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Analysis of the Olympic Games domestic sponsorship programmes 1988-2012

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Keywords: Olympic Games, sponsorship, revenue, television and commercialism

Abstract

The Olympic Games domestic sponsorship programme is organised by the organising committees of the Olympic Games (OCOGs) and has a significant importance for the financing of the Olympic Games. However, there has been markedly less research conducted on the TOP programme, the international sponsorship programme of the IOC. This paper looks into the differences between the Olympic Games domestic sponsorship programmes of seven Olympic Games (Seoul 1988 to London 2012). In detail, differences between the number of sponsors and sponsor categories, the acquisition process, the sponsors’ motivations and the sponsor service are discussed. In conclusion, structural disadvantages and advantages which influence on the success of a programme are highlighted and recommendations for general developments within the Olympic Games domestic sponsorship programme are made.

NB: sources for discussion and graphics; figures 1-20 are generated from the official reports of the different Olympic Games, published by the OCOGs one year after an Olympic Games.

Introduction

The Los Angeles Olympic Games 1984 were a significant turning point in the history of the Olympic Games. The terror attack in Munich 1972, the financial disaster in Montreal 1976 and the boycott Games of Moscow 1980 created a situation where it was no longer attractive to host the Olympic Games (Chappelet, Ferrand and Seguin, 2012). Emerging from this crisis, the Organising Committee of the Los Angeles Olympic Games 1984 (LAOOC) proved that it was possible to have a privately financed Games through the use of the Olympic trademarks (Preuss, 2004). The professionalization of the Los Angeles 1984 marketing programme finally led to a surplus of 232.5 million US$, leading to renewed interest in hosting the Olympic Games and the establishment of the TOP (The Olympic Partners) sponsorship programme in 1985 (Chappelet, Ferrand and Seguin, 2012).

The IOC’s international sponsoring programme developed fast and proved to be an important financial pillar for the IOC, the Olympic Movement and the OCOGs...
(IOC, 2016). But for the OCOGs another sponsorship programme has much more importance; the Olympic Games domestic sponsorship programme. The domestic programme is developed and managed by the OCOCs on their own and has two major restrictions: product categories from the TOP sponsors are excluded and the marketing rights are restricted to the host country (IOC, 2016). Due to the fact that nearly all the revenues from this programme are contributed to the OCOG (IOC, 2016) it becomes very important for the OCOGs’ finance. Nevertheless, as Davis (2012) has pointed out, previous research has concentrated more on the worldwide TOP programme whilst the Olympic Games domestic sponsorship programmes are worthy of closer consideration.

Compared to the IOC, the OCOGs have different things to consider to stage an Olympic Games such as potential market size, political and economic situation, uniqueness of a worldwide sport event in the host country, support of governments and local communities and the overall attractiveness of the host city. The OCOGs’ task is to deal with these characteristics and create an Olympic Games domestic sponsorship programme which capitalises upon strategies to support the staging of the Olympic Games (Apostolopoulou and Papadimitriou, 2004). The differences concerning these strategies involve the following issues:

- The overall sponsoring concept which includes the differentiation into several categories: the number of sponsors, the sponsors’ rights, the sponsors’ origin and the division between value in-kind contributions, and cash.
- The acquisition of sponsors.
- The special services for sponsors which include services such as CSR opportunities, sponsor protection as well as accommodation possibilities.

The aim of this article is to understand the sponsors’ motivations and evaluate the Olympic Games domestic sponsorship programme of each Olympic Games from Seoul 1988 to London 2012. The financial results of the programmes are contrasted with the financial forecasts, the results of the TOP programme, the revenues from TV rights as well as the costs of the Games. Analysis of the different Olympic Games domestic sponsorship programmes may help to reveal current trends in how the Games are consumed on the global stage. The analysis concentrates on the Olympic Summer Games only as including the Winter Games and Paralympics would be beyond the scope of this paper.

Seoul 1988

The Seoul Olympic Games domestic sponsorship programme was the first sponsorship programme to feature at a Summer Olympics after the successful Los Angeles 1984 Games. It was also the first of the TOP programme initiative. The Seoul Organising Committee established two sponsoring categories; 23 official sponsors and 57 official suppliers contributed 103.5 million US$. The financial
results were slightly higher than the initial forecasts in 1983 (figure 1) but did not exceed the revenues from the TOP I programme (figure 2).

The revenues had clearly less importance for the financing of the Seoul Games. This is underlined by the fact that the revenues from the TV rights were more than four times higher (figure 2) and that the proportion of the SLOOC costs were 9.58%, the lowest rate of all investigated sponsorship programmes.

The motivations of the sponsors and the SLOOC (Seoul Olympic Organising Committee) itself were distinctly less economically-driven compared to later Olympic Games. However, the organisers’ objective was still to promote South Korean companies on a global stage (SLOOC, 1989) and this led to a share of 60% domestic sponsors. The other companies were mainly from Japan. South Korean sponsors mostly stated that their involvement in the programme was due to patriotic reasons and not financial reasons (Goldstar, 1988). In contrast to this, foreign companies were clearly more profit-driven and used their involvement to enter the Asian market.

The SLOOC combined the marketing activities of the Asia Games 1986 and the Seoul 1988 Olympics. This meant that they sold sponsorship packages which included rights for both events (SLOOC, 1989). Also the SLOOC did not manage to recruit the largest companies of the country. The fact that Daewoo, one of the largest South Korean companies at that time, decided to support the Soviet Olympic team instead underlines this finding (Tudor, 2013). It is obvious that the SLOOC was not capable to exploit the full potential of the domestic sponsorship programme, but it must be taken into consideration that many aspects were totally new for the SLOOC.
and that different best practice models for the Olympic Games domestic sponsorship programme still had to be developed in the following years.

**Barcelona 1992**

The Barcelona Olympic Games domestic sponsorship programme was in many ways a great success for the COOB’92 (Comitè Organitzador Olimpíades Barcelona 92). The initial forecast for the programme as stated in the bid documents in 1983 was 13 million US$. These cautious forecasts were revised to 93 million US$ after the Los Angeles sponsorship programme and the successful bid in 1986 (COOB’92, 1993). But even the revised revenue forecasts more than quadrupled (figure 3).

This meant a new record in revenues from the Olympic Games domestic sponsorship programme at that time and an enormous rate of 11.35 US$ per inhabitant in the rather small Spanish market. Moreover, the revenues from the programme were more than twice as high as those from TOP II (figure 4) and five times higher than the revenues from the Seoul Olympic Games domestic sponsorship programme four years before. Reasons for the success of the programme are manifold, however the most important ones were:

- The COOC’92 started with an intensive acquisition phase that began with a detailed analysis of suitable companies (COOB’92, 1993).

- The commissioning of agencies in the USA, France and Japan ensured that large companies such as Alcatel, IBM, Danone and Asics from these countries supported the COOB’92 not only financially but also through in kind contributions and their know-how (COOB’92, 1993).

- There was an intensive acquisition of suppliers from all countries. This finally led to the situation, that nearly all needed sport materials were provided free of charge (67 per cent of the revenues from the programme were in kind) (COOB’92, 1993).

- The COOB’92 created a new sponsorship category, called Joint Partners, with a very limited number of nine sponsors. This was an effective way to enhance the value of the domestic sponsorship programme. The strategy to create a category with similar rights like the TOP sponsors, restricted to the domestic market, and the strict limitation of numbers was pioneering for future sponsoring concepts of the Olympic Games.
• The Spanish government adopted a tax law which permitted partners, sponsors and suppliers to deduct 15 per cent of their contribution to COOB’92. This made the investments for sponsors financially more attractive (COOB’92, 1993).

• The overall service for the sponsors was extensive. This is especially valid for the accommodation possibilities. The sponsors were accommodated in large cruise ferries in the harbour of Barcelona. These accommodation possibilities offered the sponsors an added value. The sponsors used the swimming hotels for employee incentives and business activities (COOB’92, 1993). The fact that the location of these ferries was in the very centre of Barcelona increased this added value together with the limited costs.

• The overall attractiveness of the city (Ernst and Young, European Attractiveness Survey 2015) created another benefit for potential sponsors, especially concerning the possibility of incentives and business meetings. This might have had an influence for the sponsors’ decision to involve in the sponsorship programme.

Atlanta 1996

The ACOG (Atlanta Committee of the Olympic Games) created three different sponsoring categories (Centennial Olympic Partners, sponsors and suppliers) with in total 97 partners, contributing 426 million US$. The ACOG’s strategy was to strengthen and grade up the highest sponsor category. Each of the Centennial Olympic Partners had to pay at least 15 million US$ (ACOG, 1997). The revenues from the domestic sponsorship programme in Atlanta were finally 25 per cent lower than expected (figure 5).

Due to the fact that ACOG could not exceed the revenues from the 1992 Barcelona Games in a larger and more attractive market for potential sponsors, the
domestic sponsorship programme was regarded as being less successful than it could have been, even if the revenues from TOP III were exceeded (figure 6).

The reasons for this failure were:

- There was a lack of cooperation between the city of Atlanta and the ACOG: The city of Atlanta created an own sponsorship programme which led to new possibilities for ambush marketing campaigns. There was for example VISA, the official credit card of the Olympic Games in Atlanta and American Express, the official credit card of Atlanta. Moreover, the city of Atlanta sold kiosks outside the Olympic malls and advertising spaces outside Olympic venues. These actions definitely decreased the value of the Olympic Games domestic sponsorship programme in Atlanta (Lacoss, 2010).

- The sponsors’ motivations were totally different to those of Seoul 1988 and especially to those of Athens 2004. A study by Karabetsos and Ludwig (1999) which investigated the sponsors’ motivations came to the conclusion that the sponsors’ objectives were mostly economic-driven. None of the interviewed sponsors stated patriotism or good will as their motivations. The focus was markedly more on a financial return on invest. This means that the sponsors were not willing to pay more for patriotic or social reasons. The ACOG was not capable to win the largest domestic companies for their domestic sponsorship programme. Only two out of the 25 largest companies at that point of time were part of the programme (Forbes 500, 1995).

- The Atlanta Olympic Games domestic sponsorship programme was clearly more in a rival situation to other sport events compared to other Olympic hosts. The potential sponsors have almost a permanent possibility to sponsor major sport events. Due to the fact that companies only have a limited marketing budget, they have to choose which event they support (Performing Research, 2014). Competing mega sport events with a worldwide TV coverage are for example the Super Bowl, the World Series, the NBA finals and the US Open which take place every year (Maennig and Zimbalist, 2012). This contrasts markedly from other Olympic Games, where the sponsors called the opportunity to take part in the Olympic Games domestic sponsorship programme a unique opportunity (Apostolopoulou and Papadimitriou, 2004). Moreover, the fact that nine large companies with a willingness to involve in sports sponsoring were already part of the TOP programme and thus not available as domestic sponsors, was a further structural disadvantage.

- The ACOG put a strong focus on US-American companies (76 per cent of all sponsors were from the US) and this excluded potential foreign companies with an interest in the American market (figure 7). Finally, the overall sponsorship package for domestic sponsors
was not as attractive as the services provided for sponsors in Barcelona four years before. There were less attractive accommodation possibilities for higher prices and no tax law benefits for the involved companies (ACOG, 1997).

Sydney 2000

The Sydney Olympic Games domestic sponsorship programme set a new income record at that time. The optimistic forecasts were exceeded and the forecast from the bid book were more than doubled, even though the revised economic goals set after the beginning of the sponsor recruitment process could not be reached and the revenues from TOP could for the first time since Seoul 1988 not be passed (figure 8) (SOCOG, 2001).

The 492 million US$ gained through domestic sponsorship exceeded the results of Atlanta four years before in a market which was 17 times smaller than the US. 25.69 US$ per inhabitant were purchased through the programme. Furthermore, 45% of the SOCOG’s (Sydney Committee for the Olympic Games) costs were covered by revenues from the programme, the highest rate of all analysed Olympic Games domestic sponsorship programmes. How good the work of the SOCOG was, is indicated by a closer look at the domestic sponsorship programme. Three major problems might have prevented even higher revenues. These were:

- The Asian financial crisis in 1997 which also had an effect on large Australian companies (Parliament of Australia, 1998).
- The Salt Lake City bid scandal which damaged the image of the Olympic Movement as well as the image of the sponsors (Wenn, Barney and Martyn, 2011) and came to light during the last phase of the sponsor recruitment process.
- The ambush marketing activities in Atlanta which happened at the very beginning of the recruitment process (ACOG, 1997).
Even though the SOCOGs domestic sponsorship strategy contained many creative aspects, the most important one for the financial success was the fusion of the TOP and the Team Olympic Partner programmes to the TMOP programme. This increased the value of the sponsorship rights significantly. Further, the intensive market analysis, which detected about 1500 companies as suitable for the programme, established the basis for a successful Olympic Games domestic sponsorship programme. Lastly, the SOCOG offered its potential sponsors a thoughtful sponsorship package with an effective sponsor protection programme, a sponsor service which was adapted to the demands and good accommodations for sponsors in cruise ferries (SOCOG, 2001).

**Athens 2004**

When only looking at the revenues of the Athens Olympic Games domestic sponsorship programme, it seems that the programme was not very successful. 371 million US$ from the programme covered only 14 per cent of all ATHOC costs and were the least revenues since Seoul 1988. The differences between the TV and TOP V revenues (figure 9) are also markedly higher than at other Olympic Games. But after looking at the conditions of the programme, it can be evaluated as a great success.

![Figure 9: Domestic sponsorship revenues at the Athens Olympic Games 2004 in relation to TOP V and TV revenues (in million US$)](image)

The smallest of the investigated hosting countries secured the most revenues per inhabitant (33.54 US$). Also, the original targets as stated in the official bid and at the beginning of the recruitment process were revised upwards twice and were finally 85 per cent higher than the primary forecasts (ATHOC, 2005) (figure 10).

![Figure 10: Forecast and final result of domestic sponsorship revenues at the Athens Olympic Games 2004 (in million US$)](image)
There are certain reasons for this success. The most important point is that the ATHOC (Athens Organising Committee for the Olympic Games) managed to persuade the largest companies of the country to take part in the domestic sponsorship programme (Forbes 2000, 2004). Nearly all of the major sponsors stated that the reasons for their involvement were patriotism and good-will and they did not expect financial returns on their investments (Apostolopoulou and Papadimitriou, 2004).

These motivations differ significantly from other Olympics, especially from those in Atlanta eight years before. Another reason for the relative success of the programme shows that a small host country does not only have disadvantages for the OCOG. Due to the fact that the Olympic Games in Athens were the only major sport event in Greece, many of the sponsors mentioned that they took part because it was a unique opportunity to sponsor a world sports event (Apostolopoulou and Papadimitriou, 2004).

The last reason why ATHOC’s domestic sponsorship programme was effective was the limitation of sponsors and suppliers. The Athens Olympic Games domestic sponsorship programme had the least sponsors and suppliers of all analysed Games (ATHOC, 2005). This increased on the one hand the value and exclusivity of the sponsors and on the other hand made it easier for the ATHOC to offer the few sponsors a good service and a close cooperation. But also the domestic sponsorship programme in Athens 2004 could have been even more successful. The Salt Lake City bid scandal broke out shortly before the acquisition process of the Athens 2004 Olympics started. The scandal had serious effects on the TOP sponsors which were thinking about stopping their support (Barney, Martyn and Wenn, 2011). These developments might have also had an effect on potential sponsors.

**Beijing 2008**

The Beijing Olympic Games domestic sponsorship programme seems to be the most successful in the history of the Olympic Games on the first view. It obtained 1218 million US$ from the programme and thus increased the forecasts stated in the bid book by nearly ten times (figure 11).
Moreover, it exceeded the revenues from TOP VI markedly (figure 12) and the BOCOG (Beijing Organising Committee for the Olympic Games) could cover 43 per cent of its costs, the second highest rate of all investigated programmes (BOCOG, 2009). The precise analysis of the programme reveals the reasons for this financial success. Especially the tier one sponsors who were all large state owned companies (National Bureau of Statistics of China, 2009) of product categories which are usually uncommon to sponsor Olympic Games. All these companies contributed large amounts without using the acquired sponsorship rights for marketing campaigns or CSR activities (Dolles and Södermann, 2008).

The assumption, that these companies were influenced by the government (Dolles and Södermann, 2008) is underlined by the fact that most of the revenues were cash contributions. All in all, 77 per cent of the contributions were cash and only 23 per cent were in kind, by far the highest rate of cash contributions of all investigated domestic sponsorship programmes. Moreover, four from the top five largest Chinese companies (Forbes 2000, 2005) served as Beijing 2008 partners, a further indication that the government has influenced the largest companies to involve in the Olympic Games domestic sponsorship programme. For foreign companies which had, in contrast to the Chinese state owned companies, exclusive economic objectives such as market exploitation, the rights were hardly affordable due to the artificially increased prices by the Chinese state owned companies. Moreover, the reluctance of the foreign sponsors was also a matter of uncertainty concerning the authoritarian government and the political climate in China (Giannoulakis and Stotlar, 2009).

Thus, although the Chinese market was certainly attractive for foreign companies (IOC, 2009) the domestic sponsorship programme of the Beijing 2008 Olympics was dominated by Chinese companies (figure, 13). Despite the fact that Beijing’s Olympic Games domestic sponsorship programme was financially the most successful one in the history of the Olympic Games, it was not a success of the Organising Committee.
The massive support of government owned companies as well as the attractiveness of the large Chinese market for major foreign companies increased the revenues especially in the tier one category. The BOCOG did not offer the companies many special services like in Barcelona or Sydney and further did hardly establish CSR measures in comparison to London 2012. If the BOCOG would have concentrated more on sponsor service and installed agencies in foreign countries, the revenues could have been even higher.

**London 2012**

The London 2012 Olympic Sponsorship Programme was very successful. The revenue forecast was more than doubled (figure 14) in the final result and the recruitment process was finished earlier than originally planned (LOCOG, 2013).

The 1078 million US$ collected through the programme exceeded the revenues from TOP VII (figure 15) and further covered nearly 30 per cent of the LOCOG’s (London Committee of the Olympic Games and Paralympic Games) costs.
The little decrease of revenues compared to the Beijing Games is above all a matter of the considerably smaller British market (the London domestic sponsorship programme generated 1.078 US$ compared to 1.218 US$ in Beijing) as well as the absence of state influence on government-owned corporations. Moreover, the LOCOG reacted to the current demands of sponsors (Bagusat, 2012) and offered them the possibility to take part in many different CSR-measures. This action, which gave the sponsors opportunities for secured good public relations, was especially necessary after some Beijing sponsors suffered from the negative press concerning human rights violations in China (Davis, 2012). Nevertheless, it must be said that these CSR-possibilities for sponsors can lead to a lack of credibility for the Olympic hosts. Here the example of BP serving as a sustainability partner of the London 2012 Olympic Games has to be mentioned. In connection with the Deepwater Horizon disaster, the involvement of BP was not reliable (Davis and Hilbert, 2013). But due to popularity polls, the strategy was successful in restoring BP’s image (Institute for Southern Studies, 2012). This issue might even increase prices for the Olympic Games domestic sponsorship programmes, because it proved that companies can improve their public image after scandals through its involvement, especially in sustainability issues.

All in all, the London Olympic Games domestic sponsorship programme can be evaluated as a success. Especially when taking into consideration that in the middle of the acquisition process the circumstances of the torch relay in Beijing (Davis, 2012) and the worldwide financial crisis (LOCOG, 2013) had an effect on potential sponsors of the London Games. Besides these structural characteristics on which the LOCOG had no influence, the service concerning accommodation for sponsors was not comparable to other Olympic Games like Barcelona 1992 or Sydney 2000. For potential sponsors this meant a further cost increase if they wanted to use their Olympic sponsorship for business meetings and incentives for employees, especially when taking into consideration that London is one of the most expensive cities worldwide (Economic Intelligence Unit, 2013), with an average hotel cost of 235 US$ per night and room (Bloomberg, 2013).

**General developments of the Olympic Games domestic sponsorship programme**

The development of the number of sponsors by category reveals that from Seoul 1988 to Sydney 2000 there was a moderate increase in the number of sponsors from all categories. Athens 2004 marked a turning point within this process, the strict limitation of sponsors led to the least number of partners from all categories in this study. Especially the reduction of suppliers from 60 to four is striking. Even if afterwards the number of sponsors, partners and suppliers rose again, the numbers reached in Beijing 2008 and London 2012 were less than half as high as in Sydney.
2000. Overall, the statistics reveal that the trend from Seoul to London is a limitation of sponsors from all tiers, especially for the supplier category.

**Number of partners**

![Figure 16: Development of the number of partners, sponsors and suppliers at the Olympic Games domestic sponsorship programme.](image)

**Revenue in relation to the OCOGs’ costs**

Figure 17 first of all reveals the importance of the Olympic Games domestic sponsorship programme for the financing of the Olympic Games. Despite rising costs, the percentage share for the OCOGs budgets remains high. Especially the numbers for the Sydney 2000 and Beijing 2000 Games highlight this development.
If the OCOGs of future Olympic Games manage to keep the costs low and implement successful Olympic Games domestic sponsorship programmes, this rate can even be increased.

Figure 18 shows the per capita revenues of the Olympic Games domestic sponsorship programme over the time. The numbers reveal that especially the OCOGs of Barcelona, Sydney and Athens were capable to establish a successful programme despite the structural disadvantage of a small market in the host country. Nevertheless, it must be taken into consideration that small host countries do also have several advantages as revealed in this analysis. Further, costs for sponsors do not only arise through the purchase of rights but much more through the marketing activities following the purchase of rights. These costs are significantly higher in larger markets than in small ones (Jacobs, Jain and Surana, 2015). Therefore, these numbers have a limited relevance for the success of the programmes.

Figure 19 reveals that the costs for an involvement as a partner, sponsor or supplier increase markedly. The sponsors had to pay more than 25 million US$ for a domestic sponsorship and 86 million US$ for a TOP VII sponsorship contract on average at the London 2012 Olympics. Moreover, the statistic reveals that differences between the values of a domestic sponsorship contract and a TOP sponsorship contract decrease. In 1988 the average price for a TOP I sponsorship was 10 times higher than the price for a domestic sponsorship contract. In 2012 this price was only 3.5 times higher.
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Development of Olympic sponsoring revenues

Figure 20 shows how revenues from the three most important Olympic sponsoring programmes develop. The sum of all three programmes broke through the amount of three billion US$ for the first time in the period 2009-2012. Compared to 24 years before, where the sum was less than 250 million US$, it gets obvious that the value of Olympic sponsorships has increased significantly in the last 30 years. Figure 20 also reveals that the share of the Olympic Games domestic sponsorship programme of the Summer Games remains high. The highest proportions were reached in Barcelona 1992 and Beijing 2008.

Conclusion

The present analysis has shown how different the Olympic Games domestic sponsorship programmes of the Olympic Summer Games from 1988 to 2012 have
evolved. The preconditions, sponsors’ motivations and different strategies proved to have an important influence on the success of the programme. Whilst the success of a programme is not only dependent on the work of the OCOG, it is not easy to say which OCOG performed best. Nevertheless, according to this analysis, the OCOG of the Barcelona 1992 achieved the most remarkable success of all investigated OCOGs. The massive increase of revenues compared to the Seoul Olympics four years before, the clear overtake of own financial goals and TOP II results as well as the high per capita revenue are significant features of this success.

The main reasons for these achievements as detected in this study were the intensive acquisition phase which did not only include the integration of sponsors from other countries and added value through special accommodation possibilities and good sponsor services. This attractive package for sponsors was supplemented through other advantages such as attractiveness of the city and tax reductions for the sponsors. Further, the establishment of the partner category increased the value of these sponsorship deals and therefore became an integral part of all future Olympic Games domestic sponsorship programmes. In addition to the success of the the Barcelona programme, the programmes of the Sydney 2000 and Athens 2004 Games scored well in this analysis and achieved high per capita revenues in a small host country market. Interestingly, the OCOGs achieved these successes with totally different strategies. The Sydney programme contained the most sponsors within this analysis, whereas the Athens programme included the least. Moreover, Sydney concentrated much more on domestic companies whereas the Athens programme was very international. What combines these two OCOGs was that both managed to gain support from the largest companies of the country. Especially in the case of Athens, the motivations of sponsors were distinctly less economically driven compared to other Games and more about national duty and the uniqueness of a worldwide sport event held in Greece.

According to this analysis, the domestic sponsorship programme of Atlanta 1996 can be evaluated as markedly less successful than the other six programmes analysed. The organisers were neither capable to reach the forecasts for the programme nor could they exceed the revenues from Barcelona four years before, despite a much larger and more attractive host country market. The reasons for this failure were seemingly the strict concentration on domestic companies, for example, Atlanta OCOG could not gain the largest companies for the sponsorship programme and had poor cooperation within the city of Atlanta itself.

The Olympic Games domestic sponsorship programme of Beijing can be judged as being highly successful. The programme reached the highest revenues from all investigated programmes and exceeded the forecasts by far. But the analysis revealed that this result was not due to a successful work of the OCOG or an
attractive sponsorship package. The reasons for this result were detected in the massive support from government owned companies who did not even make use of their sponsorship rights. The fact that the OCOG moved away from the successful practice of product exclusivity, underlines that the success of the programme was more due to structural peculiarities of the country than to the work of the OCOG. Probably the revenues from the programme could have been even higher because the motivations of the foreign sponsors reveal that the large Chinese market was definitively attractive for foreign companies.

The success of the London domestic sponsorship programme was in fact a success of the OCOG. The OCOG reacted to trends and developments in sports sponsorship and offered their potential sponsors massive opportunities for corporate social responsibility measures. These opportunities were used by most of the sponsors, for example BP engaged as a sustainability partner of the Games and was therefore successful in restoring its image after the Deepwater Horizon catastrophe. This new possibility for companies to restore their image through an Olympic sponsoring programme increases on the one hand the value of the programme, but on the other brings the risk of a loss of credibility for the programme since the involvement of BP in 2012 caused a lot of criticism. A further measure from the London OCOG was the transformation of the London 2012 local business sponsors to become Official Sponsors of the Olympic Games. This early cooperation with large domestic companies facilitates the acquisition process and ensures a solid basis for the Olympic Games domestic sponsorship programme. This strategy can be path-breaking for future Organising Committees.

The overall development of the Olympic Games domestic sponsorship programme reveals that the value of the programme still increases and that the financial importance for the financing of the Games remains high. Further, the achieved revenues per domestic sponsor approach has got closer to the numbers of the TOP programme. Besides this, a clear trend towards a limitation of sponsors, especially in the partner category, can be detected. The new developments show that there is a tendency towards a combination of a domestic sponsorship involvement with Corporate Social Responsibility: CSR-measures. Whilst this development towards a CSR-oriented sponsorship programme can be seen as positive, however some companies might also exploit these opportunities. BP’s involvement as an environmental partner of the London 2012 Games definitely helped that company to restore its image but for the Olympic Games domestic sponsorship programme, such an involvement also lead to a loss of credibility. This analysis brought many new findings in the area of the Olympic Games domestic sponsorship programmes of the Olympic Summer Games. A similar study applied to Winter Olympic Games would be the next step and might also be expanded to the Paralympic Games.
Recommendations for future OCOGs

The analysis has revealed that the success of an Olympic Games domestic sponsorship programme depends on many different aspects which are not all influenced by the OCOG. The following recommendations for future OCOGs are:

1. Conduct an intensive research concerning possible sponsors from all over the world which have a serious interest in the market of the host country and which fit from their size, strategy, product category and image into the programme.

2. Offer the sponsors the possibility to engage in CSR-measures.

3. Strive for a close relationship with the host city and other important institutions.

4. React to sponsorship-related problems which arose at previous Olympics (e.g. ambush marketing).

5. Decrease work of the sponsors with a good sponsor service.

6. Create an added value for the sponsors (e.g. accommodation, business-to-business opportunities, tickets etc.).

7. Decrease costs of the sponsors (e.g. through the integration of volunteers).

Criticisms

During the analysis some points of criticism arose which made the academic work partly very difficult. The main points are the following:

1. The different comprehensiveness of the official reports: The official reports of the Games from 1988-1996 were distinctly more detailed than later ones. This is especially so for rights of sponsoring categories and prices for each category. Moreover, the official reports of Sydney and Beijing have a distinct lack of information.

2. The official marketing reports of the Games which were published since the Sydney 2000 Games appear misleading and use difficult language to interpret.

4. The numbers in IOC marketing documents differ partly from numbers published in the official reports. This concerns for example the revenues as well as the number of sponsors. Moreover, the IOC published no official numbers at all concerning the Olympic Games domestic sponsorship programmes of Seoul and Barcelona.

5. The publishing of financial and marketing reports as well as other important documents by the IOC could be more available and accessible than they are currently (e.g. Réseau des Bibliothèques de Suisse Occidentale, RERO).

All in all, a much more transparent and complete information policy by the IOC would be desirable. This recommendation for more transparency within the IOC can also be found in the IOC’s agenda 2020 (recommendation number 29), therefore an implementation of this recommendation should be considered.
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Reviewer Comments

This paper is a well-researched foray into the intricacies of sponsorship at the Olympics. The very notion of ‘Olympic’ brings with it immediate global attention on a spectacle; a two-week performance run, but also many implications for the host at a local level that can last for many years. The need to avoid the financial failures of past Games is paramount if the Olympics of the future are to survive at all, but rather capitalise upon them for positive gain seems to be the idea – given that positive gain may infer a lot more than just profit margin. This paper brings into focus that tension, the tug of war between the local needs of a community, host city or even country, who are suddenly thrust into the economic clutches of global finance, international sponsorship deals and driven corporate interests. At the present time, the message is that beyond promotional glamour, money is the bottom line for the Olympics to survive and that the Domestic Sponsorship programmes, if managed sensibly, may bring some balance to the Olympic account books for the IOC and the host city. The authors have been sleuth-like in their factual research and present a compelling discussion to consider the recent history of Olympic budgeting, and with lessons learned, some recommendations are made for the future.