

Commercialisation can be defined as ‘the act of commercializing something; involving something in commerce’. Sport has become increasingly commercialised, particularly over the last two decades, leading to explosive growth in the sports marketing, sponsorship, sports tourism and consultancy sectors.

Whilst such explosive growth is accompanied by significant economic and financial benefits, critics have expressed concerns about the negative impact that commercialisation is exerting on the sporting landscape.



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Commercialisation has occurred in sport as early as 590 BC, when Greek athletes were financially rewarded for Olympic victories in the Ancient Games. Similarly, the Modern Games are now regarded as highly commercialised events, where vast sums of capital are raised to host the Games, and vast sums of capital are generated via the sale of sponsorship and media rights for the Games.

### ***MONTREAL 1976***

The history of commercialisation of the Games can easily be traced to the economic

failure associated with the Montreal Games of 1976, where the people of Quebec were stuck with paying the \$1.5billion cost of the loss-making Games through 30 miserable years of taxation. To add insult to injury, a bulk of the costs covered the development of the

Montreal Olympic Stadium, a significantly sized behemoth whose existence is best characterised by the addition of a roof that partially fell apart twice. It should be noted, however, that from a non-financial perspective, the Games were a great success, punctuated with memorable athletics performances and a greatly enjoyable spectacle!

Nevertheless the negative financial ramifications of the loss-making Games made the Games a highly unattractive proposition to many nations, and it was this situation that led to the host city of 1984, Los Angeles, to adopt an altogether different approach.



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### ***LOS ANGELES 1984***

Peter Ueberroth became Time Magazine’s Person of the Year following his immensely successful financial management of the Los Angeles Games.

Having witnessed the financial problems associated with the Montreal Games (the intervening Games were state-funded by the Soviet Union), Ueberroth developed a new framework for financing the first privately funded Olympic Games, mostly via the inspired higher-priced sale of media rights and sponsorship. Not only did he avoid the debilitating loss of Montreal, but he generated approximately \$250million.

Whilst Ueberroth's model might have arguably safeguarded the future of the Olympic Games, it nevertheless cemented a move towards commercialisation that some now say has ruined the spirit of the Games.



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### ***BENEFITS OF COMMERCIALISATION***

There are many benefits of commercialisation, notably a safeguarding of current and future Olympics and Paralympics mega-events. It creates further capital for development of Olympic Human Rights initiatives and projects, for the development of the Youth Olympic Games, for funding for the World Anti-Doping Agency (the IOC matches Government funding dollar for dollar) and in the financial contribution made to legacy goals of host

nations. Despite commercialisation, the IOC also retains a complete ban on all on-site advertising in or close to Olympic venues.

### ***THE COST OF COMMERCIALISATION***

The modern Games have been criticised for becoming commercialised, with critics voicing fears that the spirit of amateurism and Olympism have been traded for financial reward. Arguments include the increased focus on winning with might lead to deviant behaviour; a greater emphasis on sponsorship by companies that might compromise the legacy goal of health of the nation (for example via McDonald's sponsorship), and a move from the amateurism ethos to the more aggressive one of professionalism.

### ***START THE DISCUSSION***

- ❖ Do you think that commercialisation is a good thing? Form two debating teams and prepare a case for and against.
- ❖ What is amateurism and professionalism; what are the key differences?
- ❖ Do you agree with critics that commercialisation has ruined the concept of amateurism of the Games?

- ❖ If Ueberroth hadn't developed this commercial model, what would the Games look like now?
  
- ❖ What role did Juan-Antonio Samaranch play in the move towards commercialisation?

***FIND OUT MORE***

**The Olympics website**

<http://www.olympic.org>

**Los Angeles Olympic Games Fact Sheet**

<http://www.olympic.org/en/content/Olympic-Games/All-Past-Olympic-Games/Summer/Los-Angeles-1984/>

**Montreal Olympic Games Fact Sheet**

<http://www.olympic.org/en/content/Olympic-Games/All-Past-Olympic-games/Summer/Montreal-1976/Montreal-1976-Collection/?Tab=>

### ***CREDITS***

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