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Commercialism Runs Amok at the Olympics :Uberroth's Legacy

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SPORT AND SOCIETY FOR H-ARETE
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Question: What one-hundred-year-old institution has become the biggest marketplace in the world?

Answer: The Centennial Olympic Games.

As I worked the paper products aisle of my local supermarket trying to locate the official toilet paper of the 1996 Atlanta Centennial Olympic Games, while trying not to look too suspicious, it hit me. These are not the Olympic Games. They are the Peter Ueberroth Memorial Games, invented in Los Angeles in 1984 when he demonstrated that you could make money on the Games, because corporations would fall all over one another for the privilege of being able to associate their company or their product with Olympic Gold.

There are three levels of sponsorship for these games and they come with different price tags for different privileges. Worldwide Sponsors have the right to market their products with the Olympic connection all over the world. The price, \$40M. This is simply for the title, and does not include the cost of the actual marketing. Coca Cola is the leader in this group along with nine other corporate entities including a film, credit card, and computer firm.

An equally important second level of sponsorship, meaning they too pay \$40M, are the Centennial Olympic Games Partners. The Partners get exclusive rights in their product line to advertise their connections to both the Games and the U.S. Olympic Team with in the U.S.

Anheuser-Bush, McDonalds, and Sara Lee, an American cuisine trio, are in this group, along with an airline, a bank, a telephone company, a communications company, a watch, and a home building supply company. IBM bought into both of these \$40M categories. Total revenue to the Atlanta Organizing Committee from these two categories is \$800M.

The third category is the Sponsors. These companies can use the Olympics in their marketing and have paid in cash or kind, some \$10M to \$20M. There are twenty-four Sponsors, and assuming that half paid at the lower rate, we are looking at an additional \$360M for a total of \$1.1B.

Beyond that there are some 120 licensees who are producing Olympic Logo products like t-shirts, pins, and cigarette

lighters. They pay a percentage of their sales to the Olympic Committee. Certainly that sends revenues up into the \$2B neighborhood before even discussing television revenues or ticket sales. NBC paid \$456M for U.S. rights and they have already sold \$650M worth of advertising and are likely to hit \$700M. The biggest buyers are Coke at \$62M, GM and Anheuser-Bush at \$50M each, and McDonalds at \$40M. Thirty seconds will cost \$400,000, and one of the NBC innovations making the advertising more attractive, is that there will be exclusivity within product line. Visa, for example, will be the only credit card accepted at the games, and the only credit card to advertise on NBC's 170 hours of coverage.

It is eminently clear that these are the Coca Cola games. The soft drink giant was founded in Atlanta and has its headquarters there. As a significant Olympic sponsor for several years, Coke played a major role in bringing the centennial games to Atlanta. Estimates are that Coke will spend somewhere between \$300M and \$600M on the various aspects of the games. The only other drink in sight will be bottled water from Crystal Springs. Coke projects sales of 20M eight ounce servings of the real thing at the games.

There are any number of other interesting partners and sponsors. NationsBank will have exclusive territorial rights in Olympic venues with all competing ATM's shut down for the duration. Foreign Exchange will be their exclusive purview. Four years ago NationsBank provided the Atlanta organizing committee with \$300M in credit.

Sensormatic is supplying electronics and surveillance equipment, while Borg-Warner provides security. "Jeopardy" and "Wheel of Fortune" are the official game shows of the Olympics. Bell South directs the massive communications network along with Scientific Atlanta with its Video distribution capability. Nissan will provide the Official Import Light Truck, and the Import Sport Utility Vehicle, along with mini-vans. BMW will provide 1,000 special vehicles for special people, and 125 motorcycles for the less special. General Motors will supply the domestic vehicles. And all will be fueled by Texaco. Textron is the maker of the Official Helicopter of the 1996 Olympics, and you might even see the Avon lady flying in one.

International Paper has donated "Lumber, Wood Products, and paper for publishing, stationary and other uses." But not That One. So I regret to report that there is no Official Toilet Paper of the 1996 Atlanta Centennial Olympic Games.

On Sport and Society this is Dick Crepeau reminding you that you don't have to be a good sport to be a bad loser.

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