the definition of winning has been the visibility of logos. The key strategy for winning has thus been the enforcement of the brand protection and clean venue policies at the Olympic Games. “Winners” are able to have their brand name or logo televised on screen during the Olympics, and losers are unable to do so.

The visibility-based idea of winning is perhaps limited because it does not take into consideration the perceptions of the billions of people who are watching the Olympics. Without this key element, the Olympic marketing game may be judged differently than other marketing competitions. If winners are determined solely according to the standard of visibility, the important measurement of audience perception is eliminated from the winning equation. In marketing, the audience is always the ultimate goal, but in the Olympic marketing game where rules and guidelines have been created to protect from visibility, this rule may have been forgotten.

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Winning the Olympic marketing game

Biographies

Tom Robinson is an Associate Professor in the Department of Communications, Brigham Young University. His research explores sports advertising, the portrayal of older individuals in advertising and the media, internet advertising and effects theories in the media. Tom has been a high school and college football official for the past 20 years and he is currently coaching high school baseball.

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References


The Olympic Equestrian Games: brand collaboration and associations within a destination and a sports event

Keywords
services
associations
branding
Olympic Equestrian Games

Abstract
This paper aims to contribute to the concept of co-branding by recognising the role of consumer perception and the importance of the variety of contexts in which co-branding is perceived. This is done by studying the way in which two service brands cooperate. A framework based upon previous research is contextualised into ‘service branding’ and used to investigate the associations between Hong Kong and the Olympic Equestrian Games.

Executive summary
Branding theory has generally focused on explaining how to create, manage and understand successful brands from a strategic point of view. While of great importance to the brand creation process, the approach has tended to assume a static and stable brand environment (Arvidsson, 2006; Bergvall, 2006). A destination, in this case Hong Kong, and a major sporting event, the Olympic Equestrian Games, provide an example of service brands in collaboration, where an ‘outcome’ of their association can occur that influences the brand values of each of the service brands. This outcome is advocated by contemporary brand management theory (Keller, 1993; Kapferer, 2008) which is based upon the notion of ‘goods logic’. By applying goods logic to a service setting, it becomes obvious that the concept of co-branding has many interpretations, since the experience of a destination and a sporting event both involve subjectivity and unpredictability (Hankinson, 2001; Richelieu & Pons, 2006).

Unpredictability is not unique to destinations and sporting events: most branding situations are, in fact, fragmented. This is supported by the assumption that meaning cannot be separated from context (McCracken, 1988; Belk, 1988; Elliott & Percy, 2007; Bergvall, 2006). The data for this research consists of...
Chinese newspaper articles, an interview with an equestrian sport governing body, and information about the officially-stated image and identity of Hong Kong.

The Olympic Games and equestrian sport share a long history, which has given rise to meanings and associations that could affect the overall perception of a collaboration. For example, the Olympic Games, as a brand and a symbol, could strengthen the association outcome and reduce the risk of a non-favourable co-branding alliance. However, the ‘meaning’ of the Games is subject to interpretation, as shown by the ongoing worldwide debate about whether it is appropriate that China host the event. The Games has been transformed from a global sports celebration to a political weapon that has been used by some to lobby against perceived unfair human rights policies.

This confirms that the meaning of the Games is changeable (Thompson & Troester, 2002); it also supports the view that the context in which a brand is used, as well as its institutional associations (i.e. the social realm within which the service brand is given context) are both of fundamental importance when examining the concept of co-branding. Furthermore, by exploring examples of co-branding, this paper elaborates upon the dynamic nature of such associations and their meanings; it also contributes to the theory that views branding as a dynamic system rather than a static experience.

Introduction

One of the world’s most spectacular and widely covered mega-events is the Olympic Games (Bernstein, 2000), which Beijing is hosting in 2008. The Olympic Equestrian event takes place in Hong Kong, a move announced in 2006. The officially-stated reason for this is that there were difficulties in establishing a disease-free zone for the horses on the Chinese mainland. This presents a golden opportunity to reinforce Hong Kong as a travel destination. Hong Kong calculates that it will have approximately 30,000 more visitors than usual during the Games, and the event will bring an estimated HK$350 million to benefit this ‘special administrative region’ of China (Chan, 2005b).

The equestrian events, which comprise show jumping, dressage and cross-country, will be held at a number of venues around Kowloon. The dressage and show jumping will take place at the Sha Tin racecourse of the Hong Kong Jockey Club (HKJC). Considering the substantial cost of hosting these events – approximately HK$1.2 billion (Chan, 2005a), Hong Kong would inevitably like to see a good return on this investment. One means of gaining this would be if the collaboration between Hong Kong and the Olympic events were to enhance the attractiveness of Hong Kong as a destination.

The integration of the Olympic Equestrian Games into Hong Kong can be viewed as a branding alliance, where the destination and the sport are bound by collaboration (Gwinner, 1997; Grohs & Reisinger 2005). Traditional brand collaboration is a form of brand leveraging, and has mainly been studied from a strategic point of view in order to determine an outcome. Traditional brand collaboration is about creating associations that can be transferred between the brands in order to strengthen their values (Keller, 1993; Kapferer, 2008). The binding of two distinct brands can be labelled ‘co-branding’.

Both the Olympic Games and equestrian sport are likely to evoke certain associations and meanings that could endorse China as a destination and equestrianism as a viable Olympic sport. These associations will come in many forms, and may be influenced both by previous knowledge and by the specific cultural setting as delimited by brand management scholars Arvidsson (2006) and Bergvall (2006). The use of multi-faceted brands requires theories that allow for diversity of association and meaning. In general, co-branding theory is based upon ‘goods logic’, which fails to account for more multi-faceted brand settings – such as the combination of a destination and a sporting event (cf. Bergvall, 2006).
Traditional brand alliance theory must be elaborated upon in order to expand the notion of what can be considered 'isolated' goods by incorporating various new and different sources of data. This article therefore contributes to a more multi-faceted view of co-branding by recognising more aspects, such as consumer perceptions in particular contexts. This stems from what is assumed to be a crucial element in co-branding: the construction of association and meaning. What is of particular interest is that this example of a co-branding situation shows that the values of the Olympic Games as well as the value of equestrianship can be simultaneously enhanced.

The influence of associations and the connection to the prevailing context is an important consideration in branding. Throughout the world, there is a debate about the how the meaning of the Olympic Games has changed since it was first announced that the Games would take place in China. This has re-shaped what can be interpreted as 'the value within' the Games. Changes in opinion (and meaning) are neither unique nor new; rather this is an ongoing process. For example, the 1936 Games in Berlin represented a comparable situation to that of Beijing (Lindström, 2008). Regardless of the changes in meaning, this diversity of interpretation serves as a challenge for the brands associated with the 2008 Olympic Games.

Literature review

Strategic brand management often refers to co-branding as one concept in the field of brand alliances. This study uses the notion of co-branding to illustrate brand collaboration between the Olympic Games as an event and China as a destination. According to Keller (2003a p.360), “Co-branding, also called brand bundling or an alliance of brands, occurs when two or more existing brands are combined into a joint product or are marketed together in some fashion.” Furthermore, co-branding is about borrowing brand value through associations between brands in a collaborative setting (Uggla, 2006). What is assumed is that the success of a collaboration depends upon whether consumers receive strong, unique or differentiating associations when they are exposed to the brand alliance (Keller, 1993b). This study examines such associations occurring in the context of the Olympic Games and co-branding alliances, what the outcomes of such co-branding might be, and whether or not co-branding can be considered as successful.

It is important to note that, in general, co-branding theory focuses upon goods logic (e.g. Aaker & Keller, 1990; Aaker, 1996), although it also includes brand alliances and brand leverage. Goods logic, it has been argued, is being replaced by a new 'service logic' (Vargo & Lusch, 2004). Despite this, the current goods-dominant theory must be taken into account when examining co-branding. This essentially follows two patterns: the extension of the brand, and/or the connections or cooperation between brands (Aaker, 1996). This research focuses upon the latter as it follows a less goods-centric logic, focusing instead on service brands – that is, China and the Olympic Games.

Scholars have discussed various levels of co-branding – such as co-advertising, dual branding, joint sales, and promotion – in terms of increasing the value of products or services (Rao & Ruekert, 1994). Based upon this notion, Kapferer (2008) advocated strategic uses of co-branding, including: co-development by an image strategy (e.g. Orangina; Kookai); co-branding by component (e.g. Intel; Lycra); by endorsement (e.g. Weight Watchers by Flury Michon); co-creation for a new product line (e.g. Tefal line by Jamie Oliver); or by value innovation (e.g. Nespresso-Krups).

Kapferer’s classification does not address the issue of non-goods, although the strategic use of co-branding indicates that the use of co-branding is not limited specifically to goods and can be used in non-goods settings. Kapferer (2008) stressed that co-branding strategies create value by being functional or experiential, or that they enhance inspirational fulfillment: “All brands have to be somehow
aspirational... beyond materialistic and hedonistic satisfaction... This is why it is so important to specify these non-product-based values.” This statement implies that the degree of richness within a brand alliance, where the functional aspects of co-branding are replaced by other values, is very important. In general, the nature of brands is determined by their functional and symbolic dimensions (Elliott & Percy, 2007). Drawing from this view, within symbolic alliances, the brands are used to provide added meaning to consumers through the transfer of their associations (cf. Keller, 1993). Here, the associations and meaning construction are crucial elements in the processes of exposing the combination of the brands that form the co-branding alliance (Keller, 1993).

Associations are, by their nature, multi-faceted, although it is often difficult to determine how two brands are related. However, the purpose of this research is not to resolve the problem with associations within a setting; rather it is to discuss the complexity of associations within brand collaborations. Although associations are important for brand alliances (Keller, 1993; Uggla, 2004, 2006), ‘complexity’ in brand alliances has been neglected by brand scholars, who often view brand collaborations (and elements within such associations) in terms of management process.

Arvidsson (2006) stressed that brand management “is mainly about managing a productive process, which is external to the brand-owning organisation, and which cannot be controlled in its entirety” (p.7). He elaborated by referring to the focus of many brand management scholars who have “different techniques that all aim at controlling, pre-structuring and monitoring what people do with brands”. Similarly, Bergvall (2006) identified that within contemporary theory there is a tendency to assume a static and controllable brand environment. Assuming that co-branding can be managed and controlled is problematic since “neither managers nor consumers have total control over brand meanings” (p.186). Thus it is not necessarily possible to determine the outcome of a brand setting. A way to expand on this statement is to elaborate upon the definition of brand setting by considering its associations, meanings and contexts.

In the literature, the meanings of brands tend to be broad. Some argue that associations mean ‘creators’, which is, indeed, relevant for this research. For example, Keller (1993) argued that the congruence of the brand association is important where “congruence is defined as the degree to which a brand association shares content and meaning with another brand association” (p.7). In a later article, he developed these thoughts by labelling associations as ‘brand knowledge’: a process whereby a consumer connects a brand with another entity and a transfer process between the two entities follows. Keller described this as a leveraging process, where the linking of brands and entities has implications for brand equity.

Keller (2003b) attempted to broaden understanding of the brand leverage process, from a brand management point of view, by using elements such as associations, meaning and brand knowledge. Other commentators have done this too: brand culture researchers have contributed to broadening our knowledge by trying to understand brand meanings and boundaries, although their general focus has been on individual brands rather than brands in collaboration.

Researchers emphasise that cultural codes constrain how brands work to produce meaning (McCracken, 1988; Elliott & Percy, 2007). This can also be viewed as the ‘cultural resource’ of brand meanings. Elliott and Percy (2007) distinguished between three situations when brand meaning is created: a signalling system (semiotics); personal meanings (personal brand relationships, cf. the brand as a friend); and social differentiation (consumption of brands drives the differentiation between social groups).

In addition to brand meanings being a cultural resource, a brand meaning can also be seen as a ‘symbolic resource’ through the construction of individual identity. Views taken from relevant literature suggest that the consumers’ views of themselves are based upon what goods or brands they have, since the goods/brands are viewed as major parts of the
extended self (Belk, 1988). This shows how brands and, subsequently, brand alliances can be conceptualised, beyond the contemporary view. Regardless of how the sources of (brand) meaning are described, a meaning is bound to its possibly dynamic and changeable context (cf. Thompson & Troester 2002). This is relevant in most situations, although it is more important for intangible service brands – such as sport events and destinations, as discussed in the next section.

Unpredictable service brands
By studying both a destination and a sporting event from a co-branding perspective, it is clear that these brands differ from other brands and have different characteristics to branded goods. In line with this, this study proposes that sports and destinations should be treated as services. The classification helps to highlight important factors in examining individual brands, as well as brand collaborations. By considering brands as services, it becomes clear that the characteristics differ from goods because they are dependent upon context for carrying out a brand experience (Hankinson, 2001).

Lumsdon (1997) categorised a destination as an intangible service because of the high degree of perishability, inseparability and lack of ownership. Lovelock and Gummesson (2004) identified the unique characteristics of services in a tourism context, claiming that services are distinguished by various forms of customer involvement. In line with this is the resolving of the non-existing boundaries between production and consumption (Vargo & Lusch, 2004; Holt, 2002), a notion that is highly relevant when discussing services.

According to Richelieu and Pons (2006), sports activities and events represent a concrete example of hedonic services. This is supported by previous work on the hedonic characteristics of services, with Richelieu and Pons (2006) referring to Holbrook & Hirschman (1982), Levitt (1981) and Gladden et al (1998) by making the assumption that "a sporting event is intangible, short-lived, unpredictable and subjective in nature" (Ibid, p.4). Furthermore, Pons et al (2006) assumed that sports literature considers the hedonic elements of consuming sport – such as multisensory, imaginary and emotional elements – which are, therefore, vital determinates of consumer evolvement.

Destinations and sports collaboration represent a particularly interesting case in point due to the fact that identifying ownership (Lumsdon, 1997; Kleppe & Larsson-Mossberg, 2002) of the destination and the sport is problematic since both brands represent a context in which a large number of actors are constantly participating in creating and recreating the brand (Hankinson, 2001). This is in line with the argument that brand settings cannot be managed (Bergvall, 2006) because the cultural context is dynamic and unpredictable. This is exemplified by the Olympic Games, which normally signify a 'rigid' brand statement.

However, it has become clear that the associations and meanings concerning the Olympics are ever-changing and are a result of the impact of the context in which brands exist. The issue of Tibet has started a worldwide debate in which there has been criticism of China’s human rights policies. From this, the Games have become associated with China’s interests in Tibet, and governments around the world have discussed a boycott in order to put pressure on China. Visible protests are said to have undermined the Olympic Games (Dickie, 2008; Yee, 2008). In addition, sponsors have moved to the forefront of the debate and have been placed in the spotlight by some commentators who have argued that sponsors should work to influence the Chinese government in some way (Iseiell, 2008).
Methodology

This study aims to advance our understanding of brands by developing a more reflexive view on co-branding based upon highly unpredictable brands and their links to co-branding concepts. An additional element of this is that Gummesson (2007) stated: “methodology must be responsive to complexity” (p.229).

Bengtsson and Östberg (2006, p.91) advocated that research on brands should seek to integrate various perspectives. They based this premise upon the assumption that there is a gap between brand management research and brand culture research. Brand management literature has emerged despite a lack of data about consumer perceptions of brands; brand culture research has focused mainly on consumers, but does not directly address issues of complexity.

This exploratory research is based on the collection and analysis of data from two sources. Primary data was derived from information on equestrian sports gathered using a survey. Despite a relatively small sample, the validity of the information is enhanced by using several other sources of information (Alvesson & Sköldberg, 2000). Secondary data was obtained by reviewing articles about the collaboration between Hong Kong and equestrian sport and from online published material relating to Hong Kong brand issues. Before going into detail on how the research was conducted, the frame for the data process is illustrated in order to outline the research procedure.

Co-branding as a data frame

Studying a brand alliance through diverse brands in a complex setting creates new opportunities for researchers and brand managers to reflect upon the interaction between different actors in the brand creation process, without restricting the analysis of relationships just to producers and consumers (Bergvall, 2006 p.189). Instead, such an analysis helps us focus on processes that are enhanced by associations and the meaning of construction. One model that can be used for this purpose (i.e. to acknowledge contexts within co-branding) is the association base concept.

Uggla’s (2004) association base model showed how associations are transferred between two brands, and how the cultural environment is part of these associations when consumers are exposed to brand alliances. The model combined elements of strategic brand management and image transfer, drawing significantly from cognitive psychology and semiotics (Uggla, 2006). The central premise of the association model is used in this research to define factors that are part of the process of creating associations and meaning. It also demonstrates the importance of design in co-branding, taking the cultural setting into account through what are defined as ‘institutional associations’. The model consists of four elements:

1. The lead brand drives the model and is leveraged by image transfer from the partner brand and institutional associations.

2. The partner brand reinforces the value proposition of the leader brand.

3. The partner brand creates synergistic effects through the transfer of image.

4. The resulting institutional associations are the outcome of culturally well-established meanings that can be transformed into value.

The specific cultural content of the institutional associations can be based upon associations with history, knowledge, etc. According to Uggla (2006), these factors create a brand image, which emerges from an overall attitude when a consumer evaluates the collaborating brands with respect to the institutional associations (Uggla, 2004, 2006).
Uggla’s model provides a useful approach because it helps to describe how a brand setting, and elements of that setting, are influenced by its cultural context.

**Data gathering**

The empirical study was broken down into two phases: the first phase consisted of systematic research on the internet for relevant articles and official documents during the week of 3 – 10 July 2006, with the time reference between the years 2005 and 2006. The aim of the search was to gather articles on China, specifically about how the citizens of Hong Kong perceived the Olympic Equestrian Games. The search for articles was conducted using a search engine and the articles had to meet the specific criteria of the keywords: equestrian events, Olympic Games, and Hong Kong. After a constricted review, 12 articles were selected to represent the overall purpose. The majority of the articles were from newspapers in China, such as the China Daily news website. The 12 articles described some of the association factors, as a result of Hong Kong hosting the Olympic Equestrian Games, from a Chinese perspective. All the information was analysed and codified by the author.

The second phase of data collection consisted of a web search for official documents on how Hong Kong and equestrian sports are branded. This was done in order to obtain information on how the brand owners discuss and present their brands.

Information about Hong Kong and branding was relatively easy to access: for example, from the Hong Kong tourist board’s official homepage (www.discoverhongkong.com) and Brand Hong Kong (www.brandhk.gov.hk). Both are managed by the Hong Kong government.

To gather information on equestrian branding and the coming Olympic event, contact was made with the International Federation for Equestrian Sport (FEI), the official organisation for equestrian sport aiming to secure the growth of equestrian sport worldwide. Twelve questions concerning the equestrian association, meaning and the contribution to Hong Kong as a destination were sent by email to FEI and to the FEI communications department. The questions were discussed within the department, organised by the commercial manager, and then formulated by the department assistant. Direct contact with FEI was advantageous since it provided access to their opinions about the collaboration between the brands and how they reflect upon the situation, which would have been more difficult to gain from studying official documents.

It might be argued that the quality of the data is reduced since the gathering was conducted within a limited period of time and prior to the start of the debate about the controversiality of the Games in China. However, in order to reflect the context, which is central for this research, the ongoing debate about the Games has been brought to light since it exemplifies and highlights the importance of the cultural setting. Hence, research should allow for processes in transition (Gummesson, 2007).

**Results**

Hong Kong’s brand identity consists of five attributes:

1. it is progressive
2. it is free
3. it is stable
4. it provides opportunity
5. it provides high quality

Besides Hong Kong’s identity, the brand image represents how Hong Kong wants the public to

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The Olympic Equestrian Games

perceive the city. This study has therefore assumed that the city would like to strengthen some of the attributes of its image when it comes to brand collaboration.

As mentioned above, contact was made with FEI in order to gain a perspective on equestrian sports and its Olympic values. In order to develop an understanding of the values within the sport, an interview questionnaire was designed to make the soft values more explicit. The questionnaire consisted of 12 questions, starting with a focus on the FEI brand. Following this introduction, the level of difficulty of the questions was increased and the questions handled values and meanings that could be constructed from the Olympic Equestrian Games. From that interview, the following associations have been formulated by the FEI:

“People see equestrian sports in a different light to most Olympic sports, as there is an emphasis on the horse and the competence of the horse. Indeed, in equestrian circles, the name of the rider will be synonymous with that of his horse, and these remain inseparable. I think people see equestrian sports as noble and imbued with a long heritage and history. People also associate equestrian sports with colourful and exciting events, and one of the rare disciplines where men and women compete on a level playing ground and share podiums.”

Furthermore, as well as the equestrian values, the endorsement of the Olympic symbol is a crucial aspect within this brand collaboration. As the FEI says, the equestrian event will bring the Olympic Games to Hong Kong:

“Primarily, horse sport will bring the Olympic Games and its captivating spirit to Hong Kong and its people. I sincerely hope that we will be helping to promote Hong Kong to a wider audience, and be seen as a force for good by its citizens.”

Additionally, the Olympic events in Hong Kong will present an opportunity for equestrian sports to become more visible in the Asian market. It would be favourable for equestrian sports if the Asian public and Hong Kong citizens gained an understanding of, and interest in, the sport. The FEI further commented on the expectations for benefits:

“…. we also hope that a major legacy of the Olympic equestrian events in Hong Kong in 2008 will be an increased understanding of, and interest and participation in, horse sport by the people in Hong Kong, China and the Far East. The FEI is committed to progressive evolution of horse sport in the region, and we hope that the Olympic Games taking place here will strengthen and publicise the benefits of the sport. I hope that, as a direct result of our full and active participation in Hong Kong, we will see medals being awarded to Chinese riders at future Olympic Games…”

In parallel, by studying the Chinese articles focusing on brand collaboration, it is stressed that Hong Kong needs to improve its image. The citizens seemed to feel that there was a need for the city to improve its sporting approach, which they expected to be reinforced by the Olympic equestrian event. The following quotations are from Chinese citizens remarking upon the Games:

“We need the elite to drive the city’s profile... In all major cities of the world, sport is an integrated part of the culture. A lot is made of a city’s financial [clout], but what makes it a home? It is the sports, the culture. When you think of London, you think of Wimbledon, or Lords, and the art and culture – not only its business. When people think of New York, they think of many other things – not only a financial centre. If Hong Kong can follow in their footsteps, it can raise its profile as a world city.”

3
“Hosting the events will definitely help enrich Hong Kong’s sports culture and enhance youngsters’ enthusiasm in sports.”

Within the articles, citizens of Hong Kong raise associations connected to horse sports, in which riding is perceived as an exclusive and limited sport, as in the following example:

“Riding is a very expensive sport, which means it’s not something anyone can do... A world class horse costs at least 1 million euros.”

With the aim of reflecting some of the associations brought up by brand collaboration, the above statements by Hong Kong citizens are presented, in order to illustrate and represent the data collected. In the next phase this is connected to the other sources of data (i.e. information about the brands governed by Hong Kong and FEI).

Discussion

The association, the identity and the image of the brands from Hong Kong and FEI are discussed, as well as the reflections on the collaboration, through study of Chinese articles. The review of the articles is combined with the brand information (summarised in Figure 1), which as well as illustrating some dynamic factors in the process of perceiving the brand alliance displays the phases of this study.

The primary purpose of the model shown in Figure 1 is to summarise the data that has been collected. The importance of citizens throughout the articles is very important in the model as associations and meaning occur through linkages between the equestrian sport, the Olympic Games and the host venue. Additionally, there are interveners in the process: Hong Kong and equestrian sport (driven by FEI) share an interest in the Olympic equestrian event, both for individual brand purposes and for the

co-branding benefits. Furthermore, the processes of branding and co-branding are conducted, based upon citizens and brand interveners, through the connections to the social environment and the institutional elements represented by former knowledge. Meaning is created by citizens, hence the complexity of co-branding lies in the subjective associations made by consumers (Uggla, 2004).

Two main factors were identified in the documentation as being important to the hosting of an Olympic equestrian event. On the one hand, the local enriching associations (i.e. the concern for Hong Kong) appear to have a more sports-focused approach and are promoting the youthfulness of the location. On the other hand, connections are being made to former knowledge by linking the destination to equestrian sport as it is perceived today. The dominating equine element that exists in Hong Kong is the famous Jockey Club, which emphasises exclusivity. The race-course is a strong element in the profile of Hong Kong, drawing upon an equestrian tradition dating back to 1884. This implies that the equestrian sports (dressage, show jumping and cross-country) are naturally connected to associations with the Jockey Club. However, those associations are not the values that FEI necessarily wants equestrian sport to have, so it is additionally important that the sport use the Olympic Games as a step towards the more general establishment of sport in Asia. The advantage of the collaboration is that there are at least some associations that are brought through the connection to horse racing, which can be viewed as a platform for developing and promoting the brand. Still, there is a risk that the associations, and an embedded meaning regarding the Jockey Club, increase the degree of exclusivity, and that is not in line with the values of equestrian sports.

According to the citizens of Hong Kong, the city must improve its approach to sport. However, equestrian sport seems to have exclusive and non-national associations, which is not in line with this requirement. It is also noticeable that, within Hong Kong brand statements, there is no incentive to increase the sporting image of the destination; rather, it is said that Hong Kong would like to be perceived as cosmopolitan. There is a risk that the collaboration will send out mixed messages that will affect those who are exposed to the brand alliance. Furthermore, there are implications for the interveners (i.e. the organisations responsible for the growth of the brands: the destination and the sport).

Moreover, the model contributes to understanding co-branding by incorporating multi-faceted brands that require a more dynamic approach. This is done by linking the factors in the model to the cultural context in which they exist. By doing this, it becomes clear that co-branding is not completely manageable.

Conclusions

By studying service brands such as Hong Kong and the Olympic Equestrian Games from a co-branding perspective, it is obvious that such brand alliances are based upon the notion that destinations and sports activities, in particular, are unpredictable (Richelieu & Pons, 2006; Pons et al, 2006) and are, therefore, dependent upon the environment in which they take place (Hankinson, 2001). However, this is not restricted exclusively to services such as destinations and sports events. Uncertainty is present in most brand settings, especially where the environment has been deemed to be an important influence. However, to some extent, this is delimited within contemporary branding theory (Arvidsson, 2006; Bergvall, 2006).

Branding scholars have discussed various aspects of how to secure a successful co-branding setting. Kapferer (2008) advocated ‘strategic uses of co-branding’ to enhance the brand. Along the same lines, Keller (1993) stressed that the associations made by consumers are crucial in co-branding, and that success can be determined if those associations are strong, unique or differentiating. The outcomes and successes of co-branding are questioned by this research, which has considered other influences on brand association and the construction of meaning.
Within brand culture research, brand meaning is summarised as a symbolic or cultural resource (cf. Elliott & Percy, 2007) – i.e. it is connected to a particular context. Furthermore, despite the fact that brand meaning occurs in relation to these resources, meaning is dynamic and is therefore difficult to deduce. This has been exemplified by the Games in China, which emphasises the idea that meaning is ever-changeable (Thompson & Troester, 2002). This constant flexibility of meaning is an important consideration for brands and brand theory since it influences ‘symbolic branding’: that is, the need for continuous trust for the brand (Elliott & Percy, 2007).

Symbolic brands have a degree of unpredictability; the study presented here relies upon the expectation of the brands (i.e. the destination and the sports event, as well as the co-branding setting). In this regard, the Olympic Games can be used as a reducer of risk as the Olympic symbol is usually seen as a reliable endorser for other brands.

However, the meaning of the Olympic Games has changed as a result of being staged in China, and associations have moved from the Games being a celebration of peace and sport towards associations concerning human rights. This re-framing of the Games emphasises the importance of the context for (co-)branding, and that the theory gains from being viewed as a dynamic phenomenon.

The Olympic Games and equestrian sport share a long history and will, therefore, give rise to people’s former associations with the Games (known as ‘brand knowledge’, to use Keller’s 2003b terminology). By linking the sources of data (shown in Figure 1), a representation of the co-branding setting is presented, highlighting the relationships that occur between the citizens of Hong Kong, the interveners (the brand organisations) and the social environment within which the brands exist. The citizens’ associations rely upon previous knowledge; this is confirmed by connections to the equine community in Hong Kong, the Jockey Club and the Sha Tin race-course that give rise to certain (exclusive) associations. Simultaneously, the FEI has stated that the Olympic association is the primary association; this means that the equestrian sporting event exists in the shadow of the Olympic Movement.

The findings presented in this study here are not intended to address associations with the Olympic Equestrian Games in Hong Kong; rather, they are intended to be used to shed light upon how associations and meanings are established by the citizens of Hong Kong. In addition to this, other sources of data employed in the study help to show how the perceptions of consumers to interveners play a part in the process of establishing association and meaning (i.e. the brand organisations, Hong Kong and FEI).

As mentioned above, within brand management theory, certainty is assumed so that the conditions for attaining an ‘optimal and a measurable outcome for co-branding are achieved’. Kapferer (2008) raised ‘aspirational fulfilment’ as an optimal state for consumers exposed to co-branding, and thus went one step further from the hedonistic experience as advocated by other scholars. This perspective suggests that brands may be imbued with symbolic value. For dynamic brands, such as sporting events, there is an opportunity to use their unpredictability to achieve something distinctive rather than allowing them to continue to be seen as complicated. It is also important to bear in mind that sports events involve, by their nature, some degree of uncertainty. It is further stated that meaning, besides the consumer’s perception, can be affected by the producers (McCracken, 1988). This assumption invites an active role rather than a passive one for the brand governess. It implies that, regardless of whether or not it is in the shadow of the Olympic Games, equestrian sport can benefit. Furthermore, the dynamism of the Olympic Games implies that sponsors will be even more careful when choosing to collaborate with a mega-event. This is important to consider for upcoming sports events and sponsorships (i.e. predictable elements can become unpredictable).
The Olympic Equestrian Games

Biography

Anna Fyrberg is a PhD candidate at Stockholm University School of Business. Her research interests focus on service marketing.

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Olympic Games host and bid city marketing: exploring issue management in the relationships among event stakeholder groups

Keywords
sports marketing
Olympic Games
host city
Olympic bid marketing
stakeholder theory
event management

Abstract
Based on the work of Parent (2008) on mega sports events, this paper explores the relationships among events stakeholders in Olympic Games host/bid city marketing. It outlines research questions, identifies a theoretical framework to better understand Olympic city marketing, presents four essays related to issues within this framework, and provides conclusions and suggestions for future research.

Executive summary
Cities or local governments and their roles in sport have been examined from a variety of perspectives, mostly focusing on major professional sport franchise relocation issues. Scholars have not paid much attention to either the host city or host country as units of analysis in Olympic marketing, or in Olympic city (organising committee) marketing. This paper therefore considers cities/countries as units of analysis, with a specific focus on one of the world’s most prominent city-based events – the Olympic Games.
Host and bid city marketing

The research questions of interest are 1) how places (i.e. the city and the host country) are portrayed and positioned in winning Olympic bids; 2) how a bid committee can manage the local dynamics to forge favourable perceptions of the bid both domestically and internationally; 3) what are the interactions and caveats in image-building when consumers perceive the host country as the place unit associated with both an Olympic Games and its sponsors; and 4) the impact of commercialisation on cities’ (organising committees’) ability to finance the Games.

Following from the work of Parent (2008), we have compiled a series of essays in order to explore issues of sport mega-event management in the context of Olympic host/bid cities. The overall goal of this work is to illuminate the nature of several stakeholder relationships and the issues driving these relationships when the place is the unit of analysis. The four essays build upon Parent’s (2008) framework, each addressing different issues and applying certain aspects of the theoretical framework.

The first essay discusses the marketing implications of bid city presentations and the links between the city and the organisations involved. The second reviews the Vancouver 2010 Plebiscite and recounts – in the context of Parent’s model – how public consent is manufactured. The third essay uses established marketing and tourism theories associated with ‘Product Country Image’ and ‘Tourist Destination Image’ research to look at the Olympic Games and its sponsors. Finally, an essay on the historical and contemporary development of the Olympic Games from a commercialisation perspective is presented.

The four essays support the need for a holistic approach to issue and stakeholder relationship management and support the work of Parent.

Introduction

Cities or local governments and their roles in sport have been studied from a variety of perspectives, including facility management/construction (Mason et al, 2007), politics (Brown & Paul, 1999), stakeholder theory (Friedman & Mason, 2005), economics (Owen, 2003), sports finance (Owen & Polley, 2007), between-city competition (Mason & Slack, 1997; 1997) and in-city competition (Nunn & Rosentraub, 1997). However, research related to cities has focused mostly on major professional sports franchise relocation issues and typically does not involve marketing focus on amateur, Olympic or grassroots sports at local level. Of particular note is the fact that sports marketing scholars have paid scant attention to either the host city or the host country as a unit of analysis in Olympic marketing.

In order to address this gap, this paper considers cities/countries as units of analysis – a common practice in many fields (e.g. demographics, tourism destination image). This paper focuses on one of the world’s most prominent city-based events, the Olympic Games, and probes marketing implications pertinent to both bid and host cities/countries. In this context, a number of questions of interest emerge: 1) how places (i.e. the city and the host country) are portrayed and positioned in winning Olympic bids; 2) how a bid committee can manage the local dynamics to forge favourable perceptions of the bid both domestically and internationally; and 3) what are the interactions and caveats in image-building when consumers perceive the host country as the place unit associated with both an Olympic Games and its sponsors; and 4) the impact of commercialisation on cities’ (organising committees’) ability to finance the Games.

Literature review

Kavaratzis and Ashworth (2005) develop the concept of ‘place marketing’ to ‘place branding’ in the context of cities. They assert that a gap between public and commercial approaches exists in place branding and go on to develop an approach to branding cities where place/city brands are treated as expensive assets and managed as distinctive product forms against competitive. Based on the view that the city is a
distinct product, the theoretical framework developed by Parent (2008) – based on stakeholder theory, issues management and organisational evolution – is adopted to guide this research. In her work, Parent: i) delineates the issues facing major sports event organising committees and their stakeholders; ii) identifies the various stakeholder groups; and iii) notes that future research is needed to scrutinise strategies for “managing the organising committee stakeholder relationship” (p.137).

Parent’s framework describing the issues facing organising committees is adopted to explore bidding and hosting Olympic Games – see Table 1. In utilising Parent’s (2008) work to study issues around bidding and hosting the Olympic Games, it is important to review some of the key theories behind the resulting framework. For mega-events such as the Olympic Games, stakeholders are generally classified into broad categories according to their role – for example, government, media, participants, volunteers and local communities.

Stakeholder theory is concerned with the relationship between stakeholders and an organisation. Studying this relationship requires gaining an

### TABLE 1
Parent (2008): Issue categories and event organising committees

<table>
<thead>
<tr>
<th>ISSUE CATEGORY</th>
<th>SPECIFIC ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>POLITICS</td>
<td>POWER AND POLITICS, LOBBYING, GOVERNMENT SUPPORT, INTERCITY COMPETITION, EGOS, PROTOCOL</td>
</tr>
<tr>
<td>VISIBILITY</td>
<td>REPUTATION, IMAGE, PUBLIC/CORPORATE SUPPORT</td>
</tr>
<tr>
<td>FINANCIAL</td>
<td>COST CONTROL, BUDGET MANAGEMENT, SPONSORSHIP, TICKET SALES, MARKETING, LICENSING</td>
</tr>
<tr>
<td>ORGANISING</td>
<td>PLANNING, DECISION-MAKING, STRUCTURE, MANAGEMENT ACTIVITIES, TEAM COMPOSITION, DEADLINES, EFFECTIVENESS</td>
</tr>
<tr>
<td>RELATIONSHIPS</td>
<td>NEGOTIATION, DISCUSSION WITH STAKEHOLDERS, MANAGING EXPECTATIONS, BUILDING AND MAINTAINING RELATIONSHIPS, ACCOUNTABILITY, AUTHORITY</td>
</tr>
<tr>
<td>OPERATIONS</td>
<td>VENUES AND FACILITIES, TECHNOLOGY, CEREMONIES AND CULTURAL EVENTS, DEFECTIONS, MEDICAL, SECURITY, CONTINGENCIES, FOOD, TRAVEL, GAMES TRANSPORTATION, ACCOMMODATION, ACCREDITATIONS, LOGISTICS, COMMISSIONING AND DECOMMISSIONING</td>
</tr>
<tr>
<td>SPORT</td>
<td>DELEGATION SIZE, QUALIFICATION STANDARDS, SANCTIONS, FIELDS OF PLAY, OFFICIALS, READINESS, DELIVERY, EVENT QUALITY, RESOURCES AND EQUIPMENT, TEST EVENTS, PRACTICES, WATER</td>
</tr>
<tr>
<td>INFRASTRUCTURE</td>
<td>TRAFFIC, STREETS, EXISTING FACILITIES, CITY/PUBLIC TRANSPORTATION, TOURISM, WEATHER, MUNICIPAL SERVICES (E.G. GARBAGE COLLECTION)</td>
</tr>
<tr>
<td>HUMAN RESOURCES</td>
<td>STAFF OR VOLUNTEER MANAGEMENT AND ROLES, LEADERSHIP, MOTIVATION, TEAMWORK</td>
</tr>
<tr>
<td>MEDIA</td>
<td>MEDIA COVERAGE, BROADCASTING RIGHTS</td>
</tr>
<tr>
<td>INTERDEPENDENCE</td>
<td>COORDINATION, COMMUNICATION, DIVISIONAL AND HIERARCHICAL LINKAGES, INFORMATION MANAGEMENT</td>
</tr>
<tr>
<td>PARTICIPATION</td>
<td>INVOLVEMENT, RECOGNITION, EXPERIENCE, FUN, EXCITEMENT, TICKET AVAILABILITY</td>
</tr>
<tr>
<td>LEGACY</td>
<td>NEW FACILITIES, KNOW-HOW, FINAL REPORT AND KNOWLEDGE TRANSFER, RESOURCE MANAGEMENT, TRADE OPPORTUNITIES, PRIDE, BENEFITS, NETWORKING</td>
</tr>
</tbody>
</table>

### TABLE 2
Essays, Parent (2008) and issue exploration

<table>
<thead>
<tr>
<th>ESSAY</th>
<th>RELATED ISSUES</th>
</tr>
</thead>
<tbody>
<tr>
<td>BID CITY PRESENTATIONS</td>
<td>ORGANISING, OPERATIONS, SPORT, LEGACY</td>
</tr>
<tr>
<td>VANCOUVER PLEBISCITE</td>
<td>POLITICS, FINANCIAL, SPORT, LEGACY, MEDIA</td>
</tr>
<tr>
<td>PLACE IMAGES &amp; SPONSORSHIP</td>
<td>VISIBILITY, PARTICIPATION, HUMAN RESOURCE</td>
</tr>
<tr>
<td>COMMERCIALISATION &amp; THE OLYMPIC GAMES</td>
<td>RELATIONSHIPS, INTERDEPENDENCE</td>
</tr>
</tbody>
</table>
The organisation of an Olympic Games often enables profound social, economic and political transformation in the host city and nation (Waitt, 2003; Xu, 2006). Given the potential benefits and its associated prestige, the competition to host an Olympic Games has become increasingly heated and often involves world-renowned cities (Shoval, 2002). The first step in the process of organising an Olympic Games is to promote the city to relevant stakeholders and constituents, particularly members of the International Olympic Committee (IOC), the sanctioning body of the Olympic Games, in order to secure the right to host. In fact, there is an emerging yet small body of literature querying the marketing of bid cities (McCallum et al, 2005). While that research provides a comprehensive treatment of the wide array of imagery bid organisers and professional advertisers employ to represent a city, it also recognises the manipulation of these images to gloss over social problems and facilitate political and business agendas within the bid city (Waitt, 2003).

The primary concern of the IOC lies in how the Games will be organised rather than where. Indeed, Haugen (2005) demonstrates that it is imperative for a bid city to adopt an IOC-oriented narrative and to demonstrate that they will host the Olympic Games in a way that will enhance the legitimacy of the Olympic Movement. The practice of hosting an event in a city naturally interweaves elements incorporated in the images of the two; one is evaluated in the context of the other (Chalip et al, 2003). As much as the event organisers are concerned with how the event can be capitalised upon to promote the city, event owners seek organisers who will safeguard and enhance the brand equity of their event. Therefore, how a bid markets both the city and the event warrants examination if we are to understand what constitutes a successful bid. This essay examines the practices of portraying and integrating city and event in bidding for an Olympic Games.

**Essay 1 Bid city presentation: an enterprise in cementing a marriage**

The organisation of an Olympic Games often enables profound social, economic and political transformation in the host city and nation (Waitt, 2003; Xu, 2006). Given the potential benefits and its associated prestige, the competition to host an Olympic Games has become increasingly heated and often involves world-renowned cities (Shoval, 2002). The first step in the process of organising an Olympic Games is to promote the city to relevant stakeholders and constituents, particularly members of the International Olympic Committee (IOC), the sanctioning body of the Olympic Games, in order to secure the right to host. In fact, there is an emerging yet small body of literature querying the marketing of bid cities (McCallum et al, 2005). While that research provides a comprehensive treatment of the wide array of imagery bid organisers and professional advertisers employ to represent a city, it also recognises the manipulation of these images to gloss over social problems and facilitate political and business agendas within the bid city (Waitt, 2003).

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**Background**

Two recent successful bids for the summer Olympic Games – Beijing 2008 and London 2012 – form the basis of this study. We analysed the two cities’ final presentations to IOC members immediately before those members voted for the host city. Examination of the final presentation was deemed appropriate for two reasons: first, with world-class cities bidding for the Olympic Games, the organisational capacity of a city will no longer differentiate a candidate (Haugen, 2005). Consequently, the visions that bids present...
may carry significant weight. Second, bid organisers typically spend months crafting messages in their presentation. In other words, their final (less than 60 minute) presentation is crafted to contain the essence of their messages.

Video files of both the Beijing and the London presentations were viewed multiple (three to four) times and coded for structure and content. The content analysis and comparison of the two bid presentations – one from an Eastern culture and one from a Western culture – enable a fuller view of key elements incorporated in the image projection when bidding for an Olympic Games. Both presentations included high profile political speakers (the Queen in London; the Vice Prime Minister in Beijing), former Olympic Champions (Seb Coe; Lin Yang) and eye-catching videos.

Three categories of content were examined: i) images and descriptions of the bid city; ii) images and descriptions of the Olympic Games; and iii) images and messages connecting the city and the Olympic movement.

i) Images and descriptions of the bid city

While different images were portrayed for the two cities, three common realms of content were used: people, culture and sport.

Beijing was portrayed as a modern metropolitan city with an ancient history. The juxtaposition of old and new highlighted the landmarks that embody China’s thousand years of history – the Great Wall, the Forbidden City and the Temple of Heaven – followed by quick cuts to the city’s modern cosmopolitan images of congested skylines, giant transportation networks and dazzling nightlife.

London was portrayed as one of the most vibrant cities in the world – a place where people meet. The Queen spoke against the background of past royal welcomes, adding a distinctive flavour. Mentions of the city’s famous landmarks – Greenwich Park, Lord’s cricket ground and Wimbledon – as proposed sites for Olympic sports reminded viewers of London’s rich history and world status.

In terms of similarities, both cities used people to substantiate the images they sought to project. The application of this tactic was especially obvious in the Beijing presentation, in which a video with continuous shots of smiles by people from all walks of life in China rendered powerful visual impact.

Culture was another shared focus of the content. To demonstrate its commitment to promoting multiculturalism and to inspire the world’s youth, the London delegation included 30 young people living in different parts of the city (from different parts of the world). This message was echoed by Ken Livingstone, then Mayor of London, who noted: “[London is] a city where 300 languages are spoken every day. And the people who speak them live side by side happily. It is a city rich in culture and it will stage a spectacular Olympic festival.” To achieve the same end, Mr Li, the then Vice Prime Minister of China, quoted the ancient Chinese sage Confucius – “Isn’t it a great pleasure to have friends coming from afar?” – in order to convey the country’s desire to welcome all cultures.

Sport also featured in both presentations, London’s rich history and China as the birthplace of ancient soccer.

ii) Images and descriptions of the Olympic Games

Both cities offered multi-faceted and multi-level portrayals for their Olympic Games. Beijing earmarked the 2008 Olympic Games with the concepts of Green Olympics, People’s Olympics and High-tech Olympics. London proposed three principles for organising the 2012 Games: i) nurturing magic experiences and electrifying atmospheres during the games; ii) being the IOC’s best partner; and iii) creating a lasting sporting legacy.

At a technical level, both cities described operational plans – such as venue planning, transportation and accommodation. Both connected the conceptual descriptors of the Games and the organisational details for the Games by contending that the athletes would be the centre of their Games. In Beijing’s presentation, Lou Dapeng, Sports Director of the Beijing bid committee, opened his speech stating that “all
planning made for the Beijing 2008 Olympic Games was driven by the need to best serve the athletes”. Similarly, Denise Lewis of London 2012 Athletes’ Commission explained that London sought to provide the best possible athlete experience.

iii) Images and messages connecting the city and the Olympic Movement
In any bid presentation, what ultimately matters is to position the city as the correct choice for the Olympic Movement. To achieve this, both London and Beijing employed several strategies.

First, they stressed their country’s involvement with the Olympic Movement to establish legitimacy. London boasted Britain’s unbroken partnership with the Olympic Movement since the founding congress in 1894. Taking a different approach, the Beijing presentation highlighted China’s world-class athletes and its government as a strong supporter of IOC initiatives. Visions of the Games were developed to literally and symbolically embed the city in the Olympic Movement. Beijing’s bid slogan, ‘New Beijing, Great Olympics’, made a clear statement that the Olympics would facilitate Beijing’s modernisation, while Beijing’s rich history and modern character would augment the Olympic Movement’s status. In London’s presentation, the tagline ‘reaching young people over the world and connecting them with the inspirational power of the Games’ emphasised youth education and the IOC’s interest in engaging young people. London bid Chairman Sebastian Coe elaborated: “We cannot take for granted that young people will choose sport. …We are determined that the London Games will address this challenge.”

Finally, both presentations concluded with calls for action. The Beijing presentation emphasised that a Beijing Games would “leave a unique legacy to the world and sport” as noted by senior Chinese IOC member He Zhenliang, who concluded the presentation with: “No matter what decision you make today, it will be included in history. But only one decision will make history… By choosing Beijing, you will, for the first time, bring the Olympic Games to the country with one fifth of the world’s population.” Similar logic underlined Coe’s concluding remarks for London: “Your decision today is critical. It is a decision about which city will help show the new generation [youth]… why Olympic sport matters and… why the Olympic ideals still matter so much.”

Musings and research relating to Olympic host city marketing tend to focus on the efforts of bid cities to garner the endorsement of IOC members or on the efforts of the host community to sell their image; be it for the purposes of attracting corporate sector investment or as a desirable tourist destination. However, the western Canadian city of Vancouver’s experience in the more than four-year bidding process leading up to the award of the 2010 Olympic Winter Games by the IOC provides a unique opportunity to explore the marketing efforts of the bid committee and the civic elite. This essay briefly explores the marketing strategies used by proponents of the Games and discusses how the efforts of an elite coalition of business and political leaders were able to bring about their desired results in the 2003 civic plebiscite regarding Vancouver’s bid.

The elite and urban regime
Stone (1989) has argued that the assembling of coalitions of political, business and community elites brings the potential for cities to realise large economic growth, where this union of elites derives power from different sources and has a significant impact on urban policy and management. These individuals share the same objectives in the promotion of the growth in their city, and can gain some economic, political or social rewards from their involvement.
As in most communities, the civic elite in Vancouver had been instrumental in many of the large projects (e.g. Expo '86, Grey Cup etc.) undertaken by the city. An urban regime is an informal coalition of private and public interest groups within a given urban community, with a primary function to create and implement governing decisions (Church, 2005). Recently, urban regimes have embarked on what some term ‘the mega-event strategy’, a conscious effort to attract large one-off events to their community in the hope of realising local economic growth (Burbank et al, 2001). The members of the corporate community typically involved include land owners, developers, estate agents, the media and local utilities (Burbank et al, 2001). The media is arguably the most influential component of an urban regime pursuing a mega-event strategy. According to Burbank et al (2001), the local media is generally supportive of Olympic bids because of the potential increase in consumers associated with winning and hosting an Olympic Games. This has raised concerns among many Olympic Games critics, as the media cannot be counted on to present a neutral, unbiased accounting and commentary on the potential impacts associated with hosting an Olympic Games (Lenskyj, 2000).

**The Vancouver plebiscite**

Local support for the Olympic Games has generally been a prerequisite for IOC approval of a host city, though this has rarely been measured through formal vote tallying. However, the Vancouver 2010 bid committee was faced with this dilemma during the 2002 Vancouver mayoral campaign, where eventual winner Larry Campbell indicated that he supported a province-wide referendum because it provided an opportunity for public input and therefore was worth the expense. On 10 December 2002 Mayor Campbell announced that a non-binding plebiscite would be held on 22 February 2003 to gauge public support for the bid (McMartin, 2002). This decision posed a potential problem for the bid since the IOC Evaluation Committee had been scheduled to visit Vancouver on 1 March, just seven days after the proposed plebiscite. In an effort to reassure the IOC that the city was behind the bid, Campbell sent a letter to IOC president Jacques Rogge (Lee, 2002), noting that the plebiscite would showcase “the ultimate, democratic validation of Vancouver’s wholehearted determination to be an Olympic city” (Lee, 2002; D12). Further, Campbell pledged that he would sign the Olympic Host City contract regardless of the results from the plebiscite.

Two sides formed to contest the plebiscite. Supporters of Vancouver hosting the 2010 Games, the ‘Yes’ campaign, provided a well-financed and thoroughly developed marketing strategy, while the ‘No’ campaign had limited financial resources and relied heavily on word of mouth. Though the ‘Yes’ campaign represented Vancouver’s social, political and corporate elite, the group made a conscious effort to market the campaign as a grassroots initiative, that ‘the face of the yes bid’ would not be ‘the blue suit downtown’ (Alexander, 2005).

Led by David Podmore, the ‘Yes’ campaign became an offshoot of the Vancouver 2010 bid committee. Podmore recruited: i) leading executives from local real estate development companies, other local businesses and the local tourism board; ii) a former mayor; and iii) many celebrities, including Olympic and professional athletes. The ‘Yes’ group also received endorsements from the provincial New Democratic Party and the governing Liberal Party, the Vancouver municipal government and a number of trade unions. The ‘Yes’ campaign had a CDN$700,000 estimated budget with which it was able to hire staff, create promotional material and establish information booths throughout the city. Additionally, a number of organisations provided in-kind products and services, such as Can West Media’s $1 million worth of free

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1 There were allegations that Podmore’s participation in the ‘Yes’ campaign was a conflict of interest as speculations arose that his property development company, Concert Properties, was interested in bidding to build the athletes’ village. The company signed a conflict of interest document stating that they would not bid on the building of any athletic facilities, but the contract still permitted a bid on the construction of the housing facilities.
advertising space. These efforts helped the bid committee with its overlapping marketing strategies and efforts to promote Vancouver and the Winter Olympics (Alexander, 2005; Bramham, 2003).

The ‘No’ campaign’s budget was just CDN$5,000, which was used to support a word-of-mouth campaign and a website. In the end, the passive approach of the ‘No’ campaign was no match for a highly organised ‘Yes’ campaign that emailed and telephoned potential voters; it even purchased the domain name www.nogames2010.com in order to make it even more difficult for its opponents to get their message out (Pynn, 2003).

**The Vancouver regime and its marketing strategy**

Church (2003) noted that many scholars have pointed to the efforts of previous host cities in trying to build consensus through the tying of civic pride to Olympic support. However, the marketing approach taken in Vancouver was not solely linked to ‘civic boosterism’. Instead, the Vancouver bid committee and proponents of the Games attempted to sell the Olympics as a logical strategy for improving the local community and the fortune of its citizens. As such, the ‘Yes’ campaign strategically enlisted the help of high-profile Canadian spokespersons who reflected every ethnic and cultural group represented in Vancouver and each of the demographic groups typically associated with opposition to the Games. By having these individuals espouse the benefits they believed would accrue to them through Vancouver’s role as host, the ‘Yes’ campaign communicated that everyone supported and would benefit from hosting the Games (Alexander, 2005). Similarly, the ‘Yes’ campaign actively recruited workers in the tourism and hospitality sector to ensure the support of third-party endorsers who had contact with the general public.

An important development that aided the ‘Yes’ campaign involved the third party ‘Impacts of the Olympics on Community Coalition’ (IOCC). The IOCC was originally established under the guise of a watchdog organisation that would hold the bid and organising committees accountable (Impact on Community Coalition, 2007), thereby representing the interests of disadvantaged and marginalised groups who were most likely to be negatively affected by the presence of the Games in Vancouver. However, after the bid committee agreed to respect the interests of the IOCC and provided employment to two of its members, the IOCC publicly voiced its support for the bid and the hosting of the Olympic Games, sending the message that all Vancouverites would benefit from hosting the Games (Todd, 2003). At the time, the endorsement carried significant symbolism as the ‘Yes’ and ‘No’ campaigns were viewed as being right-wing capitalists versus left-wing ‘tree-huggers’ respectively; to many, the IOCC support represented a change of heart by the left (Bula, 2003).

With this development, what had been simply an urban regime was now, even if only symbolically, a united front of community participants representing the full political spectrum. This symbolism was further supported by the local press, who failed to convey that everyone would pay for the Games; it was only in the editorials and non-mainstream press that questions were raised about hosting the Games (Lenskyj, 2000) and the bid committee’s ability to ‘spin’ negative press in order to maintain public support (Schweinbenz & Vertinsky, 2004).
This essay addresses the image-building and interaction among place, event and sponsor. The image of place is particularly significant for the Olympics as the IOC selects one country to host an Olympic Games every two years, and event success is contingent upon the country being able to deliver the event and establish positive attitudes with global consumers. Consumer perceptions of a host country and the Olympics may spill over to the Olympic sponsors when they process the sponsor brands/products in the context of an Olympic Games hosted by a city or country. In this essay, a country is considered the unit of analysis.

A country or nation state may be injected with richer meaning if we are given its socio-cultural, ideological and geopolitical complexities rather than offered a tourist destination. This essay examines interconnections among these three sets of images: the host city/country image, the event image and the sponsor image, and then discusses implications for mega-event management in reference to Parent's (2008) framework.

Images of place are complex and their effects on consumers can be intricate. Product-Country Image (PCI) is an established area of study that examines PCI influences on consumer decision-making about products. People use country images to assist in the processing of information and to aid in the formulation of purchase decisions (Kotler & Gertner, 2002). Country image effects are described as the “impact that generalisations and perceptions about a country have on a person's evaluations of the country's products and/or brands” (Nebenzahl et al, 1997). Due to the importance of country images in the marketplace, policy makers and practitioners must consider the images held by foreigners about their country and be cognisant of how the products they associate with their country impact those perceptions.

In the context of event marketing, it has been demonstrated that major events can positively affect a country image (Nebenzahl & Jaffe, 1991). Previous research found that the 1988 Seoul Olympic Games in South Korea positively influenced Israeli perceptions of and willingness to purchase South Korean products for those with high exposure to the Olympics (Jaffe & Nebenzahl, 1993). The improved product beliefs included knowledge, reliability, performance, quality, proud to own and assortment. Although Jaffe and Nebenzahl (1993) did not test whether the country image mediated the event effects on product images, it is reasonable to expect that the Israeli consumers formed a more favourable image of South Korea after exposure to the Seoul Olympics. Further, their favourable attitude towards the country enhanced their attitudes towards South Korean products. In other words, a connection can be drawn from event image to country image to perception of the products.

Country and event images may also be conceptually linked to sponsorship to address such research questions as whether the Olympic brand affects the sponsor brands, and whether negative country associations carry over onto sponsors' images or the effectiveness of their promotions. This proposition makes sense because sponsorship involves an investor creating an association with an external property with the purpose of influencing the target audience through the association (Rifon et al, 2004). The image of the host country can affect sponsor evaluations by influencing perceptions about the event being community oriented or socially responsible (Getz, 1997). Therefore, the perceived human rights violations in China could influence beliefs about the social responsibility of the Beijing Olympics. If a poor or negative country image influences the Olympic image, sponsors may be less keen to enter into a partnership.

It should be acknowledged that the relationship between an event and a host place is bi-directional (Xing & Chalip, 2006). The recent surge of protests against the Torch Relay for the Beijing 2008 Olympic Games highlighted the negative aspects of China’s image in the West. These negative representations
about China fermented by Western media influenced beliefs and attitudes towards the Beijing Olympic Games. While sports politics are beyond the scope of this essay, anecdotal evidence of many state leaders' withdrawal from attending the opening ceremony of the Beijing Olympics can be construed as the consequence of transferring negative perceptions of a host country to a mega-event. Here we may observe the image transfer, albeit a negative one, from a place to an event.

In addition, the interaction of place images and the Olympics may differ depending upon the ethnic affiliation of the consumer. Previous research has already shown that ethnicity can influence consumer behaviour (Deshpande & Stayman, 1994; Brent et al, 2004). The Olympic Games are a grand international spectacle with a high level of country identification. Ethnic identification close to that of the host country may lead to different host country images and the role that these images play when compared to a random sample of consumers. The interaction of host country, Olympic and sponsor images has yet to be empirically determined. The review of literature on sponsorship and PCI suggests that important contributions can be made at the intersection of these literatures for academics and for practitioners engaging in sponsorship of mega-events with multinational sponsorship programmes. Clearly, the vital and first step in future research is to determine whether there is empirical support for conceptual linkages between sponsorship, mega-events and country images.

From the perspective of stakeholder and issue management in mega-events, the consideration of sponsorship within this interaction introduces Parent's (2008) issues of visibility and participation. Visibility issues are identified as those pertaining to “reputation, image and public/corporate support” (p.151), while participation issues include involvement, recognition and experience. From a sponsorship point of view, these issues are of the utmost importance as they are inherent in sponsorship's benefit over other forms of promotion in the cluttered market. It is particularly important where ambush is a common occurrence and where sponsorship is known to be an effective strategy by which to navigate this clutter and combat ambush (Séguin & O'Reilly, 2008). More specifically, the issue of visibility relates to the importance of association, awareness and positioning in sponsorship, while the participation issues are about how the sponsorship relationship will exist among the interested sponsor(s), sponsee(s) and intermediary(ies).

Parent (2008) describes infrastructure issues as including traffic, streets, facilities, transportation and services. Thus this issue category describes the enablers or barriers with which the Organising Committee must contend. Previously, general beliefs about these aspects of place have been explored as the country competence dimension that includes the economy, skill level of workers and technology (Heslop et al, 2004). For example, a study exploring the influence of country image on tourism attitudes demonstrated that competencies associated with the country are related to general beliefs about the built environment of the destination (Nadeau et al, 2008).

Human resource issues have been described by Parent (2008) as including “staff or volunteer management and roles, leadership, motivation and teamwork” (p.151). This issue category is intended to capture the impact that people have on the Organising Committee. Similarly, country image research has investigated competencies that are rooted in the people, including work ethic, industriousness and education (Heslop et al, 2004). The literature on country and tourism destination images suggests that people competencies are also related to beliefs about the built environment of a destination (Nadeau et al, 2008). Therefore, it is reasonable to expect that country and people competencies would also impact images or attitudes about the Olympic Games.
The potential value of the Olympic Games as a vehicle for commercial sponsorship really took shape during the 1984 Olympic Games in Los Angeles. The organisers developed a three-tier sponsorship programme and introduced the concept of ‘exclusivity’, which meant that only one company in a given product category (e.g. Coca-Cola, soft drink) would receive official sponsorship status. This initiative was welcomed by large corporations willing to pay a large premium for this exclusivity.

Following the Los Angeles Games in 1985 the IOC launched its first worldwide sponsorship programme, called TOP (The Olympic Programme). The strategy behind TOP was to develop a structured, global marketing programme that brought together, in one single package, the marketing rights of the IOC, all active National Olympic Committees (NOCs), their Olympic teams and the two Organising Committees for the Olympic Games (OCOGs) of the Games of that quadrennial (IOC, 1995). In exchange for exclusive worldwide marketing rights, sponsors would provide state-of-the-art technology and services to Olympic organisers, athletes and spectators (IOC, 1995). The success of TOP relies on the ability of the IOC to retain the marketing rights of some 200+ NOCs in multiple categories (Landry & Yerlès, 1996). TOP quickly became one of the largest sources of revenue for the Olympic Movement, growing from $96 million for TOP I (1985-88) to $866 million for TOP VI (2005-08) (IOC, 2008). During the same period, broadcasting rights increased from $725.5 million in the 1985-88 quadrennial to $2.57 billion for 2005-08. Given that a large percentage of television (49%) and TOP sponsorship (50%) revenue are contributing to the budget of OCOGs (IOC, 2008), the number of cities interested in hosting the Games has risen considerably.

While TOP is an important source of revenue for the Olympic Movement, issues such as accountability and expectations (Parent, 2008) are at the forefront for the OCOG. Over the years, TOP has evolved into an exclusive ‘club’ of large multinational corporations that invest hundreds of millions of dollars to get exclusive rights worldwide. However, the inability to protect the ‘exclusive’ rights of sponsors results in ambush marketing issues faced by the Olympic Movement (Séguin et al, 2008). By negotiating exclusivity, sponsors are expecting a clean marketplace from which to work, or at the minimum some level of protection if exclusivity cannot be guaranteed. This became a major issue in Atlanta in 1996, when the city of Atlanta competed with the OCOG for both sponsorship dollars and advertising space within the city. Since then the IOC has obliged the host city, the NOC and OCOG to sign a multi-party agreement where all of the marketing rights around the Olympic Games and brand are given to the OCOG. Another issue closely related to ambush marketing is the clutter created through the multiple tiers of ‘official affiliations’ with the Olympic brand (Séguin & O’Reilly, 2008). To a large extent, the clutter is a result of the many different levels of official Olympic sponsorship within the system, which include the following categories:

**TOP sponsors**: multinational corporations given rights within specific product categories. TOP sponsors have product exclusivity worldwide and, as such, have exclusivity in 200+ NOCs, OCOGs and IOC events. TOP sponsors have rights to all Olympic marks including the five interlocking rings by themselves.

**OCOG sponsors**: corporations from the host country in which the Games take place. Their commercial rights are limited to the host country and sponsors have rights to the official marks of OCOG within which the five interlocking rings are integrated. In recent Games, these corporations have become the most important source of financing for OCOGs. In the case of Vancouver 2012, the various levels of governments (federal, provincial and municipal) contributing to the games are also recognised as partners and have access to VANOC’s marks.
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NOC sponsors: when not hosting the Olympic Games, NOCs develop their own sponsorship programmes. For example, in addition to TOP partners, the United States Olympic Committee (USOC) has developed a number of categories including partners, sponsors, suppliers and licencees. NOC sponsors have rights to the NOC brand, which includes the five rings.

The management of three-tier sponsorship programmes is complex and demands a high level of coordination from an OCOG. The high cost associated with sponsorships creates numerous expectations and high demands from corporate partners. As such, it is the responsibility of the IOC, the OCOG and the NOCs to keep the Games a viable and strong investment for partners. To protect and maximise the return on investment for its partners, the IOC decided to adopt an innovative marketing approach for a sports organisation – strategic brand management (IOC, 1998), where a well-defined brand provides sponsors, broadcasters, governments and OCOGs with the foundation for building their Games-time image and Olympic-associated activities (Séguin et al., 2008).

Given the global nature of the Olympic brand, controlling it and its exclusivity is important to the IOC and the Olympic Movement. Hence, OCOG must ensure that symbols, marks and image associations are protected and must seek legal ownership of the title as protection against imitators (Séguin & O'Reilly, 2008). When considering that TOP sponsorship revenues and domestic sponsorship revenues are nearing the $1 billion mark each (IOC, 2008), the need to control the Olympic brand and to ensure sponsor exclusivity is at the forefront of an OCOG’s concerns (Séguin & O'Reilly, 2008). Consequently, the ultimate responsibility to enhance the Olympic brand and to provide value to commercial partners remains with the IOC and the OCOGs.

Yet in recent years, governments are playing an active role in protecting the commercial interests of the IOC by passing laws such as the one passed in Canada for the 2010 Olympic and Paralympic Games called the Olympic and Paralympic Marks Act (Bill C-47). The primary goal of such legislation is to render illegal a wide range of previously legal activities and words, broadly described as ambush marketing. The prohibition on ambush marketing as set out in Bill C-47 probably violates freedom of expression guarantees in the Canadian Charter of Rights and Freedoms (Scassa, 2008). The impact of such measures on various stakeholders has yet to be examined and warrants future research.

Discussion

The management of a mega-event can be treated as a gigantic project with numerous parts and pieces connected by many goals and varied objectives. By taking a marketing perspective to examine issues and relationships in hosting the Olympic Games, these four essays provide important insights for event management. Each essay, while addressing a distinctive collection of issues for a given set of stakeholders, points to the need for a holistic view of issue and stakeholder management.

Essay 1 and Essay 2 are conceptually linked under Parent’s (2008) framework. As illustrated in Essay 1, event owners are most interested in the brand equity of their event when selecting a host city. Consequently, it is imperative that a bid committee approach the event owner by positioning themselves as the best fit for the event. A critical step in achieving such a status, as Essay 2 reveals, involves building a local alliance across all political spectra by strategically framing a bid as a solution to issues central to the various local stakeholders. Hence, a bid committee requires local resources and/or support from all relevant stakeholders where these resources/supports can subsequently be applied to formulate a strong bid. As described in Essay 1, the London bid presented itself as disseminating Olympic ideals to the young
people all over the world. Here, we see a bid committee rallying its resources (i.e., London as a city boasting the presence of various cultures and its attractiveness to world youth) to address a key issue to a stakeholder (i.e., IOC's worry of losing younger demographics).

The need for a holistic approach to issue and stakeholder relationship management also derives from the simultaneity of many occurrences in event management. Essay 2 vividly illustrates that the Vancouver plebiscite was only a few days ahead of an important IOC inspection of the city's bid. The uncertainty engendered by the plebiscite strained the relationship between the bid committee and the IOC, which was addressed by immediate counteraction taken by the mayor, to the dismay of the 'No' campaign. Clearly a holistic approach is imperative because multiple stakeholders may bring different agendas that affect the presentation and interpretation of a bid. For example, the media played a role in portraying the negatives and positives of the Vancouver bid as described in Essay 2. This was critical to how some stakeholders perceived the bid.

Essay 3 demonstrates the fluidity of images among the host city/country, the event and the sponsors, where one is evaluated in the context of the other two (Xing & Chalip, 2006). The composite of a place image encompasses issues related to infrastructure, human resources and competence of people. In other words, performance in these areas will affect the perception of the place image. And the place image will, in turn, be drawn to interpret the event and the sponsor.

Here, we see a chain of effects spanning a broad spectrum of constituents when the place image, event image and the sponsor image are evaluated by the consumers. In terms of Parent's (2008) framework, the interplay of the three types of images discussed in Essay 3 points to the breadth of issues involved and the complexities of stakeholder relationship management in mega-events.

Similarly, Essay 4, by explaining in detail the key issues and scope of the commercialisation of the Olympics, illustrates well Parent’s issues of relationships and interdependence.

The essays point to the need for a holistic approach to untangle the complex issues shaping the relationship network of event stakeholders. Further research is warranted in this regard around the Parent framework, where quantitative data and deeper analyses are required.

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Host and bid city marketing

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References


Host and bid city marketing


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The *Journal* welcomes the submission of academic and practitioner research papers, articles, case studies, interviews and book reviews. Submissions should aim to educate and inform and should ideally focus on a specific area that is pertinent to the subject matter of the *Journal*, as detailed below. In all instances, the editorial team seeks to publish submissions that clearly add value to theory and/or practice in sports marketing and sponsorship.

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The mission of the *Journal* is to bring together academics and practitioners in one forum, with the intent of furthering knowledge and understanding of sports marketing and sponsorship. The *Journal* interprets sports marketing and sponsorship broadly, to include:

- fans and customers
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We encourage submissions from a wide variety of perspectives, including marketing, all areas of management, economics, politics, history, sociology, psychology, cultural studies and anthropology.

All articles should be written primarily to inform academics and practitioners directly or indirectly involved in the sports marketing and/or sponsorship industries. Articles that detail results of original work are accorded high priority. The *Journal* also invites reports on new or revised business techniques, perspectives on contemporary issues and results of surveys.

Case studies and reviews of books and/or reports are welcomed. For these, we request that copies of the book/report be sent to the Editor and to the Publisher.

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- quality and relevance of conclusions and recommendations
- value added by the submission to academic and practitioner understanding of sports marketing.

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Each article submitted for consideration should include an executive summary of up to 500 words, which gives a flavour of the article and includes the rationale for the study, methods used, key findings, conclusions and value added. A shorter abstract, of no more than 100 words, must also be included.
Editorial policy

Footnotes and endnotes may be used but only where appropriate and as sparingly as possible.

Tables, charts, diagrams and figures should be in black and white and placed on separate pages at the end of the manuscript. Where data or image files have been imported into Word for tables, diagrams etc, please supply the original files. Authors must indicate in the main body of the text approximately where each table, chart, diagram or figure should appear.

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|        | • Up to six keywords  
|        | • Specify: academic/practitioner paper  
|        | • Biography of author(s) (50 words)  
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