An In-Depth Study of
The Advertising Strategies and Evaluations of
The Official Sponsors of the 1984 Los Angeles Olympics

An Honors Thesis (ID 499)

by

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BACKGROUND

The Official Sponsors of the 1984 Los Angeles Olympics included companies from a wide range of manufacturing and service industries in the United States and the world. This unique collection of companies, therefore, seemed an interesting group to study to determine company reactions to using sponsorship as part of their marketing mixes.

Event Sponsorship: A Trend for American Companies

Companies increasingly recognize sports and event sponsorship as useful marketing tools. Many corporations now employ sports marketing directors. Publications such as Sports Marketing News have emerged to provide the information sports marketers need to plan their strategies and to remain current with happenings in the field.

Sports marketing literature reports which corporations sponsor which activities, tells how they become involved, and discusses how to plan and execute the activities. Little research exists, however, about motivation behind sponsorship activities. What limited information is available focuses largely on reasons breweries and soft-drink manufacturers sponsor events.

Sponsorship spending, which exceeded $1 billion in 1986, indicates the future of sports sponsorship means expenditures by companies other than the traditional soft drink and beer producers. (1) Sponsorships began as a relatively inexpensive way to buttress media advertising, but have grown to include a
number of objectives for would-be sponsors, such as better brand identification, market exclusivity, and merchandising opportunities. (2) Projecting the sponsorship motives of these marketers onto other sponsors, one might conclude the reasons for sponsorship are purely self-serving and profit-driven.

"Sponsorships are used to achieve a wide set of objectives, such as community relations, brand awareness, company image, and corporate responsibility." (3) Research to support this statement, made by Dr. Meryl Paula Gardner and Philip Joel Shuman, focused on sponsorship activities of 300 "Fortune 500" companies. Companies were selected at random, without consideration to whether they had sponsored events in the past.

The authors caution that the results may be biased by nonresponses from 222 companies, suggesting that those who failed to respond might not sponsor events. They provide interesting groundwork, however, for determining sponsorship motivation of other corporations. "Corporate responsibility" as a reason for sponsorship indicates a philosophy holding more than the company's immediate profit benefit in mind, but the literature cites few examples of such activities. One major sponsorship event which did place emphasis upon corporate responsibility was that of the 1984 Los Angeles Olympics.

The Role of Sponsorship in the 1984 Olympic Games

Because the citizens of Los Angeles refused to provide tax monies for the planning and execution of the 1984 Games, the Los Angeles Olympic Organizing Committee (LAOOC) was forced to find
a new source of revenue. The committee decided to fund the Games with money from corporate sponsors, in addition to selling television rights and tickets to the events.(4)

The LAOCC, concerned the Games would become too commercial, limited the number and types of sponsors. The organizers set a ceiling of 50 sponsors and tried to find companies whose philosophies would support the use of funds to aid amateur athletics in the United States, in the event of a funds surplus at the conclusion of the Games. Previous Olympic Games had relied upon large numbers of sponsors donating much smaller amounts. The idea of fewer corporations giving more money was considered risky.(5) The LAOCC, however, made the concept fly, ending the Games with a $215 million surplus, the largest ever for an Olympiad.

The LAOCC posed two criteria for potential sponsors. The sponsor's product needed to be "appropriate" to be identified with the Games (e.g. no liquor, etc.), and the company needed to be large enough to support a commitment of at least $4 million in cash and product or personnel contributions to the LAOCC.(6)

Each corporation dealt individually with the LAOCC to form a sponsorship agreement the two parties considered representative of the benefits derived from the sponsorship and the commitment the company would need to make of money, personnel, and goods and services. Details of agreements remained confidential. Reports only speculated or hinted about the amounts paid to become sponsors. Two companies with histories of supporting
sporting events became the first two "official sponsors" of the Games. Coca-Cola and Anheuser-Busch signed on in 1979, at a combined cost of over $20 million. (7)

Between 1979 and 1983, the LAOOC signed 35 total sponsors, representing industries from snack foods (M&M Mars) to 35 mm cameras (Canon) (Appendix A contains the complete list of sponsors). The sponsorship recruitment allowed one company from each category, which created controversy and confusion in the field of photography. Fuji, a Japanese company, earned the designation "Official Photographic Products and Services," much to the chagrin of Kodak, which had also hoped to purchase that title.

Kodak representatives had discussed sponsorship with the LAOOC, and believed they would receive the sponsorship rights. Daniel Greenwood, the LAOOC vice president in charge of sponsorships, indicated that there was a "handshake" agreement with Kodak, but that the company dragged its feet for so long that the LAOOC finally had to make a decision, and signed Fuji instead. (8)

Kodak then arranged with the United States Olympic Committee (USOC), to supply the U.S. Olympic team with disc and instant cameras. Since Canon provided the "official 35 mm cameras" and Fuji provided photographic supplies, Kodak sneaked in the back, taking control of an area untapped by the other film and camera companies. Having three companies providing similar products and services confused consumers and fueled critics of the
sponsorship program, who felt that the Games had become too commercialized, despite the efforts of the LAOOC to prevent that from happening. (9)

In its attempt to participate in the Games, Kodak also became the sponsor of the U.S. track and field team, and purchased $11.9 million in commercial time during the broadcasts of the Olympics to remind viewers of that fact. The commercial strategy Kodak used helped the company gain high awareness during the Olympics, according to The Needham Harper Worldwide Report: The Marketing Olympics of 1984 and 1988. Other companies such as Nissan and K-Mart, which also were not "official sponsors," received high awareness during the Olympics by purchasing Olympic time to advertise.

That these companies associated themselves with the Olympics by purchasing commercial time during the broadcasts raises questions about the validity of the LAOOC's assertion it could provide product exclusivity and awareness to the official sponsors. K-Mart and Kodak provided awareness for themselves, the Needham Harper Report suggests.

So where does that leave the "official sponsors?" Did the companies pay for a promise the LAOOC failed to deliver? What did they get for their donations of time, money, and manpower? This study hopes to answer these and other questions.
PURPOSE

A study of Olympic sponsors cannot be done in isolation from the larger area of sponsorship of sports and events. Since the Olympic sponsorships so successfully generated revenue for the Games and created marketing opportunities for the sponsoring companies, the Olympics proved an interesting example of sports marketing at work. The primary question of the research is "What did they receive for their investments and how did they determine the results?"

1. To determine why the sponsors became involved and what they received for the investment.

The literature indicates diverse reasons for becoming a sponsor. The study was intended to uncover the reasons companies became Olympic sponsors, in hopes of examining similar responses among categories. The premise being tested was that similar responses among diverse product categories might speak to the broad appeal of an Olympic or other sponsorship.

2. To determine how companies classified and organized the sponsorship activities.

Knowledge of how the companies assigned responsibilities and allocated budgets for the sponsorship tells in part how the company used the sponsorship. Determining which departments and people companies entrusted with the sponsorships indicates somewhat which activities the companies were trying to supplement with the sponsorship (i.e. public relations, etc.) and which people they felt would do the best job.
3. To determine the extent of use of the Olympic label in advertising and promotions.

Some companies more actively displayed the symbols of their Olympic involvements than others. The study meant to conclude why the companies who used the labels and logos infrequently refrained from using the symbols they paid to use and how that minimal usage affected the success of the sponsorship.

4. To determine the degree of success with which the companies viewed the sponsorship.

Sponsorship literature often focuses not on the success or failure of sponsorships, but on the fact that the sponsorships occurred. This study was meant to determine which companies considered the sponsorship a success and what means they used to arrive at their conclusions.

5. To determine how the success/failure was evaluated.

Evaluation techniques differ from company to company and project to project, depending upon the goals and strategies of the company and the activity. The study sought to conclude what methods companies used to evaluate the sponsorship, and what benefits they felt they received, concurrently determining if most companies used the same methods and felt they obtained similar results.

6. To determine the impact of the sponsorship upon other activities of the company.

The 1984 Olympic Games presented a unique opportunity for American businesses to use an international event to benefit
their companies. The study attempted to correlate how participating in an event of the scope and appeal of the Olympics would affect other sponsorship activities (i.e. Were they now more inclined to sponsor other activities or were they disillusioned by the cost and limitations of benefits?).

This study intended to explore the behavior of companies, who, as sponsors, expended money, products and work of employees to successfully sponsor the 1984 Summer Olympic Games.
METHODOLOGY

Sample

Not all of the 35 "Official Sponsors of the 1984 Olympics" participated in the study. The list of companies (Appendix A), provided by the Amateur Athletics Foundation in Los Angeles, served as a population from which sponsors were chosen and contacted for the study.

To create as homogeneous a sample as possible, given the diversity of product and service offerings of the sponsors, guidelines were set in determining which companies to contact. Companies with national distribution, be it with business to business or consumer products, were the basis for the study. This distinction eliminated Pacific Bell, First Interstate Bank, and Southern Pacific, which are all companies localized in California, and Dentsu, Inc., which is in Japan.

The company's "official" offering was the next qualifier. If products or services were event-specific, such as the Olympic Arts Festival, sponsored by the Times Mirror Company, the transportation and food for athletes from ARA Services, or the souvenir program, created by Sports Illustrated, those companies were also not contacted. ABC's "official" radio and television broadcast coverage of the Olympics ended with the closing ceremonies, so they were also eliminated.

The final criterion was product appeal. Arrowhead Puritas, as the sponsor of the "official drinking water," was considered to have limited appeal, since safe drinking water is readily
available throughout most of the United States without purchasing it in a bottle. Atari seems to have lost its once noteworthy appeal, with video games having run most of the course of their product life cycle. The remaining sponsors served as the sample for this study.

Initial telephone calls to these remaining 24 of the 35 sponsors, designed to "test the waters" for reactions to inquiries about the 1984 Olympic Games, produced a working sample of 16 companies. Two companies would release no information about their sponsorships and six others were unable to be reached for a variety of reasons. Those eight companies were not contacted again.

Survey Method

Telephone interviews seemed the most feasible means of survey, given the constraints of time and the in-depth nature of the questions. A mail survey might have yielded similar results, but would have been difficult to complete within the time constraint of ten weeks. Mail questionnaires would also have limited the opportunity to ask in-depth questions and probe for information, such as sales results, which most companies are reluctant to reveal.

The successful completion of the first interview, with AT&T's Director of Public Relations, was mentioned in a letter (Appendix B) sent to the remaining 15 respondents. This seemed to make the other contacts view the study as legitimate, encouraging them to speak as freely as they considered wise.
An "Areas of Interest" sheet (Appendix C) was sent with the letter to serve as a guide for respondents to prepare for phone interviews. It was felt that the contacts would be more receptive to participating in a phone conversation about such sensitive and protected subjects as their marketing and budgeting if they knew in advance what they would be asked.

Some questions, often of budgetary matters, were not answered by all respondents. In other cases respondents were unsure of the answers because they had not been directly involved in the sponsorship activities, but had replaced people who were. Still others had few answers because subsidiary companies carried the bulk of the responsibility and activity of the sponsorships. An interesting situation developed in the case of Westinghouse, however. The contact at the parent company forwarded questions about the Olympic sponsorship to its Longines-Wittnauer subsidiary, but also provided information about the Westinghouse activities, resulting in two points of view.

Persistence in contacting respondents generated 13 completed interviews (See Appendix D for list of respondents). The results of the interviews follow.
FINDINGS

Why Sponsors Became Involved and What They Received (Table 1)

Contacts at each of the 13 companies indicated diverse reasons why their companies became involved with the Olympics. Most respondents cited more than one reason for their company's involvement, all of which indicated a desire to help the company in the short or long-run. The answers reflected seven reasons for sponsorship, illustrated in Table 1.

| TABLE 1 |

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Community Citizenship

Seven companies indicated an interest in being "corporate citizens" and showing the American public that they cared about the things the consumers cared about (i.e. the Olympics). Having the Olympics in the United States was an opportunity to show American spirit and pride, as well as show off company products, and many sponsors felt they could not miss their chance to hop on the bandwagon. Several California-based companies, with the Olympics in their backyard, found the possibilities for generating business and goodwill irresistible.

American Express bore the titles "official charge card" and "official travelers' cheque" for the first Summer Olympics in the United States in 52 years. With the U.S. being the company's largest outlet and its corporate headquarters, American Express capitalized on the American Olympic spirit to highlight the value of using American Express plastic and travel money to see the Olympics.

AT&T supplied telecommunications equipment and sponsored the Olympic Torch Relay, in which the torch was carried across the nation as a gesture of patriotism and pride and a reminder to the public of AT&T.

IBM provided office equipment for the LAOOC. Jack McMahon, Director of Corporate Communications, said the donation was "a demonstration of national leadership," to generate recognition for the company as a "good corporate citizen."
Levi Strauss, a California-based company with a "brand image consistent with American value," according to John Ankeny, the Vice President of Marketing, provided American athletes, Olympic officials, and members of the LAOOC with "official" outfits. Red, white, and blue clothing embodied Levi's spirit for the Games and for America and allowed Levi a showcase for its products.

Southland wanted to help the U.S. successfully host and build participation in the Games. The company sponsored the Post-Olympic Tour of the United States, which highlighted the American Olympic medalists, taking them on a whirlwind tour of the nation. Of course, the tour didn't hurt 7-Eleven.

United Airlines flew thousands of customers to and from Los Angeles daily, which made its service to that destination convenient and well-established. United provided the support of a national airline, as well as the "friendly skies" image, to satisfy travel needs of Olympians, spectators, and officials to one of the airline's most-frequented destinations.

Warner Communications, the parent company for Atari, then "a major presence on the west coast," according to Mary McCarty, Director of Corporate Contributions for Warner, became involved with the Olympics through Atari, because Atari wanted to capitalize on its California location to build interest in the company and increase business.
Support of a Subsidiary

Three companies indicated they became sponsors of the Olympics solely to support the sponsorship efforts of companies they owned. Respondents indicated that these companies would not have sponsored the Olympics had they not owned subsidiary companies that wanted to sponsor the Games.

Allied Corporation, a business to business industrial company, became a sponsor because it owned Converse, an athletic wear manufacturer, according to Dennis Signorovitch, Director of Communications for Allied. Allied sold Converse shortly thereafter, eliminating an information link helpful to answering further questions about the extent to which Allied involved itself with the Converse activities.

As mentioned before, Warner Communications, parent company of Atari, became involved with the Olympics to support Atari. Warner has since sold Atari, and with the sale also went information and contacts for the former subsidiary. Warner indicated that Atari handled its own activities and Warner lent its name and funds, but nothing more, to the sponsorship activities.

Westinghouse was an "official sponsor," as were three of its subsidiaries. Perrier, Longines Swiss Timing, and Longines-Wittnauer contributed monies and products to the LAOOC. Westinghouse, in turn, wanted to be a "good corporate parent" and support activities of the subsidiaries. Westinghouse therefore became the supplier of office furniture to the LAOOC.
Bob Settlemaier, Supervisor of Meeting Services for Westinghouse, indicated Westinghouse's blanket sponsorship was solicited by the LAOOC, whose members felt that large companies with well-known names, such as Westinghouse, would lend recognition to their smaller companies and give prestige to the Games. One of the goals of the LAOOC, as mentioned before, was to limit the sponsorships to 50 large, successful companies. Having Westinghouse serve as the umbrella for the subsidiaries apparently reassured the LAOOC that the smaller companies would uphold their sponsorship agreements.

To Ensure the Success of the Games

Two companies indicated a desire to see that the Games ran smoothly and had all the necessary equipment for executing the events, citing other reasons for the sponsorship, as well.

IBM supplied the personal computers and office systems used for record-keeping, ticket sales, and press accreditation, to assure that the LAOOC "had the best possible equipment available," according to Jack McMahon. McMahon indicated that concerns about equipment failures were erased by the presence of IBM, since the company's record of success was so exemplary by industry standards.

Motorola supplied pagers and radio communicators. Dave Weisz, Manager of Public Relations, said, "we had a commitment to the Olympics and a connection with them," since Motorola had been a sponsor of the Olympics since 1976.
To Provide Incentives to Employees and Customers

Six companies used the sponsorship to reward employee excellence and entertain customers.

Fuji offered dealers a trip to the Olympics and held a consumer sweepstakes for tickets to the Olympics. Tellers of American Express Travelers Cheques had the opportunity to "Win With America" in a sweepstakes offered by American Express.

IBM and American Express entertained customers with receptions at the Games, whereas Motorola and Westinghouse rewarded employee excellence with incentive trips to the Games. Southland flew customers and key corporate employees to Los Angeles for a week at the Olympics and a stay on "The Love Boat" in dry dock. These customers were entertained on the boat when not at the Games.

Prevent Competitors from Sponsoring

United was the only sponsoring company that openly indicated it wanted to prevent the competition from taking the "official sponsor" label in its category. Since one of United's largest hubs is Los Angeles, the company felt it could provide better service to the area than some of its competitors and made a concerted effort to capture the sponsorship rights.

Increase use of Products/Services

Four companies admitted a desire in increased profits from the Olympics sponsorship, although the other companies likely had that motive, as well.
American Express evaluated the sponsorship in terms of whether it made "business sense." Nefer Kahn, Manager, Project Development, defined "business sense" as increased use of travel services and credit cards to provide income to the company.

Levi Strauss's sponsorship of the parade uniforms and other apparel for the Olympics provided an opportunity to showcase not only jeanswear, but the company's other products as well.

Motorola wanted to capitalize on the sponsorship to increase sales of its products. "This was a chance for us to put in a communications system and then merchandise it," Weisz said.

United projected sales increases for itself as "official airline" of the Olympics, since people going to the Olympics would need to get to Los Angeles and United's "friendly skies" would be a pleasant way to travel. United also donated travel allowances to the LAOOC as part of its sponsorship, guaranteeing that additional business.
Classification and Organization of Sponsorship (Table 2)

Responses indicated that companies approached the sponsorships from diverse angles (Table 2).

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In most cases, departments did not stand alone with the responsibility of paying for, organizing, and executing the sponsorship. Of the five companies indicating that the advertising department had primary responsibility, AT&T, Motorola, and Westinghouse required help from public relations, marketing, and corporate communications, respectively.
Next in popularity for internally administering the Olympic sponsorship was an ad hoc "steering committee" approach, used by four companies. An example of a committee approach was that used at United.

Bill Allenson, Director of Advertising and Promotions for United, chaired the committee of 20 representatives, from food services to the maintenance department. The committee created a marketing plan for the sponsorship, involving experts in each area. United explored all facets of interest to customers and systematically planned changes related to the Olympic sponsorship. Levi Strauss, American Express, and Southland also used steering committees to plan and execute their involvements.

Communications and Human Resources departments were the authorities at three other companies. Allied and IBM relied on corporate communications staffs and budgets to support their Olympic tie-ins. At Longines-Wittnauer, however, the Human Resources department administered the activities, but funds came from the advertising budget.

Seven companies indicated that budgets in the departments responsible for directing sponsorships were increased. The remaining companies indicated no budget increases.

Use of Olympic Label in Advertising and Promotions (Table 3)

Most companies changed their advertising executions to capitalize on their sponsorship, but maintained target markets and pricing. In some cases, entire campaigns were built around the involvement, but in others little more than a brief
"Official Sponsor of the 1984 Los Angeles Olympics" statement indicated the connection, as Table 3 shows.

**TABLE 3**

Use of Olympic Connection in Advertising and Promotions

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**Creative Changes**

Southland probably made the most dramatic changes among the respondents. The 7-Eleven theme prior to the Olympics was "Oh thank heaven for 7-Eleven." Southland's new campaign tied into the patriotism stirred by the Olympics with the slogan "America likes the freedom of 7-Eleven." Sean Petty, Director of Sports Marketing for Southland, said this theme was "very much wrapped around and tied to the Olympics," because Southland's research indicated that the Games held a strong appeal to Southland's target market, males 18-34.
Motorola and United created special advertising which reflected a patriotic, Olympic theme, but they did not change the overall message strategy of their advertising during the rest of 1984. United tagged its existing TV spots with an "official sponsor" and used the Olympic logo in its magazine ads.

Other companies who tagged their ads during their sponsorships include Longines-Wittnauer, Fuji, and Levi Strauss. Levi had an expensive, three-second tag created to attach to existing commercials, so the company could successfully promote the sponsorship without building their whole strategies around it.

New Media

Sponsors were allowed the first chance to purchase commercial time during the broadcasts of the Olympics and to advertise in the *Sports Illustrated* souvenir program. Three corporations changed their media mixes to capitalize on these opportunities. Fuji created television spots to promote its Olympic involvement, as did Longines-Wittnauer. Both companies traditionally advertised in print media, but felt they needed to use television to generate greater reach. Motorola used the *Sports Illustrated* program for consumer advertising, deviating from its usual strategy of advertising only to the trade.

New Products/Services

American Express, Levi Strauss and Longines-Wittnauer used the media exposure and the Olympic broadcasts to launch new products. American Express provided Expanded Customer Service
facilities such as Travelers Cheque dispensers, and sold Olympic coins. Levi introduced its now-popular 501 brand jeans, targeting the 12 to 25 year-old audience which had high interest in the Olympics. Longines-Wittnauer targeted an older and more upscale audience with its $550 "Gold Medal" watch and an 18 carat gold pocket watch engraved with the Olympic rings. The pocket watch sold poorly, but the "Gold Medal" watch became one of the company's best-sellers, according to the company's Vice President of Human Resources and Administration, Randy Scheff.

Promotions

American Express, Fuji, Levi, and Southland created promotional programs to highlight their Olympic connections.

American Express sponsored an "Olympic Games" contest in addition to their teller sweepstakes.

In addition to the previously mentioned trips to the Olympics, Fuji created and sold 200,000 collector pins to customers with proofs of purchase of film.

In 1983 Levi encouraged the American public to vote on the parade uniforms the U.S. athletes wore for the opening and closing ceremonies of the Games. In 1984 Levi also provided a "home team" promotion in which amateur athletic teams around the country could outfit themselves in the Olympic wear.

Southland's 7-Eleven stores created in-store promotions such as point-of-sale items reflecting the new "freedom" theme in addition to hosting groups at the Olympics.
Other Uses of Olympic Logos and Labels (Table 4)

Since sponsors, as part of their agreements with the LAOOC, were allowed to use the Olympic symbols and logos, they found inventive ways to display the labels in advertising and elsewhere, as illustrated by Table 4.

TABLE 4
Uses of Olympic Logos

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Motorola used the logos and labels most extensively among companies in this study, printing the logo on its letterhead, advertising, packages, business cards, and metered mail. Five companies, Levi, Motorola, Southland, United, and Longines-Wittnauer, indicated use of the logos and labels extensively in their advertising. Southland and Longines-Wittnauer also used the Olympic symbols for promotions. Levi and United used them for publicity.

How Companies Evaluated Success/Failure of Sponsorship (Table 5)

Most companies did not conduct formal evaluations of the sponsorships, as is shown in Table 5.
TABLE 5
How Companies Evaluated Success/Failure of Sponsorship

<table>
<thead>
<tr>
<th>AWARENESS STUDIES</th>
<th>SALES OF PROD/SERV</th>
<th>NO FORMAL EVAL</th>
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</thead>
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<td>Am Exp</td>
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</tr>
<tr>
<td>AT&amp;T</td>
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<tr>
<td>Canon</td>
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<tr>
<td>Fuji</td>
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<td>IBM</td>
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<td>Levi</td>
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<td>Motorola</td>
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<td>Southland</td>
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<td>United</td>
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<td>Westnghs</td>
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</table>

Only AT&T reported using a self-conducted awareness study to determine if the objectives for the sponsorship were fulfilled. According to Gary Morgenstern, AT&T conducts awareness studies periodically, reviewing its progress in building awareness.

Some of the sponsors participated in the Needham Harper Worldwide Report and other awareness studies and used the findings to support their determinations of success or failure. Still others relied upon sales of new products to measure their success. None, however reported using the sales results of existing products to measure the success of their sponsorships. United came the closest to using a sales measure, linking flight
reservations with the Olympics. American Express, concerned with "business sense," obviously was looking for increased use of its products and services, but did not report whether the strategy had worked to the company's expectations. Only new products, such as the 501 jeans and the watches, were linked directly to Olympic success, because they originated at the time of the heaviest Olympic advertising.

Impact of Sponsorship on Other Company Activities (Table 6)

Representatives of most surveyed companies felt that the Olympic sponsorship was so different from any other event or sports sponsorship that they could not accurately assess whether the experience made any impact upon other activities, but several did report increases in sponsorships following the Olympics, as Table 6 shows.

TABLE 6

Impact of Sponsorship on Other Company Activities

<table>
<thead>
<tr>
<th>NEW SPONSORSHIPS SOUGHT</th>
<th>NO EFFECT ON SPONSORSHIPS</th>
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</thead>
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<td>Am Bxp</td>
<td>X</td>
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<tr>
<td>AT&amp;T</td>
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<td>Long-Wit</td>
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</tbody>
</table>
Southland and IBM indicated the most clear-cut impacts of the Olympic sponsorship of all the companies surveyed. Because Southland built the velodrome for the Olympics, the company felt obligated to remain a force in the sport of cycling, and has since sponsored several cycling events.

IBM became a sponsor for Major League Baseball under a new sponsorship program implemented by baseball commissioner and LAOOC president Peter Uberroth, as did Fuji, but the latter did not report the connection as a result of the Olympics. McMahon of IBM considered the baseball sponsorship "almost as far-reaching as the Olympics," and once again said the company saw an opportunity to demonstrate corporate citizenship.

Levi and United have since participated in a limited number of sports sponsorships, but feel the Olympic involvement had no bearing on these activities. United has long sponsored the Hawaiian Open Golf Tournament, which occurs during "the middle of winter, when people are ready for a break from the cold." According to Alenson, the "phones ring off the hook after the broadcasts," with people calling for reservations to Hawaii, United's most popular resort destination.

American Express, AT&T, Fuji, and Longines-Wittnauer sponsor a variety of events, but different divisions take different events as their specialties, so the Olympic sponsorships were an exception, rather than a rule, and cannot be used to justify involvement in other sponsorships. Fuji sponsorships are decided by the main office in Tokyo, so the branches of the
company in each of the countries Fuji is located have little control over what they will sponsor. Kim Raiola, Promotions Coordinator at Fuji, therefore, could not gauge whether the olympic sponsorship had any influence on other sponsorships, since someone else made the decisions.
CONCLUSIONS AND IMPLICATIONS

Respondents indicating selfless motivations for sponsorship, such as "corporate citizenship" or a desire to see the Olympics succeed, may indeed have figured those factors into their decisions to sponsor the Olympics, but such responses neglect to mention self-interest or profit motive. Companies of the stature and success of the Olympic sponsors may have had the resources to donate to the LACOC for the sake of benevolence, but also have the savvy to realize that such a sponsorship could and should result in a bottom-line change for the company.

To insist their motives were purely philanthropic indicates a desire of companies to "cover up" a perfectly reasonable and acceptable profit motive, either to other companies or to the American public. Companies want to enhance public relations by appearing benevolent and to preserve the confidentiality of their sponsorship information by guarding the real reasons for the activity, but doing so undermines the whole concept of sponsorship as a viable marketing activity.

Because sponsoring corporations seek to keep secret the amounts they spent on sponsorships and the goals they had for the involvements, the guarded responses to questions about the events keep others from learning more about sponsorships. Of course, each company's goals and needs are unique, but some common ideas about sponsorships, brought to light in this study, as in others, indicate a need for greater communication among companies. Although corporations need a degree of
confidentiality about their marketing activities, to preserve their positions in the industry, such a closed-mouth approach prohibits free exchange of information among companies and limits the establishment of industry or category standards for investments and returns.

This failure to share information means that companies cannot compare their results with those of other corporations to see if they are "getting their money's worth" when they sponsor events or to know what they should expect when they undertake such activities. One article in the literature indicates that a rule of thumb is for every $1 million spent to purchase a sponsorship, the company should expect to spend $3 million to support the activity with promotions, advertising, and public relations activities. Few guidelines exist, however, to indicate what sorts of returns companies should expect from sports sponsorships, compared to other marketing communications activities such as sales promotions or advertising.

Although misjudged commitments, unclear or unreported motives and benefits, and limited guidelines complicate efforts to study sponsorships and to evaluate them, proper planning and follow through by sponsor companies can serve as benchmarks for guiding and evaluating future sponsorship activities. Advice from Robert Radler, Senior Vice President, Marketing, for American Savings and Loan Association of Florida, says to "do more than hand over a check. Play an active role in planning and execution of the event," which seems like helpful advice
to smaller companies sponsoring local events. For larger, more publicly-organized events such as the Olympics, the advice falls on ears that are not necessarily deaf to the speech, but more or less helpless to change their role of money provider into active participant.

Levi Strauss attempted to change its role, by involving itself and the American public in choosing some of the Olympic attire and responding to the needs of the LAOOC. Ankeny said, "if it (the Olympic sponsorship) was the right thing to do, we did it right." Although none of the sponsors created major changes in the structure and execution of the Olympics, Ankeny indicated that Levi felt it was "almost an obligation" to sponsor the Olympics, and be as helpful and active in the planning as they could be. By taking this approach, Levi easily labeled the event a success and generated the results it had desired.

Other sponsors indicated more skepticism toward their role as Olympic sponsors and the benefit either to the Olympic Games or to their companies. One respondent indicated that the plans his company made when it entered into the sponsorship agreement fell short because of budget problems. The money needed to effectively advertise, promote, and support the Olympics simply did not become available, and the sponsorship suffered because of the lack of monetary commitment. He felt that in order to have deemed the Olympic sponsorship a success for his company, the gains the company realized would have to be balanced against
the fact that the company relied upon chance to supply the money for the project, rather than planning the budget around the sponsorship. The respondent felt that if his company were again to be a sponsor, he would ensure that the company would provide the funds up-front and unconditionally. He felt that only in this manner would the sponsorship be worth the effort and the investment.

Be it lack of foresight, information, or commitment which hinders the success of sponsorships, the activities still remain a mysterious, yet seemingly effective means of reaching an audience with a corporate message. Until corporations open themselves to further scrutiny and until evaluating the effectiveness of sponsorships becomes more measurably linked to company efforts, sponsorships will remain an enigma, with neither the public nor the corporations involved understanding exactly what benefits are derived from the involvements.
ENDNOTES

(2) Ibid.
(6) Ibid, pp. 234.
(7) Ibid.
(9) Ibid, pp. 16.
Appendix A

The following 35 corporations were official sponsors of the 1984 Olympic Games (date of entry into sponsorship in parentheses):

ABC Radio Networks (July 1980)
   Official Host Radio Broadcaster

ABC Television (Sept. 1979)
   Official Television Network/ Host Broadcaster

Allied Corporation (Sept. 1981)
   Official Sponsor

American Express Company (Dec. 1980)
   Official Charge Card
   Official Travelers' Cheque

Anheuser-Busch, Inc. (Dec. 1979)
   Official Beer

ARA Services, Inc. (Sept. 1982)
   Official Food Service Management Company
   Official Athlete Transportation Management Company

Arrowhead Puritas Waters, Inc. (Jan. 1980)
   Official Water/ Drinking Water

American Telephone and Telegraph (AT&T) (July 1983)
   Official Sponsor of the 1984 Olympic Torch Relay
   Official Telecommunications Sponsor

AT&T-- Teletype Corporation (July 1983)
   Official Sponsor

Atari (Dec. 1982)
   Official Coin-operated Video Games
   Official Home Computers
   Official Home Video Games

Atlantic Richfield Company (Oct. 1980)
   Official Gasoline
   Official Motor Oil

Buick Motors/GMC Trucks (Aug. 1981)
   General Motors Corporation
   Official Automobile
   Official Truck

Canon, USA, Inc. (May 1980)
   Official 35 mm Camera

The Coca-Cola Company (Aug. 1979)
   Official Soft Drink
The Coca-Cola Company/Foods Division (Apr. 1981)
Official Fruit Juices, Aces and Drinks

Converse (Sept. 1981)
Official Athletic Shoe

First Interstate Bank (Jan. 1981)
Official Bank

Fuji Photo Film Co., Ltd. (Nov. 1981)
Official Photographic Products and Services

International Business Machines, Inc. (IBM) (Apr. 1983)
Official Personal Computer
Office Systems Equipment and Office Systems

Official Outfitter
(Levi Strauss was the supplier of LAOCO staff and athlete uniforms and the licensee for most apparel items)

McDonald's Corporation (July 1980)
Official Fast Service Restaurant

M & M Mars Inc. (July 1982)
Official Snack Foods

Motorola Communications & Electronics, Inc. (June 1982)
Official Radio Communications Equipment/Official Pagers

Pacific Bell (July 1983)
Official Sponsor

Official Video Products

Southern Pacific Company (May 1983)
Official Sponsor

The Southland Corporation (Jan. 1981)
Official Convenience Food Store and Convenience Store

Sports Illustrated (Dec. 1981)
"Official Olympic Souvenir Program"

The Times Mirror Company (May 1982)
Corporate Sponsor of the Olympic Arts Festival

Transamerica Corp. (Aug. 1982)
Transamerica: Official Insurance Company
Budget Rent-A-Car: Official Car and Truck Rental Company
United Airlines (Dec. 1980)
   Official Airline

Warner Communications, Inc. (Dec. 1982)
   Official Sponsor

Westinghouse Electric Corp. (Nov. 1982)
   Westinghouse: Official Office Furniture & Supplier
   Longines-Wittnauer: Official Clocks and Watches (licensee for watches and clocks)
   Swiss Timing: Official Timekeeper (supplier of timing and scoring equipment)
   Perrier: Official Mineral Water

Xerox Corporation (Dec. 1982)
   Official Copiers and Facsimile Units

Special Designation:
Dentsu, Inc. (Mar. 1980)
   Official Marketing Agent for Japan

List of sponsors provided by the Amateur Athletics Foundation in Los Angeles, California from The Official Report of the Games of the XXIIIrd Olympiad.
Appendix B

Month, Day, 1988

Emily K. Reece
5408 N. Austin Dr.
Muncie, Indiana 47304
(317) 282-5001

Mr. Corporate Executive
Olympic Sponsor
Department of Company
Address of Company
City, State ######

Dear Mr. Executive,

I need your help.

Since (Company) was one of the official sponsors of the 1984 Olympic Games, you have information vital to my Honors College thesis, a study of the Olympic sponsors.

Enclosed is a list of areas I'll be covering in my study of the Olympic sponsors. I appreciate any information you could provide about the coordination of the (Company) sponsorship.

To save you the time and trouble of completing and returning a questionnaire, I will be contacting you again by phone on (Date) to ask some specific questions.

Through my thesis study, I hope to shed light upon a new and exciting area of marketing. I have already discussed AT&T's strategy for the Olympics with its Public Relations Director, so information you could provide will help me to understand sponsorship from the point of view of other corporations.

Sincerely,

Emily K. Reece
Appendix C

Areas of Interest for Olympics Study

(Phone interview to take place Month, Day.)

Administration and Budgeting
- From what departmental budget did the funds for the sponsorship come?
- Was your promotional budget increased from previous years specifically to pay for the Olympic sponsorship and its support?
- What department coordinated the sponsorship and related activities?

Evaluation of Strategy
- Why did your company become involved in sponsoring the 1984 Olympic Games?
- To what extent was your company's Olympic sponsorship a success? (e.g. brand awareness, share, trial, sales)
- Was testing done before and after the sponsorship to determine market reaction?
- Were techniques qualitative or quantitative or both?
- What were the strengths and weaknesses of the strategy for capitalizing on your company's Olympic involvement?

Target Market
- Did you make any changes in your target market because of your involvement in the games?
- What are the characteristics of the chosen target market?

Advertising/Promotions
- To what extent did you use the Olympic sponsor label in advertising and other promotions?
- To what extent did you make changes in your advertising content and media selection to capitalize on your involvement?
- How many outside agencies were used to support your Olympic sponsorship? (Promotion houses, advertising agencies, public relations agencies)

Other Event/Sports Sponsorship
- Was the involvement in the Olympics a special case or does your company participate in many like sponsorships?
- What other events and sports has your company sponsored besides the 1984 Olympic Games?
- Did these sponsorships precede or follow the Olympic sponsorship?
- How would your company view the Olympics differently than other sponsorships? (prestige, target markets, etc.)

Emily K. Reece
Appendix D

Allied Corporation
Dennis Signorovitch
Director of Communications

American Express Company
Nefer Kahn
Manager, Project Development

American Telephone & Telegraph (AT&T)
Gary Morganstein
Director of Public Relations

Canon U.S.A.
Laura Darmetkoski
Camera Advertising Department Secretary

Fuji Photo Film Co., Ltd.
Kim Raiola
Promotions Coordinator

International Business Machines, Inc.
Jack McMahon
Director of Corporate Communications

Levi Strauss & Co.
John Ankeny
Vice President of Marketing

Motorola Communications & Electronics, Inc.
Dave Weisz
Manager of Public Relations

The Southland Corporation
Sean Petty
Director of Sports Marketing

United Airlines
Bill Allenson
Director of Advertising and Promotion

Warner Communications, Inc.
Mary McCarthy
Director of Corporate Contributions

Westinghouse Electric Corp.
Bob Settlemaier
Supervisor of Meeting Services, Corporate Communications

Longines-Wittnauer
Randy Scheff
Vice President of Human Resources and Administration
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