Olympic Sponsorship: Brands Get the Gold

Pierre Dupreelle and Greg Christoforides, Millward Brown Optimor

Anticipation for the Olympic Games is palpable. Will Michael Phelps become the most decorated Olympian ever? Will Usain Bolt stun the world once again? Billions of viewers from around the world are tuning in to watch the Games this summer as athletes battle it out for the top spot on the podium, making the London Games the most watched Olympics ever.

Since the first Opening Ceremony, the Games have embodied the pinnacle of human excellence. The Olympics has maintained contemporary relevance by having one foot in the future while keeping one in the past. Today, the Games preserve and celebrate three longstanding values: excellence, respect, and friendship. These universal principles inform the Olympic Ideal, to build a better world through sport, distinguishing it from every other sports and entertainment property and inspiring athletes, spectators, and viewers worldwide.

This is what makes the Olympic brand the most powerful brand in the world. The Olympics is the biggest international stage for sports and entertainment and is the most Ideal-driven organization in the category. Together, these two qualities make the Games the most enviable sponsorship opportunity for major brands.

Other sports and entertainment franchises also present big sponsorship opportunities – think the Super Bowl or Oscars. However, there is no other event that has as universal an Ideal and as expansive a reach as the Olympic Games – it connects with billions of viewers across more than 200 nations. This exposure includes access to a multitude of cultures and countries, including developing markets. Though developing markets can be some of the most strategically difficult to reach, they are the fastest growing markets for many sponsors today and can be readily accessed through the Olympic Games platform.

Within each market, the Olympic brand also enables sponsors to capture some of the most hard to reach segments. A typically challenging segment to connect with through sports entertainment advertising is women, specifically moms, causing them to be often overlooked. For example, NFL or NBA sponsors and ads play to the male demographic. However, this neglected female segment is crucial for companies across numerous categories as moms are the gatekeepers of many everyday household purchases. Unlike any other sports platform, the Games attract this typically dormant segment.

Sponsor P&G illuminates just how powerful this Olympic mom phenomenon can be. The organization leverages the Olympics’ ability to tap in to the mom segment by celebrating the mothers behind Olympic
athletes. Signaling the 100-day mark until the 2012 Opening Ceremony, P&G launched “Thank you Mom,” the biggest advertising campaign ever in the company’s 147 year history. Even before the start of this summer’s Games, P&G’s “Thank you Mom” ads already garnered over 5 million views on YouTube. Though the campaign has yet to run its course and the overall gain is still to be measured, P&G has already experienced heightened brand perceptions. As a benchmark, however, we can look to P&G’s sponsorship of the 2010 Winter Olympics in Vancouver, which boosted sales by $100 million.

Not only do sponsors benefit from the Olympics’ universal scope – with presence in developed and developing markets and a connection with male and female segments – but they also profit from the Olympics’ universal appeal. By leveraging the Games as a campaign platform, sponsors enjoy a ‘halo effect’ – a boost to brand perceptions through an association with the Olympic brand and Ideal.

This effect, paired with the extremely engaged individuals who watch the Olympics, amount to a powerful one-two punch. Compared to fans of all other sports and entertainment franchises, these champions of the Olympic brand present an unrivaled opportunity for sponsorship returns. This dream segment boasts a household income that towers over the national average, maintains a higher level of education, and travels more frequently. Most importantly, Olympic fans maintain a higher bond with the Olympic Games and its Ideal, driving higher returns on investment for sponsors and advertisers as well as increasing brand equity.

Leveraging the Olympic brand and connecting with these valuable fans translates directly into increased sales. Coupled with heightened sales, sponsors also experience something equally as coveted: increased long-term brand perceptions. All together, these contribute to growth far beyond the summer, driving future business growth. And, though Olympic sponsorship comes at a high cost, the return on investment is higher than any other sports or entertainment franchise.

So, while the 400-meter starting mark has yet to sound and the basketball tip-off remains days away, there is no doubt who this year’s Olympic winners will be. No matter who places first in the 100-meter butterfly or which gymnast reigns supreme on the parallel bars, it is the Olympic sponsors who will be shoe-ins to win the gold.

About the Authors:

Pierre Dupreelle is Senior Vice President at Millward Brown Optimor, where he leads key global strategy assignments for some of the most complex problems facing brands today. His experience spans various sectors, including CPG, luxury, and sports and entertainment.

Greg Christoforides is a Director with Millward Brown Optimor, where he focuses on developing business strategy through quantitative evaluation of brand and marketing effectiveness, brand valuation, and sponsorship return on investment. His industry experience includes financial and professional services, CPG, retail, as well as sports and entertainment.
