IMPLICIT SIDE OF THE OLYMPIC GAMES:
THE PAST, PRESENT AND FUTURE OF
OLYMPIC MARKETING

2004
Abstract

In the recent decades, marketing has become an inalienable part of a number of non-commercial events, including also Olympic Games. Marketing relationships have seriously determined the present profile of the Olympiad, that remains the greatest Event of modernity.

The worldwide success of the Olympic Games has been dependent on the cooperation of the Olympic Committees and corporate sponsors, each of whom has different responsibilities and contributions in the overall success of the Games. Though Olympic Movement itself is non-for-profit in principle, Olympic marketing is now its critical part that generates funding necessary both for staging the Games and provision of all-round support to Olympic Family worldwide.

The paper is dedicated to the analysis of Olympic marketing as the implicit side of Olympic movement; evaluation of past, present and future profiles of Olympic marketing.
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IMPLICIT SIDE OF THE OLYMPIC GAMES: THE PAST, PRESENT AND FUTURE

OF OLYMPIC MARKETING

“Without the support of the business community, without its technology, expertise, people, services, products, telecommunications, its financing – the Olympic Games could not and cannot happen. Without this support, the athletes cannot compete and achieve their very best in the world’s best sporting event.”

Dr. Jacques Rogge, President, International Olympic Committee

Introduction and objectives

Introduction

Marketing and commercialization of multiple spheres remain the distinctive feature of modern society, and clearly distinguish modern epoch from bygone times. Marketing becomes an implicit side of a number of seemingly non-profit spheres granting them a second wind and prompting their development. International sports is one of the areas, where marketing innovations have become especially apparent. Rapid rapprochement of sports and business has, however, as Batcha, 1998 believes, both positive and negative aspects. On the one hand, marketing substantially stimulates development of sports, makes it more attractive and entertainment. On the other hand, in case of malversation, marketing may lead to deterioration of sports’ impartiality and integrity. In the present research we shall analyze marketing policy of the Olympic Games that remains one of the most hidden activities of the Olympic Family. We shall assess the impacts marketing has made on Olympic Games and their development in historical perspective, evaluate current philosophy, structure and system of Olympic marketing, and assess its future tendencies and perspectives.

Olympic movement serves a perfect illustration to a strong integrity between sports and marketing. Originated in 776 B.C. in ancient Greece, Olympiad at once became more than just sports. Since the times of antiquity, various forms of primitive marketing (also known as proto-marketing) were associated with the Olympic movement. Growing popularity
of the Games in the Ancient Greece promised tremendous economic and political revenues to the sponsors.

Nowadays, Olympic Games represent the most effective international corporate marketing platform ever known, that reaches billions of people in 220 countries and territories throughout the world. Through marketization of the Games Olympic Movement helps to develop global economy, culture, politics and social relationships. Further development of the Games, besides, also depends on effective marketing plans designed by the International Olympic Committee and its subcommittees.

Though commercialization of sports is still a contestable question, the beneficence of marketing associated with Olympic Games is apparent. Marketing makes the event profitable both for the International Olympic Committee (IOC) and host-countries. Though the profits are not the aim of the IOC, they makes sports financially independent from a list of external factors, including governmental and financial influence, subornation and embracery. Marketing also helps to support the image of Olympism and Olympic Games that, as Landry, 1996, states, is a highest non-profit able asset of the IOC. Eventually, Olympic marketing is targeted to provide necessary development to the National Olympic teams, especially in the underdeveloped countries.

Olympic marketing programs have contributed significantly to the growth of Olympic Movement, popularity of the Games in general, and overall sports in particular. Effective marketing programs remain essential to the future viability of the Olympic Movement and the Olympic Games.

With the onset of marketing era in Olympic movement, the Games changed tremendously. Since 1980s the Games transformed from generally lossmaking events to the highly profitable sports’ festivities. Regardless serious problems within the IOC itself (accusations of corruptions, alterations of IOC’s structure, etc.), it has managed to develop a
really effective and comprehensive marketing policy of the Games. As a result, during recent decades Olympic Movement has become a leader of world economy and trade, and remains one of the most dynamic spheres that stimulates development of business and sports globally.

Hypothesis/Research Question

It’s assumed that the role of marketing in modern social life is furthermore important as different forms of commercial marketing are implicitly present in most spheres, including sports.

The research is designed to evaluate the role of marketing in modern Olympic Movement, and define in what extend sponsorship and other marketing factors have contributed to the development of present Olympic System.

Aims and objectives of the research

The general objective of the research is to shift traditional paradigm of marketing analysis, that means to reconsider modern Olympic Movement as a business event. We shall analyze marketing as a primary aspect of Olympism deliberately overshadowing the sports itself. Achievement of this objective requires all-round evaluation of the research field.

The secondary aims and objectives of the paper will serve a framework for the further analysis. They are as following:

- To evaluate the history of Olympic marketing and assess its impact on the development of Olympic Movement in past, present and future.
- To define how the profile of Olympic games was changing through the years, and trace growing role of Olympic marketing in historical perspective. Three main epochs of Olympic marketing development will be assessed, i.e.: the times of antiquity (776 B.C. – 392 A.C.); renovation of Olympic movement (1896-1980) and the era of modern Olympiads (1984-2004).
• To evaluate changing marketing plans that have been used in organizing the Games in past and presence, and examine the importance of corporate sponsorship in Olympic movement since 1896 up to the 2004. This information will be used to evaluate the way Athens have prepared for the 2004 Games and in what extend present profile of Olympic marketing differs from marketing of the previous Games. The major sources of Olympic marketing revenues, namely, broadcasting, licensing and ticketing policies of the IOC will be analyzed.

• To evaluate future perspectives and tendencies of Olympic marketing and its changing role in the future Games, partially, in 2008 Games in Beijing.

Methodology and Methods of Enquiry / Structure of the research

Hypothesis, aims and objectives of the study require definition of original research methodology and applicable research methods. We shall address epistemological methodology; it assumes that each phenomenon could be understood and cognized through its comprehensive analysis. Therewith, Olympic marketing itself and its role in Olympic movement will be examined through the all-round analysis of the phenomenon. This analysis also requires combination of specific methods.

The research consists of three general parts. First section is dedicated to the evaluation of Olympic marketing in historical perspective since Ancient Greece (776 B.C.) to Olympic Games in Sydney (2000). On this stage the information related to the problem will be critically reviewed and summarized in several research blocks devoted to the main landmarks of Olympic marketing development. We shall also analyze how and in what extend Olympic marketing has contributed to the development of the present Games.

The second section of the study is devoted to the comprehensive exploratory research of the problem. This part of research will focus on exploration of the IOC’s structure and marketing policy, evaluation of economic and statistical data related to the incomes and
expenses of IOC. The graphs, tables and charts reflecting different aspects of Olympic marketing will be presented.

The third section is dedicated to the analysis of marketing policy of 2004 Games in Athens and perspectives of Olympic marketing of 2008 Games’ in Beijing. This data will be evaluated on the examples of presented marketing programs “Athens 2004” and “Beijing 2008”.

The first section of the study is a qualitative research in which the major trends of marketing development will be observed. This objective doesn’t imply quantitative analysis of a related data. The second and third sections of the paper represent quantitative-qualitative approach designed to evaluate statistical data and forecast major perspectives of Olympic marketing.

**Development of Olympic marketing in historical perspective: a comprehensive data survey**

Research literature review

There’s a list of research papers dedicated to commercialization of sports in general. At the same time, there’s apparent deficit of studies, dedicated directly to the problem of Olympic marketing, due to the specificity and complexity of the field. Many of them, besides are out-of-date researches. Different aspects of marketing in Olympics appear described in various sources.

Though a problem of Olympic marketing is discussed in a list of books and articles, none of them provides ultimate analysis of the phenomenon. It could be explained by the rapid changes in Olympic marketing itself and probable deficit of research data. To exemplify the thesis, one could mention that many studies related to Olympic marketing appear outdated already before they are published. Most of the papers provide, hence, a pure theoretical
analysis of the research field. At the same time there is a certain deficit of quantitative researches. There are practically no research books and articles describing the structure of Olympic marketing, its financial revenues and their distribution, peculiarities of Games’ staging, profiles of major sponsors, etc.

**Monographs and multi-authors books**

Brenda Pitts and David Stotlar (Pitts et al, 1996) analyze sports marketing in their comprehensive research “Fundamentals of Sport Marketing”. The study is dedicated to the overall analysis of commerce in sports, its history and modern tendencies. The authors analyze the reasons of sports and marketing’s rapprochement and assess according contributions of business and sports. The researches also define differences of sports marketing from the other forms of promotion in diverse spheres, define the most specific features of sports marketing.

The authors focus on several most important aspects of sports marketing, i.e.: development of marketing strategy in sports; clarifying the needs and goals of sports organization and evaluation the ways how a sponsor could contribute it; implementation of comprehensive marketing plans through sponsorship, licensing, ticketing, advertising, etc.

The book provides both theoretical and practical data concerning sports marketing. The authors discuss historical aspects of sports marketing, as well as its presence and future, evaluate the general paradigm of sports marketing. Researchers also introduce the fundamentals of marketing inquiry including the basics of segmentation, targeting, and positioning in sport business, etc.

Though the book itself is one of the most thorough and all-round analysis of the problem, the paradigm of Olympic marketing is less examined in the research. As a result, a reader could only learn the fundamentals of sports marketing in general, while Olympic marketing has several significant differences.
The research of Mulin et al, 2000, is believed to be a groundbreaking text in the field of sport marketing and management. The primary asset of the book lies in presenting a new perspective of sports marketing. The authors didn’t just apply the general theory of marketing to sports; instead, they developed a new study of sports marketing based on their own experience. The research focuses on a special nature of sports marketing in a global perspective and the reasons of commercialization in sports environment (1); definition of consumers’ audience and marketing segmentation (2); licensing and pricing strategies of sports marketing (3); specificity of marketing sponsorship (4), etc. The real life examples, besides, make the study extremely valuable to a critical reader.

Mulin et al, 2000, focuses on development and management of all-round marketing strategy in sports that includes advertising and promotion, licensing, branding, broadcasting etc. Unfortunately, the study also defines the fundamentals of sports marketing in general, while the paradigm of Olympic marketing remains completely unexamined.

Pelsmacker et al, 2001 examines the field of marketing communication. This comprehensive study covers establishment of marketing relationships between companies and corporate sponsors, development of PR and advertising program, provision of effective marketing management. Though the research doesn’t examine the field of sports marketing, the authors provide a fundamental theoretical framework applicable for the further analysis of Olympic marketing.

Brad Wise (Wise, 1997) gives an overview of Olympic marketing in his monograph “Sports marketing: rules of the game and strategies for success”. The author describes the main tendencies of commercialization in sports and analyzes general principles of sports marketing. Though the book is valuable to general apprehension of marketing in sports, its contribution in understanding of Olympic marketing is insufficient.
Shank, 1999, defines future perspectives of marketing in sports, summarized in his recent book “Sports marketing: a strategic perspective”. The author defines positive and negative impacts of marketing relationships in sports and discusses major tendencies of sports and commerce co-existence. Shank, 1999, also focuses on advertising, promotion and sponsorship in a global sports. The primary accent, however, is made rather on commercialization of sports in general, while the marketing profile of Olympic Games remains underexamined.

McDonald, 1999 analyzes the recent case studies of sports marketing, also including the most peculiar specimens of Olympic marketing. The author focuses on 2002 Olympic Winter Games in Salt Lake City in the chapter “Lake City 2002 Winter Olympic Games - the prevention of ambush marketing”. Though the contribution of the author is sufficient, he didn’t analyze the implicit aspects of Olympic marketing providing, instead, the overview of its most explicit manifestations.

Shilbury, 1998 devoted his research to the economic aspects of sports marketing, the Olympic marketing as well lacks its comprehensive analysis. Pemberton, 1997 analyzes fundamentals of sports marketing on his own experience. The study incorporates the aspects of establishment and maintenance of cooperation between sports and sponsoring companies and their reciprocal revenues. Though the author provides easy-to-understand, step-by-step explanation of sports as a multibillion business, he focuses on the American sports events. Olympic marketing remains out of the field of author’s researches as well.

There’s also a list of work dedicated directly to the Olympic Movement that uncover the fundamentals of Olympic marketing. R. Mandell, 1976, critically analyzes the first Olympic Games of modernity in his book “The First Modern Olympics”. The author uncovers marketing aspects of the Games, discusses private and corporate sponsorship,
sources of Games’ revenues, philatelic program, etc. This information is necessary to understand the making of modern Olympic marketing in historical perspective.

F. Landry (Landry et al, 1996) summarizes the major achievements of the IOC (also including its financial achievements) in her study dedicated to the centenarian anniversary of the Olympic Games. The study serves a comprehensive guide through the marketing history of the IOC, its major decisions and innovations. This research complicates the theoretical premises of sports marketing presented in the previous studies.

J. Lucas, 1980, analyzed Olympic Games and related phenomena, also including marketing, in his research “The Modern Olympic Games”. Though the book contains valuable information concerning the problem, the analysis is much outdated. Nevertheless, suggested data is important for the analysis of Olympic marketing in historical perspective. D. Wallechinsky, 1984 analyzes Olympic marketing in his “The Complete Book of the Olympics”. The primary drawback of the research is still out-of-date information.

H. Preuss, 2000 provides a comprehensive analysis of Olympic Games’ economics. A longitudinal research covering almost thirty years of Olympic history since 1972 to 2000, remains obviously the most reliable and all-round analysis of Olympic marketing. The author analyzes all characteristics pertaining to Olympic marketing, defines peculiarities of marketing in Olympic sphere, suggests comprehensive statistical data. At the same time, development of marketing relationships in pre-1972 era is underexamined in the study.

Research articles

There’s a number of articles examining the problem of sports marketing in general, and Olympic marketing in particular. Marshall et al, 1992 develops the idea of corporate sponsorship in sports. The author analyzes implicit relationships between the organizers and sponsors, as well as their profits, evaluates the assets of corporate sponsorship in sports. The
article, however, doesn’t deal with the Olympic marketing directly, that reduces its value for the present research.

Sandler et al, 1989, describes Olympic marketing in his article “Olympic sponsorship vs. “ambush marketing”: who gets the gold?”. This comprehensive analysis, however, is also much out-of-dated by now.

Stotlar, 1993 develops the idea of marketing relationships in Winter Olympics. The author focuses on the idea of corporate sponsorship of the Games that is important for making overall conclusions regarding the role of marketing in staging and holding the Games.

Several articles are dedicated to the particular aspects of Olympic marketing. Busby, 1997, analyzes media sponsorship of the sports. The author focuses in broadcasting policies, rights fees and coverage of the sports events as well as the role of broadcasting in sports’ development.

More broad definition of Olympic marketing in the aspect of licensing is provided in the Crabb and Ji article “The Olympic Movement: the Games and Olympic IPR”. The research suggests all-round information concerning the organizing and staging of the Games, main challenges of host cities, and importance of Intellectual Property to the Olympic Movement.

The research of T. Atobelli (Atobelli, 1997) is dedicated to the analysis of Olympic marketing program in Sydney. Though the article was written two years prior to the Games, the author has managed to define the main strategies of Sydney’s marketing policy in the aspect of financing and peculiarities of its implementation. As a result, he introduced the “nitty-gritty” of Olympic marketing to the readers

Batcha, 1998, undertook a critical approach to Olympic marketing. The author developed the idea of multiple malversations in sports marketing. Batcha, 1998, believes, that
sponsors have turned to be the real competitors of the Olympic events instead of sportsmen. The author states that growing commercialization of the Games has made a serious influence of equity and impartiality of the Olympic Movement.

Greek researcher Papandropoulos (Papandropoulos, 2004), instead, believes in a necessity of Olympic marketing in a global perspective. The author provides necessary statistical data concerning staging of 2004 Games in Athens and also defines most important historical landmarks of Olympic marketing and their influence on Games’ development. The author describes the roots of Olympism and sources of its financial supports changing throughout the times. Papandropoulos, 2004 analyzes Olympic sponsorship as a serious source of Games’ funding. This information is vital for the general analysis of Athens 2004 marketing plan.

On-line reports and researches

Internet reports and documents also provide important information about Olympic marketing. One of the most comprehensive studies is a commemorative report of the International Olympic Committee dedicated to the history and presence of Olympic movement (The Olympic Movement, 1997). The research grants a reader with all-round evaluation of Olympic marketing, its development and future prospects. The paper also provides a quantitative and qualitative analysis of the Olympic marketing that, unfortunately, is now outdated in many aspects. Some principles of Olympic marketing are also described in the Olympic Charter – the official Constitution of the International Olympic Committee.

Much information concerning fundamentals of Olympic marketing is accessible on the official site of the International Olympic Committee. The site provides an excurse into the past of Olympic marketing, mentions key dates of its making as well as most important innovations. Forasmuch as the site is being permanently updated, it grants most recent and reliable information concerning the revenues, distributions and expenditures of Olympic
Movement. The site also proposes a number of quantitative data concerning financial revenues of the Committee. Presented charts offer comparative analysis of marketing revenues’ growth. Unfortunately, most information is accessible only in a tabloid form that is enough to apprehend the overall idea of Olympic marketing; at the same time, the data is insufficient for a comprehensive analytical research.

The international Olympic Committee issues a bulletin dedicated to Olympic Marketing. “Marketing matters” bulletin is accessible on the official site of the Olympic Committee and could be regarded as a most complete and reliable source concerning past, present, and future of Olympic marketing. The bulletin, besides, provides the reports of IOC’s Marketing Commission and Organizing Committees of the Games’ functioning. The most recent qualitative-quantitative data covering marketing plans of 2004 Games in Athens and 2008 Games in Beijing is also available in the bulletin.

Olympic marketing in historical perspective

Olympic Games originated in Ancient Greece in VIII century B.C. and being held for more than a millennium, were the main festivity of Hellas. Prohibited in IV century A.D. after the accusation of paganism, the Games reappeared in the late XIX century, demonstrating emergence of a new era in sports and business’ alliances. Both ancient and modern Olympic Games introduce a list of specific marketing policies that require detailed analysis.

The records prove, that first Olympic Games were held in 776 B.C. in the town of Olympia not far from modern Athens, as Lucas, 1980 mentions. First Olympiad consisted of a single event, namely: running of one stadium (historical long measure in Greece and Rome equal to 150 - 190 meters). Originally, Olympiads were the parts of a national religious festival in honor of Zeus, the Father of Greek pantheon; only with time the Games transformed into a special sports event.
Held annually, Olympic games created the atmosphere of extreme equity and justice people lacked in the real life, where affluence was more important than purity of body and soul. Participants of the Games used to appear the idols for their countrymen that, consequently, attracted both trade and politics to the Olympics. It was the first reason for marketization of Olympic Games, observing Mullin et al, 2000.

Though most often people don’t associate ancient Olympiads with politics and business, the impact of marketing on Olympics was tremendous in Greece. Already since V-IV centuries B.C. the primary attention of Greek rulers, as Preuss, 2000, believes, focused on Olympic Games that served a powerful instrument to raise their public image and increase authority. Politicians used to sponsor Olympic games bounteously and endued winners with incredible purses that allowed their families to live a life of ease for at least a decade. As a result, athletic successes used to determining political achievements significantly. This time period is believed to be the origin of marketing in Olympic movement. Rulers who sponsored both sportsmen and events used to achieve satisfaction people’s demands in entertainment, verbalized in a legendary “bread and circuses” appeal. The rulers were achieving loyalty of masses, in their turn.

Olympic rules initially implied only prize for the winners, namely olive wreath. During the centuries, along with the development of Olympic proto-marketing, both the prizes and the struggle were becoming furthermore sophisticated. Historical data proves that there were multiple instances of bribery, corruption and boycotts in the ancient Olympic history.

The very idea of Olympic sponsorship, as Preuss, 2000, believes, also appeared in Ancient Greece. However, dislike modern Olympic marketing, it wasn’t profitable for the sponsors, at least in financial aspect. Instead, sponsorship provided them with the other sorts of revenues, and first of all political acknowledgement and glory. State funding of the Games
enhanced reputation of the host cities that undertook the task of organizing the Olympics. Though the Games received major funding from the Greek state and prominent politicians, a number of rich Greek salesmen also used to sponsor the event to achieve glory and appreciation of their countrymen. Most of their names are unknown to the modern researchers, though there are some exceptions. The greatest ancient “Kalimarmaro” stadium in Athens (that, besides, is rebuilt to the Athens 2004 Games) was erected at the expenses of a prosperous Greek Irodis Attikos (Athens 2004 marketing…., 2004).

The idea of moral education that originally inspired Olympic movement faded away with time. Growing commercialization and politicization of the Games vanished the ideals of athletics and determined a crisis in ancient Olympic spirit. Soon after Romans had conquered Greek polises, they found out irrelevance of Olympic Games: the event that was extremely useful in times of ancient democracy lost its vitality in terms of autocratic regime. Though emperors Nero (54-68 B.C.) and August (30-14 B.C.) were loyal to the Olympic idea and used to sponsor the Games to reinforce their authority in Greece, in the III century A.D. the games were almost prohibited: at least there are no records of Olympic winners since 267 A.D. Eventually, in 392 A.D. emperor Theodosius legally prohibited Olympic games.

Despite the fact that propaganda of paganish ideals was the official reason for banning the Games, historians believe that the influence of political and economic causes were more important. As said before, Olympic games lost their public role necessary to political authorities; moreover, Roman emperors believed in the harm of the Games to the new regime as Olympiads kept promoting Greek national identity. Olympic Games also turned to be unprofitable and during the decay of Roman Empire there were no volunteers to sponsor the event. As a result, Olympic Movement ceased to be in IV century A.D. and was renewed only in the end of XIX century when new political and economic conditions imposed quite new agenda to the Olympic Games.
Renovation of Olympic movement and growing role of Olympic marketing in 1896-1980

This paragraph is dedicated to the analysis of Olympic marketing development since their renewal in 1896 till the 1980 Games held in Moscow. The contributions of marketing to the progress of the Games will be assessed.

Olympic Games were renewed in 1896 due to the efforts of Frenchmen Pierre de Coubertin (1863—1937) (Olympic history…, 2004). Originally, de Coubertin didn’t regard the Games as a profitable event. An advocate of education reform, he believed that Olympiad would become a vital instrument for the development of moral integrity of nations. Nevertheless, already the first Games of modernity were substantially based on a solid marketing fundament.

The ideas of de Coubertin materialized in 1984, when the International Olympic Committee was established. Already in two years the first Olympic Games of modernity were held in Athens. The event gathered 311 sportsmen from fourteen countries. Though the first Olympic Games didn’t stagger imagination with the number of participants and guests, they attracted private and corporate sponsors. The major financing of the event was achieved through memberships’ fees, bookings, and private funds of de Coubertin, though the games, observing Papandropoulos, 2004, were substantially sponsored by diverse patrons. The Games received financial support from a Greek public characters George Averoff who sponsored the event considerably. He recognized the value of Olympic Games to promote the image of Greece overseas and participated in replacement of ancient Athenian Stadium and general repairs of the city. The first foreign sponsor of Olympic Movement was “Kodak” that continues its partnership with the Olympic Movement until now (Athens 2004 marketing…, 2004).
The intellectual property of IOC also provided first profits in 1896. Twelve commemorative stamps were sold after the Games and although financial profits weren’t significant, the very idea of Olympic licensing gradually became extremely important sector of Olympic marketing.

Marketing aspects of Olympic Movement became more apparent during 1900 Games in Paris, where the Games were held as a part of Paris World’s Fair. This vulgar understanding of Olympiad has deteriorated the very idea of the event. Prolongation of the Games in time to five months, has vanished the idea of Olympism. (Games of the II…, 2004) Though marketing mistakes of the 1900 Games were apparent, they were duplicated once again during 1904 Games in Sent Louis. Olympiad spread out over four and a half months and was also overshadowed by a World’s Fair (St Louis 1904…, 2004). Though the holders of London Olympiad in 1908 took into consideration the mistakes of Paris and Saint Louis organizers, marketing aspects of the Games were also developed poorly (London 1908…, 2004).

Regular sponsorship of Olympic games began, as Lucas, 1980, believes, during 1912 Games in Stockholm (Sweden). Ten Swedish companies purchased exclusive-rights to take photographs and sell souvenirs related to the Olympic Games. One company purchased the rights to place weighing machines on the grounds for spectators (Stockholm 1912…, 2004).

During the next 1920 Games in Antwerp commercial advertising was already widely used. Official program of the Games was full of advertising so much, that the reader had to examine the handbill carefully to find the data concerning sports events. The Olympiad, besides, was covered by journalists that attracted people’s attention to the Games.

Growing popularity of the Olympic Movement stimulated Olympic advertising (Antwerp 1920…, 2004). During 1924 Games held in Paris, advertising hoardings made their
first and last appearance inside the stadiums. Afterwards, the IOC banned venue advertising (Paris 1924…, 2004).

Further marketing innovations were introduced during the 1928 Games in Amsterdam as the IOC enabled local concessionaries, mainly Holland breweries, to operate restaurants within the stadium grounds. In 1928 Coca-Cola also started its long-lasting cooperation with the Olympic Movement. Though advertising was allowed in the events’ programs, the IOC stipulated that the stadium grounds and buildings could not be disfigured with commercial posters (Athens 2004 marketing…, 2004).

Because the 1932 Games were held in the middle of Great Depression in the United States in comparatively remote city of Los Angeles, only half as many athletes took part as had in 1928 (Los Angeles 1928…, 2004). American approach to the Games was especially money-orientated and, hence, was based on sophisticated marketing principles. As a result, the Games appeared first profitable sports event in history. The organizers also suggested selling of Olympic Village – a principle that remains widely used in contemporary Olympic marketing. The bungalows in which the athletes had lived were dismantled and sold as tourist accommodations and to construction companies.

The 1936 Games in Berlin are regarded to be one the most controversial Olympiad in the history according to the principles of political and economic propaganda used by Nazis. Nazis utilized Olympic idea to demonstrate own achievements in political sphere as well as economy throughout the world. Adolph Hitler used the Event as a platform to prove his theory of racial superiority of Aryans.

The 1936 Olympics were also the first to be broadcast in a form of television. Twenty-five large screens were set up throughout Berlin, allowing local people to see the Games lie for free. Regardless comparably insufficient length of TV broadcast (138 hours only) and small number of the audience (162.000 Berliners and suburbs) it was the first practice of
commercial Olympic broadcasting that further became the major source of IOC’s revenues. Berlin was also the first Olympic Games to produce an Olympic Torch Relay necessary to attract public attention to the Event (Berlin 1936..., 2004).

The 1936 Games in Berlin demonstrated the use of television as the effective marketing mean to promote Olympic idea worldwide. Within a decade TV broadcast became a common practice in Olympic marketing. The holders of 1948 Games in London persuaded the BBC to purchase the broadcast rights for a record sum of US $ 3.000 having established the principle of “rights fee” in Olympic broadcast (London 1948…, 2004). Although the majority of viewers lived within a 50-mile radius of London, over half a million people managed to watch sixty four hours of programming.

The 1952 Games in Helsinki were the first attempt of international marketing program launch as designed program helped to invite investors from eleven countries. For the first time in Olympic history a specially worked out marketing program was introduced. Various companies from eleven countries provided both financial support and value-in-kind products for the Games, that ranged from food for the athletes to flowers for medal winners. It’s also remarkable, that small Finland introduced one more Olympic marketing innovation, i.e.: Olympic coins. First struck in 1952 in Helsinki, the Olympic coin program brought 52.8% (or 206.000.000 in US $ equivalent) of German Olympic Committee’s revenues during the 1972 Games in Munich (Helsinki 1952…, 2004).

The 1956 Games in Melbourne didn’t bring any serious marketing innovations. However, the Olympiad marked the beginning of contract rights’ negotiations as we know them today. The broadcast policy of the IOC was further developed during the 1960 Games in Roma when broadcasting became a stable revenue source of the Olympic movement. Though the small number of TV sets owners caused derisive sum of the contract: only 60.000 in US dollars’ equivalent, it was a certain progress in Olympic marketing
(Melbourne/Stockholm 1956…, 2004). The 1960 Games were televised to eighteen European nations, as well as United States, Canada and Japan. Forty six companies joined Olympic Movement as the sponsors or partners of the Games. They supported the Games in different aspects through selling Olympic-related commodities, namely perfumes, chocolate, toothpaste, soap and maps of Olympic sites in Rome (Rome 1960…, 2004).

Since 1964, the IOC also utilizes the principles of licensing. During 1964 Games in Tokyo the IOC sold the “Olympia” trade mark to a tobacco company (that, critically speaking, contradicted with the key principles of Olympic movement) for a peak sum of US $ 1,000,000 that was a first commercial income of Olympic licensing program. The number of sponsors grew to 250 and their technical and financial support became extremely important for staging the Games. Seiko-Epson presented their brand new quartz technology of timing during the Games having started the practice of sponsorship in specific Olympic areas (Tokyo 1964…, 2004).

During the 1968 Games in Mexico the Games were first televised in color that attracted growing number of spectators throughout the world. Prompted by growing incomes from broadcasting, the IOC had to reconsider redistribution of revenues in 1972, sharing the profits with the host-cities, International Sports Federations (ISF) and National Olympic Committees (NOC) (Athens 2004 marketing…, 2004).

The 1972 Games in Munich have revolutionized Olympic marketing in numerous aspects. A private advertising agency acted as the licensing agent of the IOC for the first time in Olympic history. The agency sold the rights to use the official emblem of the Games “Waldi”, and also provided the IOC with the revenues from a number of licensing and advertising agreements. Besides, the Organizing Committee of the Games (OCOG) launched extremely effective coin and stamps’ program that contributed the staging of the Olympiad substantially (Munich 1972…, 2004).
During the next 1976 Montreal Games already 628 sponsors used to support staging of the Games that brought over US $ 7 million to the OCOG (Montreal 1976…, 2004).

This part of a survey would be incomplete without mentioning the most serious failures of Olympic marketing. Officially, the most unprofitable Olympiad was held in 1980 in Moscow. To exemplify the failure, one could mention, that data of the marketing revenues is absent on the IOC official web-site, that is a first precedent since 1908 Games’ fiasco.

Being a form of political marketing, Moscow Olympiad was to emphasize the achievements of USSR and socialist countries in multiple areas. Neglecting the principles of free market communists, however, didn’t manage to make the event profitable. Due to the ban of commercials in USSR, the OCOG didn’t receive any local sponsorship while only few international brands sponsored the Games. There was no clear reason of advertising during the Games as far as most of the goods and services provided by partner-companies were inaccessible in the USSR. Coca-Cola became, probably, a sole western company that sponsored the Games through building of several plants supplying the viewers with non-alcoholic beverages. Besides, the national teams from the US, the UK, West Germany and some other countries didn’t participate the Games.

Analysis of the Olympic marketing development in 1896-1980 period allows to make several most important conclusions:

- Originated as a non-profit event, Olympic Games soon gained popularity with publics and attracted first investments of domestic and international sponsors. Already the first 1896 Games allocated the investments of Greek government, IOC local sponsors, and Kodak company.

- In the time period, sponsorship has become an inalienable part of Olympic movement as far as growing expenditures for the Games insisted on outer financial sources.
• Sailing of Olympic-related commodities was the first form of marketing introduced in 1912 Olympic games in Stockholm. The success of this business prompted IOC to develop goods with Olympic symbols.

• Explicit advertising inside the stadiums was the first used in 1924 Olympic games in Paris. Prohibited soon after the games advertising, nevertheless, remained the crucial sector of Olympic marketing.

• The era of TV broadcasting started in 1936 in Berlin and received its further development during 1948 Games in London. Since that time broadcasting licensing remains the most profitable item of IOC’s income.

New era of Olympic marketing: 1984-2000

This paragraph is dedicated to the analysis of new form of Olympic marketing introduced in 1984 and its further implementation in the pre-2000 period. As far as the principles and structure of Olympic marketing will be discussed in further paragraphs, the attention will be focused on analysis of alterations in marketing policies during the 1984 Games in Los Angeles, 1988 Games in Seoul, 1992 Games in Barcelona, 1996 Games in Atlanta, and 2000 Games in Sydney.

Growing expenditures of the Games, notorious example of Moscow’s Olympiad as well as changes within the IOC structure, prompted the Committee to develop more complicated and at the same time transparent marketing policy. Many researchers associate the changes in Olympic marketing with Committee’s new president Juan Antonio Samaranch, elected in 1980, who emphasized a new role of marketing in Olympic movement and underlined its key role for the world Olympism.

Since the 1984, the new era in Olympic marketing began. This new phase of marketing was marked with expanding relationships between the IOC and sponsors in
multiple areas. The most serious changes in Olympic marketing were undertaken in the following areas:

- For the first time in its history the IOC has developed a clear marketing policy and defined its ultimate principles.
- The program of the IOC’s financial stability and independence was achieved through administration of a clear marketing policy and allocation of finances. The previous out-of-date patterns of incomes’ distribution were also changed.
- The IOC has developed a new policy of cooperation with the sponsors in its new TOP program (1985). The fundamentals of this program remain unchanged by now. Due to TOP program, the IOC has managed to establish clear and stable relationships with the most loyal sponsors and suppliers, sharing the ideals of Olympic movement
- Due to the allocated assets, the TV broadcast of Olympic Games was made free of charge all over the world. Broadcasting revenues became the major item of IOC incomes.
- The winter and summer Games were held with the two years’ interval (since 1994) that helped to arrest more sponsors and public attention to the events, develop more thorough marketing plans and concentrate finances more adequately (Introduction…, 2004).

The new marketing policy was first experienced during the 1984 Games in Los Angeles. As furthermore companies were eager to enter a promising Olympic market, the IOC divided potential sponsors into three major categories. “Official Sponsor”, “Official Supplier” and “Official Licensee”. Thirty four companies, among which Coca-Cola, McDonalds, Xerox, Kodak and others, signed the contracts with the IOC as official sponsors; sixty four companies acquired the rights to supply the Olympics and another sixty five were
granted authority to use Olympic symbols. Each category of sponsors possessed its own exclusive rights (Introduction…, 2004).

The television rights for the Olympic Games in Los Angeles were bought by 156 countries that allowed more than 2.5 billion television viewers throughout the world to watch the now Global Event. The 1984 Games, as Crabb et al, 2003, believes also marked the beginning of intensified commercial utilization of Olympic Intellectual Property (IPR). Selling of Olympic-related symbols provided the US $ 215 million profits to the OCOG.

The 1988 Games in Seoul also introduced new tendencies in Olympic marketing relationships. Seoul Olympiad appeared the first event with a highly sophisticated marketing program created in cooperation with the IOC, Organizing Committee of the Games and NOCs. This program was targeted to reduce the number of sponsors in order to increase the value of their rights and emphasize the value of Olympic idea. Though the number of products and services associated with the Olympic Movement and Symbols was sufficiently limited, it didn’t cause decrement of OCOG’s profits. The 1988 Games were also the first Games, when OCOG launched its marketing program basically independently (Seoul Olympic management…, 2004).

Financial success of the 1988 Games focused the IOC’s attention on the TOP program. As a result, the number of sponsors was also limited in the 1992 Olympic Games in Barcelona, a native city of President Samaranch. The number of the companies who acquired the right to associate themselves with Olympic Games (TOP partners) was reduced to twelve. Barcelona Games were also the first at which a “multi-tier” TV structure was operated in several countries that increased the number of viewers elsewhere (Barcelona 1992…., 2004).

The most tremendous changes in Olympic marketing were undertaken during the Centennial Olympic Games in Atlanta. For the first time in history, all expenditures of the Games were covered by private funding, sailing of TV rights, sponsorship, licensing and
ticket sailing. As a result, the Games weren’t sponsored by the government for the first time in Olympic history. Marketing successes of the Games broke all known records. Broadcasting fees provided OCOG with US $ 898 million. More than 3.2 billion people from 214 nations watched the Games (Olympic broadcasting…, 2004).

Effective marketing program of the 1996 Games allowed OCOG to sell eleven million tickets – as many as at Los Angeles Games in 1984 and Barcelona Olympiad in 1992 combined. The ticket sale generated 28% of OCOG’s revenues. The TOP partners of the Games were Coca Cola (that has its headquarter in Atlanta), John Hancock, Kodak, McDonald’s, Panasonic, Samsung, Sema, Swatch, Time International, Visa and Xerox (Athens 2004 marketing…, 2004).

Marketing success of the Games was duplicated during the 2000 Games in Sydney. The 63% of expenses were covered by the IOC, and the rest 37% were generated due to the marketing successes of SOCOG (Sydney OCOG) staging the Games. The Games broke all previous television records, having attracted 3.7 billion viewers in 220 countries. At the same time, only 92% of all the tickets were sold that was first of all a result of perfect TV covering and Australia’s remoteness from the rest of the world. The Games, besides, were at first broadcasted via the Internet. Sydney Games also broke the record of Atlanta in the aspect of sold tickets in percentage equivalent. Over 88% of the tickets were sold contrasting to 82.3% in Atlanta (Athens 2004 marketing…, 2004).

Marketing successes of Atlanta and Sydney Olympiads opened a new page in Olympic marketing, as Richard Pound, the Chairman of IOC Marketing Commission for Sydney 2000 mentioned (Sydney 2000 marketing…, 2004). These marketing programs were thoroughly analyzed by the OCOGs of the Games in Athens and Beijing. This information will be evaluated in the next sections.
Several conclusions concerning development of Olympic marketing in the 1984-2000 period must be made. The changes in the IOC’s overall marketing policy as well as the growing popularity of the Games attracted huge international companies to the Olympic idea. Development of a new TOP program helped the IOC to work out the new principles of Olympic sponsorship. The primary income of the IOC for the first time was achieved through selling the broadcast rights. This profit comprises now almost a half in a general structure of Olympic revenues (proportion of Olympic revenues’ income is presented in the diagram in Appendix 1). Due to the growing financial support of corporate sponsors, Olympic Games in Atlanta first time in the history appeared financially independent and weren’t supported by the US government (Athens 2004 marketing…, 2004).

The new principles of Olympic marketing introduced by Juan Antonio Samaranch resulted in development of three-stage structure of Olympic sponsorship. As a result, during recent twenty years Olympic marketing has become more sophisticated and comprehensive than ever before. It appeared a growing challenge for the host-cities who are looking for the new and more effective forms of Olympic marketing.

Philosophy, structure and tendencies of Olympic Marketing development: a qualitative research analysis

The review would be incomplete without analysis of present and future tendencies on Olympic marketing that turns to be an extremely complicated commercial scheme of the IOC and its partners, providing multi-billion profits. The overall policy of Olympic marketing is developed by the IOC and, observing Landry, 1996, has its unique philosophy, structure and tendencies. The fair policy of Olympic marketing is indeed unique in many aspects that differ it from the overall sports marketing. Dislike growing commercialization of other sporting
events, Olympic marketing is based on fair and transparent principles that contribute in the independency of the Games both from the sponsors and governments.

This section of a report is dedicated to the analysis of explicit and implicit facts related to Olympic marketing and its management, all-round evaluation of Olympic marketing revenues and policy of their distribution, assessment of major current tendencies as well as future perspectives of Olympic marketing.

**Philosophy of Olympic marketing**

Olympic marketing is obviously the only type of sports’ marketing that has its own unique philosophy. These unique principles differentiate Olympic marketing from the rest forms of commercial or non-commercial promotion, and make it indeed outstanding. To evaluate the philosophy of Olympic marketing, it is necessary to address the Olympic Charter as a fundamental law of the Games (Olympic Charter…, 2004).

The Olympic Charter guidelines the fundamentals of Olympic marketing through regulating the aspects of staging and financing of the Games. Olympic Charter defines marketing as a concept of IOC’s financial activity targeted to arrest the sources of self-funding. According to the Olympic Charter, the IOC and NOCs are to be out of the business themselves keeping reasonable financial autonomy and staying away from any economic, political or religious pressure that may damage Olympic Idea. Marketing, besides, is not a tool of IOC’s enrichment; instead, it’s targeted to provide independence of the Games from the machinery of government and private business. Eventually, Olympic marketing is not aimed to bring profits to the IOC, instead, it’s necessary to provide necessary development to sports throughout the world, and first of all in the underdeveloped countries.

Specific philosophy of Olympic marketing determines its several unique limitations. These limitations remain non-characteristic to any other forms of commercial or non-commercial marketing and are verbalized below:
• Olympic marketing doesn’t imply any form of explicit or implicit advertising aimed to influence the viewers through Olympic idea. This also implies banning of implicit advertising on the apparel of participants and organizers (excluding, naturally, the trade marks of the producing companies).

• Tobacco and alcohol fabricators are not allowed to participate in Olympic TOP program regardless their contribution to the Games. With this Olympic Games remains a single sporting event that rejects financial support of tobacco and alcohol companies which products may damage people’s health.

• IOC deliberately measures the number of Official Partners and Sponsors (and, hence, on purpose reduces its own profits) of the Games choosing the companies most close with the ideas of Olympic movement (Olympic Charter…, 2004).

The general structure of Olympic marketing

The system of Olympic marketing has its own specific hierarchical structure (Who’s behind…, 2004). The IOC, as a holder of the rights to the Olympic Games and related trademarks, is responsible for the overall management and administration of marketing policy of the Games. There are also several particular departments within the IOC, responsible for the development and administration of more practical marketing programs. The IOC incorporates three branches responsible for the development of Olympic marketing policy, i.e.: Executive Board, Marketing Committee and Meridian Management Agency. Besides, each OCOG is responsible for development and implementation of its own marketing plan that, however, is always coordinated with the IOC (Who’s behind…, 2004).

The Executive Board, established in 1921, includes the IOC President (Jean Rogge), four Vice-Presidents and ten other members. All the members of the Executive Board are elected by the Session, by secret ballot for a four-year term. The Executive Board oversees
and approves the overall marketing policy developed by the Marketing Commission and proposed at the IOC Sessions.

The IOC also enables each NOC and OCOG with the right to adopt national-level marketing programs that generally consist of licensing of the intellect product rights. We shall analyze this aspect more thoroughly when discussing the three-tier system of Olympic marketing.

The IOC Marketing Commission is the second tier in the structure of Olympic marketing. It is responsible for development of more practical decisions in Olympic marketing. The IOC Marketing Commission had been established as the IOC “New Sources of Financing Commission” in 1983 and was aimed to ensure financial stability of the Olympic Movement. The Committee was renamed in 1997 and became the IOC Marketing Commission. The duty of Marketing Commission’s lies primarily in finding of new financial sources that must correspond with the ideals of Olympism.

The IOC defines the following duties and responsibilities of the Marketing Commission

- To review and evaluate possible sources of financing and revenues for the IOC and the Olympic Movement.
- To make recommendations to the IOC Executive Board regarding marketing and related programs.
- To monitor the implementation of the IOC’s marketing and related programs, and report to the IOC Executive Board.
- To seek the means of maximizing the potential benefits to the Olympic Movement available through association with marketing partners (Who’s behind…, 2004).

Eventually, Meridian Management S.A., as a wholly owned subsidiary of the IOC, is the exclusive marketing representative of the IOC responsible for implementation, managing
and overseeing of marketing principles developed by the Marketing Commission. Meridian Management S.A. was established in 1996 as a marketing representative of the IOC. Meridian Management is a general coordinator of the TOP program and Olympic Games overall marketing management. Meridian Management works in close liaisons with the IOC, OCOGs and NOCs (Who’s behind…, 2004).

Meridian Management is formally responsible for the work with the Sponsors and Partners of the Games. Besides, Meridian Management is also in charge for promoting and enhancing of Olympic Image worldwide. The branch also provides a comprehensive expertise in Olympic marketing strategy and its execution (1), business development of marketing policy (2), legal affairs related to the Games (3), sales (4), financial management of the marketing programs (5), brand development (6) and its legal protection (7), partnership servicing (8), event planning and development (9), and, eventually, marketing communications (10) (Who’s behind…, 2004).

Three-tier hierarchy of Olympic marketing is also complemented by several auxiliary branches within the IOC, responsible for management and administration of particular marketing objectives.

Olympic Television Archive Bureau (OTAB) was established in 1995 and is currently world’s largest independent sports television producer. OTAB, besides, coordinates management of historical moving image archive of the Olympic Movement. OTAB is also responsible for maintaining of special Olympic broadcast programs, namely “The Olympic Series”, development of commemorative DVDs/video cassettes of the Games and in-flight programming.

Olympic Photo Archive Bureau (OPAB) is the official branch of the IOC responsible for storage and reproduction of the photo archive of the Olympic Movement. OPAB was established in 1996 and is managed by “Getty Images”, the world's largest sports
photographic library. OPAB develops special photographic projects (including their marketing service support at each Olympic Games).

The structure of Olympic marketing management

Implementation of the overall marketing policy developed by the Executive Board, Marketing Committee and Meridian Management is often presented as a three-tier system, consisting of marketing programs approved by the IOC itself (1), marketing programs of the Organizing Committees (OGOGs) (2), and marketing programs of NOGs (3). Each of the tiers has its own responsibilities as well as exclusive rights (Olympic marketing structure…., 2004).

Olympic marketing program, that is directly managed by the IOC, includes the following aspects:

- Management of the Olympic Games broadcast.
- Implementation of the TOP (The Olympic Partners), the worldwide Olympic sponsorship program.
- Implementation of the IOC licensing programs.
- Management of the IOC supplierships’ program (Marketing Programmes…., 2004).

Revenues, obtained from the IOC under various marketing programs, are distributed among the members of the Olympic Movement according to funding guidelines established by the IOC (Olympic marketing structure…., 2004).

Under the general administration of the IOC, the OCOGs manage Olympic Games marketing policy of the host countries. The responsibilities and rights of the OCOGs include:

- Co-development, administration and implementation of Olympic Games sponsorship programs, that operate within the host country.
- Development and implementation of the Olympic Games ticketing programs.
- Development and implementation of the Olympic Games licensing programs.
• Management of the Olympic Games suppliers’ program (Olympic marketing structure…, 2004).

Ninety five percent of the OCOG revenues retains to support holding of the Games and host country’s National Olympic Committee. The rest five percents IOC distributes throughout the Olympic Movement.

Eventually, the third tier is constituted by the NOCs, whose marketing programs also correspond with the overall marketing policy of the IOC. NOCs marketing programs typically include domestic sponsorship arrangements, licensing, and ticketing for the Games. Each national team, for instance, during the Games wear the apparel provided by a company that sponsor NOC. Besides, each NOC has the right to license Olympic IPR, namely, striking Olympic coins, issuing the banknotes and developing philatelic programs based on the Olympic IPR.

NOC could also arrange domestic sponsors and partners of the local teams, including:

• Official sponsors, suppliers and partners.
• Official carriers.
• General and official media, internet and telecommunication partners.
• Official juridical adviser.
• Official marketing agents.
• Official sport equipment suppliers (Olympic marketing structure…, 2004).
• Official tourist agents, etc.

All the revenues of the NOCs retain to support the Olympic team and sport development programs of a country. The three-tier system of Olympic marketing management is presented in the following chart:
Objectives of Olympic marketing

The IOC defines special long-term objectives of Olympic marketing. They could be subdivided into commercial (targeted to provide the financial independence and stability of the IOC) and non-commercial (targeted to promote the image and ideals of the Olympism) ones that are summarized below

- Ensuring independent financial stability of the Olympic Movement, and assisting in the worldwide promotion of Olympic Movement and the Olympic Games.
- Administrating successful activities of the OCOGs and NOCs, directing their efforts, and ensuring equitable distribute the revenues.
- Securing financial independence of the Olympic Movement, supporting future host cities and avoiding fluctuations in the marketplace.
• Establish strong links between sponsors, broadcasters, and the Olympic Family in order to promote an agenda that goes beyond the Games and supports the entire Olympic Movement elsewhere.

• Maintaining continuance and strengthen the ongoing legacy of sponsors and broadcasting support from one Olympic Games to the next.

• Establish of the long-term broadcasting rights fees contracts, that incorporate profit-sharing arrangements and commitments. Olympic broadcasting is targeted to ensure global free over-the-air coverage of the Games and promote their ideals throughout the world.

• Preventing uncontrolled commercialization of the Olympic Games.

• Protecting the equity that is inherent in the Olympic Image and ideal.

• Enlisting the support of Olympic marketing partners in the promotion of the Olympic ideals (Objectives…, 2004).

Olympic revenue sources

There are four general marketing sources of the Olympic Games, namely: Official Sponsorship (that also includes Official Partnership and Suppliership), Olympic broadcasting, licensing, and ticketing. Each of the sources has its specific marketing programs, policies and implementation.

Broadcast rights (US $ 2.236 million or 52% of Olympic marketing revenues) provide the major financial contribution to the Olympic movement. Television promotes Olympic Games and Olympic ideals worldwide according to the principles of free-to-air broadcasting.

Sponsorship (US $ 1.339 million or 32% of all Olympic marketing revenues) also ensures essential support to the Olympic Movement in general, and Olympic Games in particular. Support from commercial sector goes far beyond financial investment. Beyond
financial support, Olympic partners of the IOC also provide newest technology, unique
products, services, expertise and personnel to manage diverse operations.

Ticketing is third important aspect of Olympic marketing that contributes US $ 608
million of 14% of all marketing profits. The money goes from the sale of Olympic events and
ceremonies’ (opening and close ones) tickets.

Licensing and related revenues contribute US $ 81 million (2% of Olympic marketing
revenues). The program implies selling of Olympic-related commodities and services
officially licensed by the IOC and NOCs. These goods and services carry the emblems and
mascots of the Olympic Games or national Olympic teams and are designed to commemorate
the Olympic idea. Olympic coins and stamps originally also continue a long-standing
tradition in the Olympic marketing.

General proportion of Olympic marketing incomes is presented in charts in the list of
Appendixes (Appendix 1).

The growth of revenues due to successful implementation of Olympic marketing
policies has been tremendous during the recent decade as presented in the following chart.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Broadcast</td>
<td>US $ 1.251.000.000</td>
<td>US $ 1.845.000.000</td>
<td>US $ 2.236.000.000</td>
</tr>
<tr>
<td>TOP Program</td>
<td>US $ 279.000.000</td>
<td>US $ 579.000.000</td>
<td>US $ 603.000.000</td>
</tr>
<tr>
<td>Domestic Sponsorship</td>
<td>US $ 534.000.000</td>
<td>US $ 655.000.000</td>
<td>US $ 736.000.000</td>
</tr>
<tr>
<td>Ticketing</td>
<td>US $ 451.000.000</td>
<td>US $ 625.000.000</td>
<td>US $ 608.000.000</td>
</tr>
<tr>
<td>Licensing</td>
<td>US $ 115.000.000</td>
<td>US $ 66.000.000</td>
<td>US $ 81.000.000</td>
</tr>
<tr>
<td>Total</td>
<td>US $ 2.630.000.000</td>
<td>US $ 3.770.000.000</td>
<td>US $ 4.264.000.000</td>
</tr>
</tbody>
</table>

**Table 1.** Raise of Olympic marketing revenues (According to the “Athens 2004
Olympic Marketing Bulletin”)

We shall focus on all four aspects of Olympic marketing and discuss according
revenues in the next sections of the research.
The system of Olympic Sponsorship

Olympic Sponsorship is a relationship between the Olympic Movement and international corporations intended to generate a comprehensive support for the Olympic Movement and the Olympic Games and, in return, benefit the sponsors. Olympic sponsorship contributes in average more than 30% of Olympic marketing revenue (Olympic sponsorship…, 2004).

There’s a list of definitions pertaining to Olympic marketing and sponsorship. As Meenaghan, 1983 believes, the sponsorship is a cash or value-in-kind contribution to some type of leisure activity, including sports. The sponsorship activity and especially Olympic sponsorship, observing Meenaghan, 1983, is a promotion, rather than sponsorship as the sponsors expects a return in terms of publicity.

Busby, 1997, regards sponsorship as a business relationship between the provider of the funds, financial, human and other kinds of resources or services, and an individual, event or organization. In Olympic sponsorship a provider is offered certain rights and association with the individual or event, in return for the finance, support, expertise as well as goods or services which have been provided.

Sponsorship benefits Olympic Movement in the following ways. Before all, it provides valuable financial and value-in-kind resources to the Olympic Family, necessary to stage the Games and maintain Olympic Movement throughout the world. Sponsorship also supports Olympic Movement in the form of products, services, technology, expertise and staff deployment. Sponsors, besides, provide direct and comprehensive support of Olympic athletes throughout the world. Olympic sponsors also provide necessary products and services for broadcasters, journalists, photographers and other media covering the Games. Sponsorship supports educational, environmental, cultural and youth-oriented initiatives of the Olympic Movement. Eventually, sponsors develop numerous advertising and promotional
activities that help to promote Olympic ideals, heighten public concern with the Olympic Games, and increase support for the Olympic athletes (Olympic sponsorship…, 2004).

These principles of Olympic sponsorship, observing Preuss, 2000, were formulated in the early 1980s, when first fundamentals of Olympic marketing were defined. In 1984, when Los Angeles Games marketing policy was implemented, Olympic sponsors were first subdivided into three major categories according to their contribution to the Games. These three groups were Grand National Sponsors, Supporters and Providers. Though the IOC now subdivides its Sponsors into two main groups, the old three-tier system still remains unchanged on the domestic level of Olympic marketing operated by NOGs (Olympic sponsorship…, 2004).

Currently, the IOC subdivides sponsoring companies into two general groups, i.e. Official Partners and Official Supplier. Each of two levels of sponsorship entitles companies to different marketing rights in various regions, including the right to associate the brand with the Olympic idea as well as related images and marks.

Olympic Sponsorship is basically regulated by the TOP program. Originally designed in 1985, TOP (The Olympic Partners) program is the most comprehensive and financially profitable marketing plan designed by the IOC. TOP is the only form of global Olympic sponsorship with the exclusive worldwide marketing rights to both Winter and Summer Games. The number of the TOP companies is measured (Athens 2004 marketing…, 2004).

The TOP program was designed to combine and correlate the interests of international business and sports, partially, through allowance of international companies to inspire their positive images through support of Olympic Games. The primary accent of TOP program was made on the long-term cooperation between the sponsors and IOC. Agreements between the IOC and official sponsors (TOP partners) are based on a quadrennial structure and, hence, require a minimum of four years commitment. However, most of the TOP sponsors cooperate
with the IOC for decennaries remaining loyal to the Olympic ideas. Kodak, for instance, supports the Games since 1896; Coca-Cola – since 1928; Xerox – since 1964; McDonalds – since 1976. All these companies are the members of a current TOP V program (Athens 2004 marketing…., 2004).

TOP companies receive exclusive marketing rights and opportunities within their designated product category. The Olympic Games provide sponsors with tremendous opportunities for their sales, showcasing of their achievements and corporate social responsibility programs. The TOP members, as Preuss, 2000, mentions, may exercise these rights on a worldwide basis, and, besides, they could also develop comprehensive marketing programs with OCOGs and NOCs, promoting their brands on the regional levels.

The TOP partners also have a list of serious responsibilities. They are the worldwide partners of the Olympic Games (1); the partners of the International Olympic Committee (2); the partners of Winter and Summer Olympic Games in a certain quadrennium (3); partners of all National Olympic Committees (4) and partners of all Olympic teams competing in Winter and Summer Games (5) (Athens 2004 marketing…., 2004). These responsibilities require substantial financial donations from sponsoring companies. That’s why only few global corporations may cooperate with the Olympic Movement in the sphere of Olympic marketing.

In exchange for their comprehensive support of Olympic Movement, TOP partners, as mentioned before, also obtain a list of privileges. They have the unique right to associate the brand with the image of Olympism through utilization of all Olympic imagery as well as appropriate Olympic designations on their products and services (1); hospitality opportunities at the Olympic Games (2); direct advertising and promotional opportunities, including preferential access to Olympic broadcast advertising; on-site concessions/franchise and product sale/showcase opportunities; ambush marketing protection (3); acknowledgement of
their support through a broad Olympic sponsorship recognition program (4). In addition to their exclusivity, the TOP sponsors also have the opportunity to use all of the Olympic symbols as well as appropriate Olympic designations, namely “Proud Sponsor of the Olympic Games” on their commodities, television footage from previous Games, preferential access to advertising slots during the broadcast of the Games, etc (Athens 2004 marketing…, 2004).

The TOP program is designed for a quadrennium period and starts in a year after the previous Summer Games in order to develop an effective marketing policy for coming Winter and Summer Olympiads on the example of previous quadrennial period.

The present TOP V program was launched September, 1, 2001. The next TOP VI Program will be announced in September, 2005. The revenues of the TOP programs were increasing over time, as summarized in the following chart.

<table>
<thead>
<tr>
<th>Program</th>
<th>TOP I</th>
<th>TOP II</th>
<th>TOP III</th>
<th>TOP IV</th>
<th>TOP V</th>
</tr>
</thead>
<tbody>
<tr>
<td>Partners</td>
<td>9</td>
<td>12</td>
<td>10</td>
<td>11</td>
<td>11</td>
</tr>
</tbody>
</table>

Table 2. The revenue of TOP marketing programs (According to the “Athens 2004 Olympic Marketing Bulletin”)

The profiles of TOP V members will be presented in the third section of the project, dedicated to the analysis of Athens 2004 and Beijing 2008 marketing policy.

The revenues of TOP Program is shared: 50% will go to the Organizing Committees of the Olympic Games and Olympic Winter Games, 40% to National Olympic Committees and 10% to the IOC itself (Olympic sponsorship…, 2004).
Olympic Supplier is the second tier of IOC sponsorships’ funding. Olympic Supplier programs are designed to provide further key areas of support and products required by the IOC for its operations. Marketing rights are more restricted for Suppliers if compared with the TOP partners. They generally do not include any direct support for the staging of the Games. The Suppliers assist the IOC in multiple spheres and support the Olympic athletes.

There are three major official Suppliers of the 2001-2004 quadrennium, and namely Daimler-Chrysler, Mizuno and Schenker. Daimler-Chrysler provides a ground transportation for the IOC outside the host countries, and provides the Committee with the minibuses for the special sports aid program, partially Paralympics Games. The Portuguese apparel company Mizuno provides the clothing/outfits for the IOC and administrative staff at the Olympic Games and other events. The company, besides, was a Gold Sponsor for the Olympic Games in Nagano and is a sponsor of the Olympic Museum in Lausanne. The German corporation Schenker AG is Official Supplier of the Games for freight forwarding and customs clearance services. The company also provides services for all major IOC meetings and Sessions (Olympic sponsorship…, 2004).

**Olympic Broadcast Partnership**

Olympic broadcasting has contributed more to the growth of the Olympic Movement worldwide than any other marketing factor throughout history. Broadcast partnership has been the greatest source of revenues for the Olympic Movement during the recent decades.

Olympic broadcast is a key aspect of Olympic marketing program that constitutes over a half of IOC’s incomes. The fundamental principle of Olympic broadcast is free-to-air broadcasting, accessible by all people throughout the world. From 1984 until 2008, the IOC has concluded broadcast agreements worth more than US $ 10 billion. The major broadcast partner of the IOC is NBC that contributes over two third of all broadcast fees (Athens 2004 marketing…., 2004).
The long-term broadcast rights’ strategy developed by the IOC, has secured TV broadcast rights until 2012 Games. Never before this strategy has been planned so far in advance and with such guarantees for the companies. As a result, this policy of the IOC has allowed future Organizing Committees to develop their marketing plans much earlier and with more predictability than it had been before (Olympic Broadcasting…, 2004).

The IOC signs the deals with the outstanding media companies that possess sufficient prior experience in televising the Games, in order to ensure the broadest coverage and best possible production quality for viewers throughout the world, namely NBC, ABC and some others. Tremendous efforts of the IOC have resulted in rapid increment of the Games’ audience. This data is presented in the following chart.

<table>
<thead>
<tr>
<th>Summer Olympic Games</th>
<th>Cumulative audience¹</th>
<th>Winter Olympic Games</th>
<th>Cumulative audience</th>
</tr>
</thead>
<tbody>
<tr>
<td>1988 Games (Seoul)</td>
<td>10.4 billion</td>
<td>1992 Games (Albertville)</td>
<td>8 billion</td>
</tr>
<tr>
<td>1992 Games (Barcelona)</td>
<td>16.6 billion</td>
<td>1994 Games (Lillehammer)</td>
<td>10.7 billion</td>
</tr>
<tr>
<td>1996 Games (Atlanta)</td>
<td>19.6 billion</td>
<td>1998 Games (Nagano)</td>
<td>10.7 billion</td>
</tr>
<tr>
<td>2000 Games (Sydney)</td>
<td>36.1 billion</td>
<td>2002 Games (Salt Lake City)</td>
<td>13.1 billion</td>
</tr>
<tr>
<td>2004 Games (Athens)</td>
<td>n/a (4 billions viewers projected)</td>
<td>2006 Games (Turin)</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Table 3. Growth of Olympic Games cumulative audience (according to the “Athens 2004 Olympic Marketing Bulletin”)

The Olympic broadcast provides Olympic Movement with tremendous financial support and ensures the future viability of the Games. Increments in the Olympic broadcast revenues, generated in recent decades, have contributed to the success of the Olympic Games greatly, and ensured the future viability of the Olympic Movement. The global broadcast

¹ Cumulative audience is a statistic derived by determining the aggregate number of times each television viewer around the world tuned in to Olympic games television programming.
revenue represents a fivefold increase from the 1984 Los Angeles broadcast revenue to 2004 Athens profits, as seen on the chart.

The growth of Olympic Winter Games’ broadcast revenues is even more tremendous. The global broadcast revenue for the 2002 Olympiad in Salt Lake City manifests a sevenfold increase from the 1984 Sarajevo broadcast revenue less than two decades earlier. The broadcast revenues are summarized in the following chart.

<table>
<thead>
<tr>
<th>Summer Olympiad</th>
<th>Broadcast Revenue</th>
<th>Summer Olympiad</th>
<th>Broadcast Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>1960 Rome</td>
<td>US $1 million</td>
<td>1960 Squaw Valley</td>
<td>US $50,000</td>
</tr>
<tr>
<td>1964 Tokyo</td>
<td>US $1.6 million</td>
<td>1964 Innsbruck</td>
<td>US $900,000</td>
</tr>
<tr>
<td>1968 Mexico City</td>
<td>US $7.5 million</td>
<td>1968 Grenoble</td>
<td>US $2.6 million</td>
</tr>
<tr>
<td>1972 Munich</td>
<td>US $17.8 million</td>
<td>1972 Sapporo</td>
<td>US $8.5 million</td>
</tr>
<tr>
<td>1984 Los Angeles</td>
<td>US $287 million</td>
<td>1984 Sarajevo</td>
<td>US $103 million</td>
</tr>
<tr>
<td>2000 Sydney</td>
<td>US $1,331.5 million</td>
<td>1998 Nagano</td>
<td>US $513.5 million</td>
</tr>
<tr>
<td>2004 Athens</td>
<td>US $1,476.9 million</td>
<td>2006 Turin</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Table 4. Olympic broadcast revenues (According to the “Athens 2004 Olympic Marketing Bulletin”)

Olympic Broadcast revenues’ charts, dynamics of revenues’ growth and diversification of growth of revenues, are presented in the Appendixes (Appendixes 2-5).

Since 1976 IOC has licensed several major broadcasting companies responsible for coverage of the Olympic Games, and first of all such media giants as ABC and NBC. ABC covered 1976 Games in Montreal and 1984 Games in Los Angeles. NBC has been covering all Games since 1980 excluding 1984 Olympiad (Athens 2004 Marketing…, 2004).

The broadcast rights fees are generalized in the following chart:
<table>
<thead>
<tr>
<th>Games</th>
<th>Broadcaster</th>
<th>Broadcast rights fee</th>
</tr>
</thead>
<tbody>
<tr>
<td>1976 Montreal</td>
<td>ABC</td>
<td>US $ 25.0 million</td>
</tr>
<tr>
<td>1980 Moscow</td>
<td>NBC</td>
<td>US $ 85.0 million</td>
</tr>
<tr>
<td>1984 Los Angeles</td>
<td>ABC</td>
<td>US $ 225.6 million</td>
</tr>
<tr>
<td>1988 Seoul</td>
<td>NBC</td>
<td>US $ 300.0 million</td>
</tr>
<tr>
<td>1992 Barcelona</td>
<td>NBC</td>
<td>US $ 401.0 million</td>
</tr>
<tr>
<td>1996 Atlanta</td>
<td>NBC</td>
<td>US $ 456.0 million</td>
</tr>
<tr>
<td>2000 Sydney</td>
<td>NBC</td>
<td>US $ 705.0 million</td>
</tr>
<tr>
<td>2004 Athens</td>
<td>NBC</td>
<td>US $ 793.0 million</td>
</tr>
</tbody>
</table>

**Table 5.** Olympic broadcast rights fees (According to the “Athens 2004 Olympic Marketing Bulletin”)

**Olympic Games ticketing program**

Revenue from the sale of Olympic events and ceremonial tickets constitutes in average over ten percent of Organizing Committees’ income. The Olympic Games ticketing program is managed by the OCOG, though the general policy is administrated by the IOC Executive Board. The IOC defines two major aims of its ticketing policy. The primary aim of Olympic ticketing is to enable as many people as possible to witness Games’ ceremonies and events live. The secondary aim of Olympic ticketing is to provide necessary financial revenue to support staging of the Games.

The OCOGs retain ninety five percent of the revenue generated from Olympic ticketing programs, necessary to support staging of the Games. The rest five percent are delivered as a royalty to the IOC to support the operations of the Olympic Movement.

Marketing programs of Olympic ticketing have been increasingly successful in recent decades and demonstrate incoming popularity of the Games throughout the world. Olympic ticketing has several specific features. The OCOGs and IOC accommodate ticketing policy with the general economic profile of a host-country. The organizers establish ticket prices according to the average domestic market prices for major sporting events. In order to avoid
machinations and profiteering of ticketing the OCOG and IOC ensure transparency of the ticketing program (Athens 2004 Marketing…, 2004).

The prices of Olympic tickets differ according to a list of specific criteria. The prices are determined by popularity of the event, entry list etc. The tickets for the opening and closing ceremonies are more expensive than the tickets for usual events; swimming and athletics are more popular and expensive than cycling and shot-pot events. Final tournaments also cost more than preliminary competitions.

The successes of Olympic ticketing program during the recent decades are summarized in the following chart:

<table>
<thead>
<tr>
<th>Olympic Games</th>
<th>Tickets available</th>
<th>Tickets sold</th>
<th>% of tickets sold</th>
<th>Revenue to the OCOG</th>
</tr>
</thead>
<tbody>
<tr>
<td>1984 Los Angeles</td>
<td>6.9 million</td>
<td>5.7 million</td>
<td>82.6%</td>
<td>US $ 156 million</td>
</tr>
<tr>
<td>1988 Seoul</td>
<td>4.4 million</td>
<td>3.3 million</td>
<td>75%</td>
<td>US $ 36 million</td>
</tr>
<tr>
<td>1992 Barcelona</td>
<td>3.9 million</td>
<td>3.021 million</td>
<td>80%</td>
<td>US $ 79 million</td>
</tr>
<tr>
<td>1996 Atlanta</td>
<td>11 million</td>
<td>8.318 million</td>
<td>82.3%</td>
<td>US $ 425 million</td>
</tr>
<tr>
<td>2000 Sydney</td>
<td>7.6 million</td>
<td>6.7 million</td>
<td>88%</td>
<td>US $ 551 million</td>
</tr>
<tr>
<td>2004 Athens</td>
<td>5.3 million</td>
<td>n/a</td>
<td>n/a</td>
<td>US $ 425 million</td>
</tr>
<tr>
<td>2008 Beijing</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
<td>n/a</td>
</tr>
</tbody>
</table>

**Table 5.** Olympic Games Ticketing Programs’ financial successes (According to the “Athens 2004 Olympic Marketing Bulletin”)

Olympic Games licensing program

Olympic licensing is more complicated marketing program comparing with ticketing. Olympic licensing is targeted to bring the revenues to the Olympic family through creation and distribution of Olympic-related products (generally souvenirs). According to the overall marketing strategy of the Olympic Movement, neither the IOC nor OCOGs and NOCs produce the Olympic-related souvenirs; instead, they license third party companies to manufacture the products under the aegis of IOC (Olympic licensing…, 2004). Licensed
products generally commemorate the Olympic Games or a particular national Olympic team. The licensee pays a royalty to the Olympic Family organization for the right to use Olympic marks, imagery or themes. There’s no definite sum of royalty; most often it varies between ten and fifteen percent of the product sales revenue.

Olympic licensing program is literally a “creative custodian” of the Olympic brand. Licensing serves a kind of a visual window to the Games that inspires consumers the true image of Olympism (Olympic licensing…, 2004). There are, however, several limitations of Olympic licensing. Olympic licensees are not granted the right to use the Olympic marks, imagery, or themes to create a direct relationship to the Olympic Movement or the Olympic Games. This right, as mentioned before, belongs exclusively to the TOP program members. In fact, licensees may only underline the relationships between the product and the Olympic organization or the Olympic Games. They, according to the Olympic licensing program, can not associate their brands with the Games (Athens 2004 marketing…, 2004).

The IOC strongly monitors implementation of its licensing program, keeping commitment to quality of all produced commodities and services. The OCOGs and NOCs work to ensure that licensing programs provide consumers only with high-quality products that reflect the Olympic Image and ideas of Olympic Movement, and, besides, properly commemorate the Olympic Games and National Olympic teams. To ensure the authenticity and quality of the licensed goods and services, the IOC has developed a comprehensive program that implies trademark legislation, education and enforcement of the licensees. This program is also targeted to protect potential customers from low-quality and unauthorized products.

There are tree tiers of licensing within the IOC, namely OCOGs, NOCs and IOC. Organizing Committees of the Games (OCOGs) license the companies to create commodities and services related to a particular Olympic Game. The licensees pay percentage of royalty
for the right to use the emblems of Olympiad. The most spread souvenirs with the Olympic emblems are pins, T-shirts, caps, cups, bannerettes etc.

The 2000 Games in Sydney opened a new era of Olympic licensing with the practical realization of Olympic Store concept for the first time in Olympic history. The OCOG licensed building of the Olympic Superstore in Sydney Olympic Park that was attended by at least 45,000 customers each day, as Preuss, 2000 mentions.

The NOCs are responsible for development of licensing program in their domestic countries. They enable the licensees with the right to carry the emblem of NOCs and National Olympic teams on their products. Besides, NOCs also allow the licensees to associate their brands with the Olympic movement in the home country. The licensees pay the same royalty to the NOCs (from ten to fifteen percent in average).

If the OCOGs and NOCs provide domestic licensing policies, IOC develops a worldwide licensing marketing strategy. The licensing program of the IOC is not measured by production of commemorative souvenirs as in the previous cases; instead, the IOC operates in such categories as films, video games, as well as other multimedia opportunities.

The revenues from Olympic licensing have sufficiently grown during the recent decade. The revenues from licensing brought US $ 8.8 million to the organizers of Seoul Olympiad (with 62 licensees), US $ 17.2 million to the Barcelona OCOG (61 licensees); US $ 91.1 million to the Atlanta OCOG (125 licensees) and US $ 52 million to the Sydney OCOG (100 licensees). There’s no available data concerning the current profits of ATHOC (Athens Organizing Committee) on the moment (Athens 2004 marketing…, 2004).

The revenues from Olympic Winter Games licensing also show a tendency to increase. Thirty six licensees of Lillehammer Games in 1994 provided US $ 24 millions revenues; 190 licensees of Nagano Olympiad (1998) brought US $ 14 million and 70 licensees of Salt Lake City Games (2002) provided US $ 25 million revenues to the OCOG.
The licensing program of Lillehammer games exceeded forecasted revenues threefold and set the new standards of Olympic marketing in licensing (Athens 2004 marketing…, 2004).

The IOC also supports Olympic numismatic and philatelic programs. Olympic numismatic is one of the eldest marketing policies of the Games. Olympic coins date back to 425 B.C., when first drachmas were struck to commemorate success in the Ancient Olympic Games. Nowadays, the IOC and OCOGs cooperate with national governments in the sphere. A government, that issues legal tender, promises to redeem to the bearer the face value of the coin. The so-called “seigniorage”, that is the difference between the coin’s retail value and the production cost, remains as a profit to the issuing government. Nevertheless, as a rule national governments contribute some or all of their revenues to the cost of staging the Olympic Games or developing a National Olympic team.

In 1996 the IOC has initiated an international coin program to commemorate centenarian anniversary of the modern Games. The most successful Olympic coin program provided Olympic family with US $ 48 million from the worldwide sales of 90,000 gold and 500,000 silver coins.

Since 1951 more than 350 million Olympic coins have been sold throughout the world and brought more than US $ 1.1 billion to the Olympic Family. Olympic coin programs, launched in 1952 have provided US $ 650 million for the OCOGs, US $ 20 million for the NOCs, and US $ 10 million for the IOC (Athens 2004 marketing…, 2004).

Olympic philatelic program is one more important item of Games’ income received from licensing. The first stamps were dedicated already to the first Olympiad of modernity, held in 1896 in Athens. A Greek philatelist proposed to commemorate the renovation of the Games with the help of Olympic stamps. At that time, Olympic philatelic revenue helped to finance the building of Olympic venues in Athens. Nowadays IOC has two general aims of its...
philatelic program, i.e.: to raise incomes of the OCOGs, NOCs and IOC, and heighten public interest in the history and presence of the Olympic Movement.

More than 50 million Olympic stamp series have been issued by different countries since 1896. Only in 1992 Games in Barcelona 137 countries issue 1,230,000 stamp series bearing the Olympic rings. Since 1920, OCOGs receive constant revenues from philately and postal services. These revenues are achieved either through a surcharge on stamps, or through a gross sum on the sale of stamps.

**Future profile of Olympic marketing / Athens 2004 and Beijing 2008**

**marketing plans**

The success of Olympic marketing programs today is necessary for the Olympic Movement of tomorrow. The new tendencies in Olympic movement, growing expenditures for staging the Games, sophisticated technologies, as well as increasing popularity of the Olympiads prompt the Organizing Committees to look for the new, more profitable and fair means of Olympic marketing that, besides, correspond with the overall ideas of Olympism.

At the start of the new millennium, partners and sponsors provided a new level of support to the Olympic Games, granting them recent technologies and comprehensive expertise to help staging of the world’s largest and most complex event. Already during the 2000 Games in Sydney the number of marketing innovations was sufficient: all-round Internet coverage of the Games and the system of on-line purchasing, Olympic mega-stores and across-the-board broadcast marked the profile of Sydney Olympiad (The future…, 2004).

**Athens 2004 marketing program**

Many researchers believe, that in this decade marketing programs will have a new agenda, focused on promoting and enhancing of the Olympic spirit in a new commercial
environment of a global society. The future perspectives of Olympic marketing will be clear only after the Games in Athens; however, the publicized ambitious marketing program of ATHOC – the Organizing Committee of 2004 Games in Athens, allows making certain preliminary conclusion concerning the issue.

Though many aspects of marketing policy of ATHOC were arranged according to the principles of 2000 Games in Sydney, there are also many serious innovations that differ the Games from the previous events.

The 2004 Olympic Games in Athens will mark the first return of the Games to Greece since restoration of ancient tradition in 1896. During the century tremendous changes both in Olympic movement and Olympic marketing have been manifested. At the 1896 Olympic Games 311 athletes from fourteen countries competed in forty three events in nine sports. Athens 2004 is expected to be the greatest Olympiad in the history hosting the record number of national Olympic teams in history with more than 15.000 athletes.

Growing complicatedness and global scale of the modern Games as well as changing profiles of Olympiads as the world best events of all kinds, require brand new approaches in the Olympic marketing. As a result, Athens 2004 marketing plan will be one of the most innovative throughout Olympic history.

There is also one more reason that prompted development of a new marketing policy of the 2004 Games. Greece is, in fact, the smallest and probably the poorest country hosting the Games in the modern history. Since the 1952 Games in Helsinki a country with ten million population has never experienced staging of the Games that are the most expensive event of modernity. These expenditures are to high for national economy and Greek government. Therewith, ATHOC (Organizing Committee of the Games) was forced to look for other than governmental forms of financial support to cover the growing expenditures of
Olympiad. These major circumstances have primary influenced 2004 Games’ Olympic Marketing plan.

The IOC ratified marketing plan of the ATHOC on April 19, 2000 on its Session in Lausanne’s headquarter, Switzerland. Marketing program was launched on May 11, 2000 in Athens. The Organising Committee for the Olympic Games “ATHENS 2004” is responsible for the overall management of Athens 2004 marketing policy.

According to the Olympic tradition, marketing policy of ATHOC includes expected revenues from four major sources, namely: Olympic Sponsorship (TOP V program launched in 2001) and Suppliership, Olympic broadcasting\(^1\), licensing and ticketing. Each of these marketing aspects has its specific features in 2004 Games.

Corporate sponsorship is a second largest contributor to the 2004 Games in Athens after broadcast, though it remains more complicated than broadcasting in principle. The fifth generation of the TOP program, known as TOP V, supports the Olympic Movement throughout the 2001 – 2004 Olympic quadrennium. The program itself was launched in 2001 and was expected to develop long-lasting sponsorship policy for both 2002 Olympic Winter Games in Salt Lake City and 2004 Summer Games in Athens. The TOP V program is currently the most effective and profitable sponsorship marketing program of the IOC that provided US $ 603 million of total revenue in financial and value-in-kind support for the Olympic Movement (Athens 2004 marketing…, 2004).

More than 50% of TOP V revenue and support was allocated to the OCOGs for the Olympic Games in Athens and Olympic Winter Games in Salt Lake City that received 30% and 20% of overall revenues respectively. The TOP V Partners have worked for the past several years to provide vital financial support, products, services, technology and personnel

\(^1\) It’s noteworthy, that OCOGs in general and ATHOC in particular, are not responsible for provision of broadcasting policy of the Games, that is a responsibility and privilege of the IOC. However, as far as the revenues from broadcasting are shared between the NOCs and OCOGs it’s important to assess this aspect of Olympic marketing pertaining the 2004 Games.

19.08.04
to ATHOC in support of the 2004 Olympic Games. TOP V program is contributed by eleven major sponsors; each of them represents unique kind of support and service for the Games, as presented in the following chart.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Coca-Cola (Sponsors the IOC since 1928; member of the TOP program since 1986)</td>
<td>Non-alcoholic Beverages</td>
</tr>
<tr>
<td>2</td>
<td>Atos Origin (Sponsors the IOC since 1992; member of the TOP program since 2001 as SchlumbergerSema)</td>
<td>Information Technology</td>
</tr>
<tr>
<td>3</td>
<td>John Hancock (Sponsors the IOC since 1996; member of the TOP program since 1994)</td>
<td>Life Insurance / Annuities</td>
</tr>
<tr>
<td>4</td>
<td>Kodak (Sponsors the IOC since 1896; member of the TOP program since 1986)</td>
<td>Film / Photographics and Imaging</td>
</tr>
<tr>
<td>5</td>
<td>McDonald’s (Sponsors the IOC since 1976; member of the TOP program since 1997)</td>
<td>Retail Food Services</td>
</tr>
<tr>
<td>6</td>
<td>Panasonic (Member of the TOP program since 1987)</td>
<td>Audio / TV / Video Equipment</td>
</tr>
<tr>
<td>7</td>
<td>Samsung (Member of the TOP program since 1997)</td>
<td>Wireless Communications Equipment</td>
</tr>
<tr>
<td>8</td>
<td>Sports Illustrated (Sponsors the IOC since 1980; member of the TOP program since 1987)</td>
<td>Periodicals / Newspapers / Magazines</td>
</tr>
<tr>
<td>9</td>
<td>Swatch (Sponsors the IOC since 1996; member of the TOP program since 2003)</td>
<td>Timing and Scoring</td>
</tr>
<tr>
<td>10</td>
<td>Visa International (Member of the TOP program since 1986)</td>
<td>Consumer Payment Systems</td>
</tr>
<tr>
<td>11</td>
<td>Xerox (Sponsors the IOC since 1964; member of the TOP program since 1993)</td>
<td>Document Publishing and Supplies</td>
</tr>
</tbody>
</table>

Total revenue (2001-2004) US $ 603.000.000

Revenues of the ATHOC (30% of the overall sum) US. $ 180.900.000

**Table 6.** Brief profiles of theTOP V partners and overall revenues of OCOGs (According to the “Athens 2004 Olympic Marketing Bulletin”)

There are also three official suppliers of the 2004 Games in Athens, namely Daimler-Chrysler, Mizuno, Schenker. There profiles and service categories were discussed in the previous section.
The ATHOC was also responsible for development and implementation of domestic sponsorship program that had been launched two years prior to the Opening Ceremony. Domestic Olympic Games sponsorship program subdivides contributors to three major groups, i.e.: Grand National Sponsors, Supporters and Providers. The total revenue of the domestic Olympic Games’ sponsorship program is fifty percent higher than initially estimated: it has already brought ATHOC over US $ 242 million (Athens 2004 marketing…, 2004). The profiles of domestic sponsors are presented in the chart in the list of Appendixes.

Olympic broadcasting is the most important source of IOC revenues that contributes over a half of Olympic profits. In fact, Olympic broadcasting has contributed more to the growth of the Olympic Movement as well as its popularity worldwide than any other marketing factor. Due to the growing broadcast of the Games since 1948 the whole marketization of Olympism has began; broadcasting, therewith, is a locomotive of overall Olympic marketing throughout its history.

As said before, ATHOC didn’t develop the broadcasting policy of the Games. Instead, the IOC has established long-lasting relationships with the TV partners, collaborating, namely with NBC (since 1980) that will also cover the 204 Games. The IOC distributes 49% of broadcast revenue to the ATHOC; the remaining 51% of broadcast revenue for each Olympic Games is distributed throughout the Olympic Movement (Athens 2004 marketing…, 2004).

The 2004 Olympic Games broadcast is expected to break all previous records. Up to the moment it has generated almost 1.5 billion dollars (US $ 1.476.911.634 million) in rights fees revenue for the Olympic Movement. The IOC has contributed US $ 723.686.700 million (49%) in broadcast partnership revenue to the ATHOC to support the staging of the Olympic Games (Athens 2004 marketing…, 2004).
Though NBC is the major broadcast partner of the IOC that provided US $ 793 million to the Games, there are also other media companies responsible for broadcasting of the Games in different countries and continents. The most important of them are European Broadcasting Union (US $ 393.4 million); AOJC (Japan) contributing US $ 155 million; Seven Network (US $ 50.5 million) and Canadian Broadcasting Corporation (US $ 37.7 million) (Athens 2004 marketing…, 2004).

The 2004 Olympic Games in Athens will be broadcasted in approximately 220 countries and territories around the world. The host broadcaster for Athens 2004, Athens Olympic Broadcasting (AOB), will produce a feed of more than 3.00 hours of live Olympic coverage during the Games. AOB is responsible for producing and distributing unbiased radio and television coverage of the Olympic Games. The coverage is provided as a service to broadcast partners that have been granted the rights to broadcast the Games in their respective territories.

The ticketing policy of the Athens 2004 Event is also designed to provide maximal profits to the ATHOC and IOC. It’s reported, that ATHOC has developed a ticketing program and pricing plan to ensure that all guests in all socio-economic groups will be able to experience the 2004 Olympic Games. Almost 5.3 million tickets have been made available; they are expected to provide US $ 425 million revenues (Athens 2004 marketing…, 2004).

ATHOC has managed to establish the ticket price for the events 34% less expensive than the average Sydney 2000 ticket price. The prices for the Events differ; 68% of the tickets (3.6 million) are priced between € 10 and € 30 (one Euro is approximately US $ 1.2); 55% of the tickets (2.9 million) are priced at less that € 20; 38% of the tickets (2 million) are priced between € 10 or € 15; Sports ticket prices range from € 10 to € 300; Ceremony ticket prices range from € 50 to € 950 (Athens 2004 marketing…, 2004).
Athens 2004 tickets went on sale to the public in two main phases. The first phase of sales lasted from May 12 till June 12, 2003. The total value of orders in the first phase of ticket sales amounted to €46,999,820. This outcome exceeded the original first-phase sales target of €20 million by 135%. The second phase of ticket sales was conducted between September 2003 and April 16, 2004. Ticket sales began again on 1 June 2004 and are continuing throughout the period of the Olympic Games. Since 2000 Sydney Games the viewers could also purchase the tickets via on-line services provided by the OCOGs.

The ATHENS 2004 licensing program has been also extremely successful to date. The revenues from Olympic licensing exceeded the projected profits in 120% already on the first phase of the program. The overall licensing program is expected to generate royalty revenue that exceeds original targets by more than 126%, as ATHOC has recently reported. It’s estimated that Olympic licensing will bring the Committee at least US $ 56 million.

The ATHENS 2004 International Licensing Program includes the sale of merchandise in thirteen countries in Europe, America and Asia, i.e.: in Austria, Belgium, Cyprus, France, Germany, Holland, Hong Kong, Korea, Spain, Switzerland, Taiwan, the UK, and the US. Olympic coins will be distributed in fourteen countries, namely Germany, Canada, Belgium, Switzerland, Italy, Hong-Kong, China, Japan, Australia, Holland, Sweden, Finland and Norway. The ATHOC has also licensed nineteen domestic (Greek) companies, four international licensees operating in 37 different product categories (Athens 2004 marketing…, 2004).

**Beijing 2008 marketing plan overview**

Currently, there’s no enough data to evaluate the overall marketing plan of the XXIX Olympic Games that will be held in 2008 in Beijing, China. However, as far as marketing program was launched September 1, 2003, present information allows assessment of some most important tendencies that will occur in Olympic marketing in a coming quadrennium.
Olympic Games in China are projected to be the most expensive Games in history. The sole governmental support will make, as Chinese authorities report, US $ 35 billion, that at least in six times outreaches the overall profits of Athens 2004 Games. Marketing plan of the BOCOG (Beijing Organizing Committee) will also contribute the Games with at least US $ 7 billions as expected. Chinese government and BOCOG have declared their common ambitious plan to stage the most memorable Olympic Games in history. This aim will be achieved through inviting a list of sponsors who will be provided with an opportunity to “invite the world in and introduce China to the world” (Beijing 2008…, 2004).

BOCOG is taking tremendous pains to make “best-ever” and most expensive Olympic Games. The organizers critically gather international Olympic experience and analyze strong and weak points of Olympic marketing plans in Atlanta, Sydney and Athens (Beijing Olympic Action…, 2002).

Nevertheless that TOP VI (2005-2008) plan will be launched only in 2005, already nine participants have signed their agreements with the IOC. Their profiles have sufficiently changed in comparison with the TOP V program as only seven partners out of eleven continued their cooperation with the Olympic Movement. The members of the TOP VI program are currently as following: Coca-Cola, Kodak, Samsung, General Electric, Panasonic, Swatch, John Hancock, Schlumberger and Visa1. It’s expected, that Xerox will stop its cooperation with the IOC as a TOP member and will become the Official Supplier of the Games.

Official sponsors will be announced in 2nd quarter 2004 and 2nd quarter 2005. eventually, exclusive Supplier/Supplier will be announced in 4th quarter 2004 and 2nd quarter 2007.

1 This list is indicative, not exhaustive; the official list of participants will be announced in the 4th quarter 2004.
BOCOG has also introduced the fundamentals of its licensing policy. According to Ms Yuan Bin, deputy director of BOCOG Marketing Department, major licensed product categories will include sporting goods, cultural products, leisure goods, arts and crafts, and souvenirs (Marketing Plan for Beijing…, 2004). On the moment, there is no available information concerning future ticketing policy of the BOCOG as well as broadcasting rights and the list of introduced companies.

It’s expected that growing Chinese economy as well as emergence of many international brands in the country, will allow many domestic sponsors to support the Olympic Movement. The government and BOCOG invite huge Chinese and Hong Kong companies to join staging of the Games.

There are, however, some specific features of Beijing marketing policy that are already monitored by multiple researchers. They are: sufficient role of government in staging and holding the Games, disproportion between general living standards in China and expenditures on the Games and growing role of political marketing.

Conclusions

Research analysis proves the idea that modern marketing is a common feature of contemporary era. Very often, however, people underestimate its role in social and economic life. Nevertheless, marketing relationships shape the profiles of most commercial and con-commercial events including Olympic Games. Regardless the non-profit idea of Olympiad, marketing plays significant role in staging and holding the Games, provides the IOC with necessary funding, helps promoting Olympic idea worldwide.

Olympic marketing has a long history; most researchers concur, that the first elements of Olympic proto-marketing were apparent already in the Ancient Greece. Renovation of the Games in 1896 prompted further marketization of the Games. Private and corporate sponsorship contributed significantly to the development of the Olympic Movement.
Rapid development of Olympic marketing insisted on development of its rules. Already in the 1924 the first regulatory acts of the IOC were issued banning advertising inside the athletic facilities. Broadcasting and corporate sponsorship as the elements of general Olympic marketing, have created the Games as we know them now. Billion revenues of the IOC have helped the Committee to stage world-best events in various countries.

Development of effective marketing strategies, specific structure of Olympic marketing, implementation of TOP program, signing of long-lasting contracts as well as clear principles of overall marketing policy have helped the IOC to obtain financial and political independence and maintain sports throughout the world. Analysis of modern and future tendencies in Olympic marketing prove, that within a coming decade Olympic marketing will transform into a self-efficient form of Olympic business targeted to establish close relationships between Olympic Movement and international sponsors and promote the ideas of Olympism.

REFERENCES:


APPENDIXES


Appendix 2. Summer Olympic Broadcast Revenue charts (According to the data of IOC retrieved from http://www.olympic.org/uk/organisation/facts/revenue/broadcast_uk.asp)

1 The data between the broadcast revenues in the tables and graphs may insufficiently differ according to different sources.
Appendix 3. Winter Olympic Broadcast Revenue charts (According to the data of IOC retrieved from http://www.olympic.org/uk/organisation/facts/revenue/broadcoast_uk.asp)

Appendix 4. Diversification of growth of revenues (According to the data of IOC retrieved from http://www.olympic.org/uk/organisation/facts/revenue/broadcoast_uk.asp)
Appendix 5. Broadcast income distribution (According to the data of IOC retrieved from http://www.olympic.org/uk/organisation/facts/revenue/broadcast_uk.asp)

[Diagram showing broadcast income distribution]


<table>
<thead>
<tr>
<th>ATHENS 2004 Grand National Partners</th>
<th>Product Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>OTE – Cosmote</td>
<td>Telecommunications</td>
</tr>
<tr>
<td>Alpha Bank</td>
<td>Bank and Bank Services</td>
</tr>
<tr>
<td>Heineken / Athenian Brewery</td>
<td>Brewery</td>
</tr>
<tr>
<td>Delta / Fage</td>
<td>Dairy Products</td>
</tr>
<tr>
<td>ERT (Hellenic Broadcasting Corporation)</td>
<td>Television and Radio Stations</td>
</tr>
<tr>
<td>Hyundai Hellas</td>
<td>Automotive</td>
</tr>
<tr>
<td>Hellenic Post</td>
<td>Post and Courier Services</td>
</tr>
<tr>
<td>Olympic Airlines</td>
<td>Airline Companies and Airline Tickets</td>
</tr>
<tr>
<td>PPC S.A. (Public Power Corporation)</td>
<td>Electric Energy</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ATHENS 2004 Official Supporters</th>
<th>Product Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ticketmaster</td>
<td>Ticketing Services</td>
</tr>
<tr>
<td>Shell Hellas SA</td>
<td>Petroleum-based Products</td>
</tr>
<tr>
<td>AASD (ABB, Alstom, Siemens, Diekat)</td>
<td>Electric Power Distribution Plants</td>
</tr>
<tr>
<td>Adidas</td>
<td>Sport Clothing for Uniforms</td>
</tr>
<tr>
<td>Jet Set</td>
<td>Sports Travel, Hospitality Management</td>
</tr>
<tr>
<td>General Electric International</td>
<td>Back-up Electric Energy with the Necessary Studies</td>
</tr>
<tr>
<td>Cleaning &amp; Waste Services</td>
<td>Waste Management Services</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ATHENS 2004 Official Providers</th>
<th>Product Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>KOEP (Altec, Info-Quest, Intracom, PC Systems)</td>
<td>Workstations, Computer Servers and Storage</td>
</tr>
<tr>
<td>Schenker A.G.</td>
<td>Freight Forwarding, Customs Clearance</td>
</tr>
<tr>
<td>Mondo</td>
<td>Sports Equipment</td>
</tr>
<tr>
<td>Mizuno</td>
<td>Sports Equipment</td>
</tr>
<tr>
<td>Technogym</td>
<td>Gym Equipment</td>
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</tbody>
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