

The acronym 'TOP' stands for 'The Olympic Programme'. TOP, created in 1985, was established to maximise opportunities for generation of sponsorship revenue for the IOC, whilst at the same time reducing the substantial number of major corporate sponsors that had previously been involved with the Games to approximately seventy participating organisations. Corporate sponsors are all multi-national corporations that are global leaders in their respective industry.

The TOP Programme forms part of a highly strategic Olympic marketing strategy; the Olympic Games are the only major sporting event in the world where there is no advertising in the stadium or on the athletes. This arguably avoids excessive statements of commercialisation at Olympic events.

Status as a TOP sponsor affords an organisation exclusive global marketing rights and opportunities (within their designated product category). Status as a TOP sponsor is prestigious and, as one might imagine, lucrative. Careful brand rights management has allowed the Olympic Movement to maximise sponsorship revenue generated by TOP partners.

The TOP VI Programme

Twelve corporations participated in the sixth generation of the TOP programme, known as TOP VI. During the 2005-2008 Olympic quadrennial cycle, TOP VI Partners provide support for the 2006 Olympic Winter Games

in Turin and the 2008 Olympic Games in Beijing. TOP VI is projected to generate approximately US\$866 million in financial and goods and services support for the Olympic Movement.

TOP VI Partners

The TOP VI Partners are:

- Worldwide Partners of the Olympic Games
- Partners of the International Olympic Committee
- Partners of the Torino 2006 Olympic Winter Games
- Partners of the Beijing 2008 Olympic Games
- Partners of all National Olympic Committees
- Partners of all Olympic teams competing in



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OLYMPIC GAMES: DOMESTIC SPONSORSHIP

The Olympic Games domestic sponsorship programme grants marketing rights within the host country or territory only. The host country NOC and the host country Olympic team participate in the OCOG sponsorship programme because the Marketing Plan Agreement requires the OCOG and the host country NOC to centralise and coordinate all marketing initiatives within the host country.

OLYMPIC SPONSORSHIP HISTORY

Olympic sponsorship began with the conception of the Modern Olympic Games itself, in Athens, 1896. The Games became characterised by a vast number of companies using the Olympic logo in their advertising. Whilst such heavy corporate use continued for much of the early history of the Games, it is notable that signage within visual distance of the Games venues themselves were only allowed on display at the Paris 1924 Olympic Games. In 1928, Coca-Cola signed on to become an Olympic partner and has never broken this agreement, becoming the most enduring symbol of Olympic sponsorship in the history of the Movement.

It was not until 1942 when the Olympic Federation launched a formal international marketing programme. Numerous companies providing a vast array of differing products and services continued to sign on as sponsors, with products that included perfume, chocolate, toothpaste and soap. The 'Olympia' cigarette was a notable inclusion at the 1964 Games! Despite raising \$1m in revenue for the OCOG it was, quite understandably, banned for health-related and ethical reasons at later Games. The 1984 Los Angeles Games heralded a revolution in the commercialisation model attributed to the Games, largely a result of the terrible financial debts accrued by the Montreal government following their hosting of the 1976 Games. These Games saw the first formal steps towards limiting the number of sponsors allowed to partner with the Olympic Games across a number of limited categories.

This formed the basis for the inception of the preferred-sponsor TOPS programme that was debuted in the next Games in Calgary, 1988. It is notable that, prior to the establishment of the TOP programme, fewer than 10 NOCs in the world had a source of marketing revenue! Clearly this revolutionised the Olympic model in terms of turnover, profit and commercial viability, and no doubt increased attractiveness of acquiring the status of host city to many nations.

By 1994, the Lillehammer Games had seen broadcast and marketing programmes generate more than US\$500 million, breaking almost every major marketing record for an Olympic Winter Games in the history of the organisation. By 1996, the Atlanta Games were able to be funded entirely via private sources. The Sydney 2000 Games witnessed the most financially successful domestic sponsorship programme to date, generating \$492 million in revenue.



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The sponsorship programme was then to become far more sophisticated in terms of brand protection; no doubt a familiar concept to any company or organisation that has ever sought to use the Olympic logo for any purpose! By this time, sponsorship revenue was extremely successful, with the Athens

Summer Games achieving sponsorship revenue targets two years ahead of the Opening Ceremony!

BROADCASTING RIGHTS

Cumulative viewing figures for the Olympic Games have risen from an estimated 10.4bn for the Seoul 1988 Games to 34.4bn in Athens and xx in Beijing, with a projected global figure of xx for the London 2012 Games. With such a wide viewing audience it is clear that there is ample potential for the generation of high-levels of marketing revenue.

Case Study: South America

The International Olympic Committee (IOC) recently awarded broadcast rights for the Olympic Games in 2010 and 2012 to ESPN in South America.

“The Olympic Games are at the pinnacle of all sporting events and I am pleased that ESPN can utilise and leverage its platforms to showcase an event of this magnitude to fans in South America.”
(Russell Wolff, Executive Vice President and Managing Director, ESPN International.)

ESPN will acquire free-to-air television and radio broadcast rights in Argentina for the Vancouver 2010 Winter Olympic Games and the London 2012 Olympic Games, including minimum free-to-air exposure guarantees; pay television rights to air the Games on cable and satellite platforms in Argentina, Bolivia, Chile, Colombia, Ecuador, Paraguay, Peru, and Uruguay for the same period; and satellite-only television rights in Venezuela for the same period. Broadcasting rights acquisition takes advantage of the growing popularity of the Olympic Games in the South American market.

A BRIEF HISTORY OF OLYMPIC BROADCASTING

The Berlin Games were the first to be televised; probably a reflection of the Nazi propaganda machine and obviously unfortunate. It does, however, offer us a unique insight into the workings of this Fascist dictatorship and offers us a unique case study into the overtly political use of the Games, possibly for reasons of legitimisation of such a brutal regime.

“The IOC takes all necessary steps to ensure the fullest news coverage by the different media and the widest possible audience in the world for the Olympic Games.”

— *Rule 51, Olympic Charter: September 2004*

The Games were first broadcast in colour, in Mexico in 1968. The historic Black Power Salute of Tommie Smith and John Carlos proved to be the most memorable media image of the Games.

Global Broadcast Revenue Figures

The global broadcast revenue figure for the 2004 Olympic Games represents a fivefold increase from the 1984 Los Angeles broadcast revenue two decades earlier. The global broadcast revenue figure for the 2006 Olympic Winter Games represents an eightfold increase from the 1984 Sarajevo broadcast revenue less than two decades earlier. Olympic broadcast partnerships have been the single greatest source of revenue for the Olympic Movement for more than three decades.

BROADCASTING REVENUE DISTRIBUTION

49% of broadcasting revenue is distributed to the OCOG and 51% to the Olympic Movement.

SPONSORSHIP OF LONDON 2012

LOCOG's total sponsorship revenue to date is approximately £550m, with VISA a key partner of Team 2012.

Despite the recession, LOCOG is aiming to raise up to £700 million in private sponsorship revenue, despite the current financial crisis.

COMMERCIALISATION: SELL OUT OR SAVIOUR?

Clearly the Games are now highly profitable and offer an excellent case study in the development of a profitable commercial business model, in terms of brand management, licensing, sponsorship, facility management, and so forth. But the Games were not always viewed as such an attractive financial proposition. The fundamental basis for the move of Olympism towards a fundamentally commercial model (commercialisation) was based on the need to safeguard the future of the Games, after the Montreal Games incurred an overall loss of approximately **C\$1.61 billion**. The IOC subsequently hired marketing expert Peter Uberroth to oversee the financial management of the Los Angeles Games. Uberroth was extremely successful, transforming the financial fortunes of the Movement; cornerstones of his approach included the sale of television and radio broadcasting rights for over \$700m, further

increased revenue through ticket sales and merchandising.

London 2012 Chief Executive Paul Deighton hopes to raise £400m in ticket sales in addition to reaching the sponsorship target of £700m. *"I don't think any of us expected to be out there raising private money to put on the Games in the worst economic environment we've seen in century."*

Some people resent the commercialisation of the Olympic Games, as they believe that it clashes with the fundamental Olympic principles of the spirit of amateurism, places too much emphasis on the generation of revenue, and leads to an inevitable move toward professionalism.

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FIND OUT MORE:

Olympic website: www.olympic.org

London 2012 Games website: www.london2012.org

Olympic Marketing Fact File 2008 Edition. IOC.

CREDITS

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