



THE OLYMPIC DREAM

Thanks to the support
of corporate sponsors
athletes can go for
the gold in Beijing.

IN PARTNERSHIP WITH:





The entire world is waiting with bated breath for the cauldron to be lit at the 2008 Olympic Games in Beijing.

The igniting of the flame on Aug. 8 will spark a new era for China—signifying the transformation of the country into a new economic powerhouse that has achieved modernity. Taking into account the billions of people who will be watching the spectacle, the event promises to be a perfect platform for companies to support the athletes, and at the same time promote their brands.

With more than 10,700 athletes from up to 205 countries gathering in this iconic city, every company—from Allstate to Visa—will be a part of the spotlight.

The facilitator helping corporate America shoulder the cost for the athletes and many of the outstanding programs at the Olympic Games is the U.S. Olympic Committee (USOC). Headquartered in Colorado Springs, Colo., this federally-chartered nonprofit provides training centers, funds and support staff to hundreds of elite athletes. It coordinates much of its efforts through a network of 45 National Governing Bodies (NGBs), that administer in-

dividual sports—everything from archery to wrestling—as well as the training and feeding of the athletes. It also acts as the nation's representative for all Olympic matters. A large percentage of the USOC's average annual budget of \$160 million comes from its sponsors.

"The sponsors make it possible for the athletes to compete through our multi-tier programs," says Rick Burton, chief marketing officer for the USOC. "We're not funded by the government," Burton explains, "so any money we raise—unlike in a professional sports league, where the objective is to drive the profitability back to the holdings of the owners—all goes into preparing and sending our teams to the Games."

Supporting the Athletes

Burton points out that although a handful of high-profile, highly paid Olympians—such as the NBA superstars on the Dream Team and past gold medalists who've signed lucrative personal-services deals—most Olympic athletes remain in need of sponsors' largesse generated through the USOC. "We are the frontline team that makes sure the biathletes, fencers, discus throwers and kayakers have the funding to support their training," he says. "It's different than representing a professional team that is paying you \$20 million, or even representing your college while on a scholarship. A lot of the Olympic and Paralympic athletes are working solely for the chance to represent their country."

Marketing those athletes and the Olympic Games comprises a massive endeavor. Burton's team sells a variety of

BY THE NUMBERS

XXIX

Olympiad being celebrated this year.

28

Sports on the Beijing Olympic Games program.

302

Events to be contested.

3,600

Total hours of NBC's planned coverage of the Beijing Olympic Games.



Official Sponsor of the U.S. Olympic and Paralympic Teams

Families win together.

The Hilton family is proud to sponsor the U.S. Olympic and Paralympic Teams. Like the Lopez family, striving for gold in taekwondo, our Hilton Family of Brands is also striving for gold, to provide you with the highest levels of hospitality. The Hilton Family... 9 distinct hotel brands, one simple philosophy: **be hospitable**.®

hiltonfamily.com



Featured athletes: The Lopez Family. ©2008 Hilton Hotels Corporation, Inc. 36USC22056



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■ **In training: 2006 bronze medalist Jenny Potter was able to work at The Home Depot while preparing for the ice hockey competition at the 2006 Olympic Winter Games.**

opportunities, each presenting different levels of support and affiliation with NGBs. In USOC nomenclature, Partners are at the highest level, followed by Sponsors, Suppliers and Licensees. They all receive category-exclusive rights to the U.S. Olympic Team and commercial access to Olympic themes, terminology and imagery—including the iconic five interlocking rings—for use in U.S.-based marketing and advertising programs.

But just as the cost of those rights is appropriately scaled at each level, so are the parameters of usage. Separately but in conjunction, the International Olympic Committee operates The Olympic Partner, or TOP, sponsorship program, which grants rights worldwide.

Building a Brand

The merits of investing in the USOC has become a sophisticated business. Gone are the days when a tennis-obsessed CEO might serve up a few million corporate dollars for the naming rights to a tennis event, no matter the justification. For corporate sponsors it has to be a win-win proposition, says Burton, who first tells a potential sponsor that the investment should help sell products. “The values of the Olympic Games and being associated with the U.S. Olympic Team are also going to aid their brand imagery when they use it in their advertising or at retail,” he says. As Burton explains, it fosters goodwill and positions sponsors as good corporate citizens.

The Home Depot fully appreciates what Burton is talking about. The giant home-improvement retailer has been a partner since the 1992 Olympic Games in Barcelona. Its sponsorship revolves around the USOC’s Olympic Job Opportunities Program (OJOP), which allows eligible athletes to work while they train and compete. As the largest OJOP participant, The Home Depot offers a flexible 20-hour workweek with full-time pay and benefits. Currently more than 130 U.S. athletes are employed at The Home Depot stores around the country.

The challenge for The Home Depot and other sponsors is to develop and implement a program that complements its consumer base and strategic goals, especially brand promotion. “When you look at the demographics of avid Olympic fans, they fall right within our target customer base,” says Tim Lynde, manager of sports marketing for The Home Depot. “The association between The Home Depot and the U.S. Olympic Team is one that our customers, associates and shareholders are proud of. This is as much about internal pride and nationalism as it is about connecting with our customers.”

Assessing the ROI

While sponsors such as Anheuser-Busch and Coca-Cola may tie Olympic activities directly to product sales and promotions, The Home Depot takes an overarching approach. “We look at it from a brand positioning standpoint rather than a sales perspective,” says Lynde. “While we don’t measure the success of our program by sales figures, our success can be measured by the number of

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Appearances scheduled for baseball and softball after Beijing, as both sports were voted out by the IOC.

14,500

Number of athletes expected to gather for the 2008 Olympic and Paralympic Games.

830

U.S. Olympic and Paralympic athletes to compete in Beijing.

67

Total number of USOC sponsors, including those in the TOP program.

one fraction of a second

one defining moment

one extraordinary feat

one incredible journey

one country united

one leap of faith



amazing awaits

08/08/08



amazingawaits.org





■ **Going the distance: Ryan Hall set a U.S. Olympic Team Triathlete marathon record to earn a spot in the 2008 Olympics.**

Olympic and Paralympic hopefuls that we enable to pursue their Olympic dreams. To date, more than 300 athlete-associates have competed in the Olympic and Paralympic Games, earning a total of 195 medals." A great example is speedskater Derek Parra. The athlete worked at The Home Depot for three years, during which time he brought home gold and silver medals from the 2002 Olympic Winter Games in Salt Lake City.

A Marketing Play

Hilton Hotels has consistently promoted its "Be Hospitable" philosophy across a sweeping Olympic sponsorship. The Beverly Hills-based hotelier activated the program in advance of the 2006 Olympic Winter Games in Torino, Italy, by helping refurbish dormitories at the USOC's

Olympic Training Center in Colorado Springs, one of three such facilities. Hilton supplied new Serenity Beds, coinciding with the introduction of the same beds at three of its hotel chains: Hilton, DoubleTree and Embassy Suites. "We took what we do well and connected it with the athletes' needs," says Jeff Diskin, Hilton's senior vice president of brand management.

"When we think about the common DNA of our brands, which is to be hospitable—to bring people together from different cultures and environments for important things in their lives—the Olympic concept is very much centered on the same thing," Diskin observes. "It's about peaceful competition and bringing the world together."

Hilton's measurable marketing objective is to drive hotel reservations through the sponsorship of the entire U.S. Olympic Team. There are national consumer promotions and specific advertising and marketing being created around the Beijing Olympic Games, although some efforts are more targeted in nature. Because the company's different brands are designed to appeal to different customer demographics and trip occasions, the Hilton team worked with the USOC to match up with NGBs that share similar audience demographics. So, for example, the Hilton brand is paired with USA Swimming, DoubleTree with U.S. Soccer, Hilton Garden Inn and Hilton with USA Volleyball and Hampton Inn with USA Cycling. Along with consumer promotions for these brands, Hilton established a Team USA Advantage program, featuring a customized website where those NGBs' supporters, athletes and official staff can book rooms at special rates.

Igniting Local Buzz

While national in scope, Olympic programs at those hotel franchises often aim for a local connection, too. For example, in support of the U.S. Olympic Swimming Team, Hilton is conducting a yearlong Swim to Beijing promotion. Celebrities, local swim clubs and guests will swim in pools at five Hilton locations in Austin, Los Angeles, Minneapolis, Omaha and San Francisco for a total of 6,250 laps, the exact distance in miles from L.A. to the Olympic Games' host city in China. For its part, Hilton will donate a total of \$100,000 to local swim clubs and the USA Swimming Foundation, targeting youth and swim education programs.

4.8 million

Number of tourists expected to visit Beijing in 2008.

1

Number of times the Olympics have been held in China, beginning with Beijing.

220

Countries that will broadcast the event.

70,000

Number of volunteers expected to participate in the Beijing Olympic Games.

Granted category exclusivity, sponsors avoid head-to-head competition with each other, though they do strive to differentiate themselves in the Olympic marketplace. For instance, Tyson Foods logically supplies the U.S. Team with meat products, but additionally the company supports USA Gymnastics by sponsoring the Tyson American Cup competition and USA Track & Field via the Tyson Invitational indoor event. Bank of America, beyond marketing a suite of Olympic-themed personal banking products, set up America's Cheer, an interactive social-networking website where the public can exchange creative online cheers for the Olympians. AT&T, the official telecommunications service provider for the U.S. Olympic Team, also has aligned itself with the NGBs for gymnastics, track & field, swimming and diving.

An Exclusive Proposition

Behind the scenes, the USOC supports every sponsor. "A big part of our marketing group is involved with providing service to these companies to make sure they maximize their involvement with the U.S. Team," Burton says. "We share case studies of successful programs. We have an athlete-management group with expertise in providing athletes to suppliers and making sure it's a good fit."

Diskin keeps in regular contact with the USOC to brainstorm ideas, learn about new opportunities, and access the organization's diverse sports resources. The USOC also brings sponsors together for an annual summit: the USOC Partner Workshop. "They share information about Olympians and consumer perceptions of the Olympic brand," says Lynde.

There's value, as well, simply in networking. "You can't underestimate how valuable it is to be part of the Olympic community of companies," Diskin says. "It really does provide us, in all sorts of ways, great access to other category leaders who are innovative in their own fields. You find a lot of synergy in how we can do things."

That synergy results in joint promotions with fellow sponsors, such as Hilton's efforts in Beijing. The hotelier is partnering with Lenovo, Coca-Cola and Visa to promote its business in China. In that same vein, United Airlines will fly contest winners to Beijing for the Olympic Games, courtesy of Visa. The Home Depot is in discussions with General Electric and Coca-Cola about an online promotion. "We're



■ In the winner's circle: Gymnasts Morgan and Paul Hamm.

all trying to drive our businesses," Lynde says, "so anytime we can work together to achieve that goal, we're always interested in talking."

Among the thousands of athletes who will descend upon Beijing for 17 days in August will be approximately 630 U.S. Olympians. On display to billions around the world will be not only their athletic achievements, but the marketing efforts of the USOC sponsors. Part of their reward will be the number of medals the Americans win, as well as the numbers crunched afterward in calculating the return on their Olympic investments. Those metrics are obviously important, Burton says, yet they don't totally represent the worth of a sponsorship.

"Sometimes you have to put the metrics aside to remind people how big the Beijing Games are going to be," Burton says. "When you say this is going to be the greatest event of all time, how do you quantify that?" Corporate America agrees. It is one of the greatest ways to champion a cause.

—Bob Woods

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\$866 million

Revenues generated by TOP sponsors for the 2006 Olympic Winter Games in Torino and the Beijing Olympic Games.

\$96 million

Revenues generated by the 1988 Olympic Winter Games in Calgary and the Summer Games in Seoul.

Sources:
BOCOG Media Guide Kit,
International Olympic Committee,
U.S. Olympic Committee, and
USA Track & Field