



Big sponsors also hoping to win gold in Turin

Visa, others aim to raise brand awareness by tying products to athletes

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This month's Olympic Games in Turin are all about winning for the likes of freestyle skier Emily Cook. But this year, as in years gone past, hopes of Olympic accolades are not confined to athletes.

Along with the NFL, the Olympic Games are still one of the most watched sporting events on American television. NBC Universal paid more than \$2 billion to air the 2004 Summer Olympics, this year's Winter Games and the 2008 Summer Olympics. And a number of big-league corporate names have signed up to sponsor the 2006 Winter Games, hoping to profit from their association with a major international event. (MSNBC is a Microsoft-NBC joint venture.)

"The Olympics and the NFL are the No. 1 and No. 2 most important sporting events Americans are interested in," said Michael Lynch, senior vice president of marketing at Visa. "We spend our money where we think it will get the best return, and our research shows the Olympics and the NFL are highly effective sponsorship assets to deliver returns on investments and raise awareness and usage of our products."

Joining Visa on the list of top-tier Olympic sponsors are names like like Coca-Cola, McDonald's, Samsung and Panasonic. For these corporations, an event like the Olympics — with its global reach and themes of international goodwill and supreme physical achievement — presents a unique opportunity to link their brand to the Olympic message.

It's all about reach, explains Arun Jain, a professor of market research at the University at Buffalo's School of Management. The Olympic Games is one of the biggest gatherings of consumers in the world, he explains, and so given the low per-unit cost of reaching these captive consumers, it makes sense for businesses to market to each of these consumers through sponsorships and advertising.

"Companies like Coke and Budweiser can't afford not to be there; the lost opportunity would cost them dearly," Jain said, adding that the Olympics also represents an enormous opportunity to reach populations who are just becoming affluent and developing emotional associations with new brands: "North America is no longer the growth market; India and China now represent the largest untapped markets. And brand awareness can lead to consumption habits."

Now in its twentieth year as an Olympic sponsor, this year Visa is featuring athletes and their journeys to Olympics participation as part of an Olympian marketing campaign that is reportedly costing the firm about \$50 million each quadrennial.

Visa's Olympic plan is to link the message of the Olympics to their brand "in a relevant and meaningful manner," notes Visa's Lynch. "With the Olympics, it's about our connection with the athletes — that is the consumer passion. We help the athletes on their journey to achieve their dreams; we are empowering these athletes to do their very best. And so we will build an integrated marketing program around that notion."

Visa's aim is to raise the awareness of its brand and increase use of its credit cards. To achieve this, Visa's Olympic sponsorship includes exclusive use of the Olympic and U.S. team logos. More broadly, Visa's marketing includes Olympic-themed displays and credit card images. And NBC viewers watching the Olympics can expect to see Visa commercials and vignettes featuring the Olympic journeys of some 16 athletes.

What's more, Visa is the only payment method accepted at Olympic venues, for the purchase of Olympic merchandise on the Internet and at Olympic retail stores.

The aim is to get consumers to use Visa when making a purchase, and the numbers show the marketing is paying off, says Lynch. To measure the return on investment Visa looks at the awareness level of its sponsorship and compares that with Visa usage he notes.

"We have a very extensive research and measurement tool, and over the period of the Olympics we expect to see a significant spike of awareness of our brand relative to the competition," Lynch said. "Over the 20 years we have sponsored the Olympic Games consumers have told us they overwhelmingly prefer Visa, so for us that's a big return on our investment. We have seen our market share rise 33 percent; now we have 54 percent here in the United States and more than 60 percent market share on a global basis."

Much of the success Visa enjoys from its Olympic sponsorship comes in the years leading up to the games. In those years, Visa can authorize its 21,000 partner banks worldwide to offer an Olympic pin, or a trip to the Winter Games as incentives for opening new accounts.

Outside the United States, India and China with their 2 billion consumers represents a rare marketing opportunity notes the University at Buffalo's Dr. Jain.

"They have bulging wallets and they are ready to spend," said Jain. "All of them are hungry to buy western products — candy, cereal or automobiles. They view associate American products with wealth and progress, and there is a belief that if a product comes from the United States, it is well made."

Big Olympic sponsors are recognizing the opportunity, and it may be leaving Turin in the shadow of the 2008 Summer Games in Beijing. While sponsorship and ticket sales for Turin have reportedly lagged a little, companies are lining up for the chance to show off their brands in an emerging market like China.

But when it comes to marketing tie-ins, this year corporate sponsors are spoiled for choice given the line-up of world-class events, which includes the Super Bowl, the Turin Olympics and the World Cup in Germany this summer.

"In sports marketing terms, this is about as good as it gets," said Visa's Michael Lynch. "When you can combine such marquee events like the Super Bowl and Olympic Games and World Cup soccer come in the same year as other events like Daytona 500, you know it's going to be a good year."

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