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Olympics Roundtable Panelists Assess Mid-Games Marketing Issues

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As the Beijing Games continue into the second week, the panelists in the latest installment of our Olympics roundtable reflected on the marketing impact of one of the biggest stories of the first week, Michael Phelps' record eight Gold Medals. Participants also assessed other marketing and business stories from the opening week and offered their take on whether the momentum can continue.

PHELPS PHACTOR: Many of our panelists mentioned Speedo, whose LZR Racer suit Phelps wore en route to seven world records, as a Phelps sponsor that is getting the best return on its investment. BEST Managing Dir Mike Principe said of Speedo's exposure on Phelps' suit, "I can't think of better press and publicity for a piece of performance apparel." Strategic President Peter Stern noted Speedo's "on-camera visibility has been substantial and, most importantly, their brand is now linked to history." Revolution President & CEO John Rowady said Speedo has "one of the highest capitalizations at this stage of the Games," as the LZR suit has "blown a massive hole in Nike Swim technology or anyone else for that matter." Rowady: "Maybe Speedo doesn't need to be really good at marketing to create a better return. Just having innovation that is so far past any competitor is igniting a global viral marketing phenomenon for Speedo." Rule 1.02 Managing Dir Eric Bechtel said the \$1M bonus Speedo pledged to pay Phelps if he won seven Gold Medals "certainly elevated the PR exposure as well." Bechtel noted the company has been the "most discussed non-official Olympic sponsor in the history of the Games." Fuse Partner Bill Carter noted Speedo as a sponsor that has differentiated itself in the first week of the Games, because "what they have created has, literally speaking, become part of the action and sport itself." Carter: "They are not 'borrowing' the imagery of swimming -- they 'are' swimming."



Panel Feels Speedo Getting Best Return
On Investment From Phelps Sponsorship

RIDING THE WAVE: Panelists also listed Visa as a sponsor that has benefited from its relationship with Phelps. Bechtel said Visa's creative, activation and global reach have been "flawless." Rowady said Visa's "Go World" campaign is an "easy choice" as a winner because they are "well immersed into all facets" of the Games. He added the campaign is "scripted and ready to go," which allows it to "change and refresh as Phelps moves closer to being immortal."

Bechtel awarded Visa a Gold Medal for its creative efforts. Additionally, while not a traditional sponsor, the sport of swimming also received mention as a benefactor of Phelps' success. Bechtel said Phelps "has the potential to do for the sport of swimming what Tiger Woods has done for the sport of golf." Stern said "swimming is THE story of the 2008 Games." Stern: "Anyone lucky enough to be touching Michael Phelps is certainly smiling." Carter said the enthusiasm around Phelps "will have the greatest effect on pop culture's attention to and interest in the sport."



Sacramone's Stumbles Likely Have Hindered Marketability

FALLING SHORT: Just as Phelps and his sponsors have benefited from the Games, several athletes have failed to live up to expectations, hindering their marketing potential. Bechtel noted U.S. gymnast Alicia Sacramone, whose struggles on the balance beam and floor exercises during the women's team competition many feel cost the U.S. a Gold Medal, may have harmed her marketing potential. However, he said due to the way she "handled the disappointment of her performance I actually think she could really reap the rewards for her class and grace." Bechtel also noted injured China hurdler Liu Xiang as a disappointment, as a second-consecutive Gold Medal in the men's 110m hurdles for him on his home track would have been a "goldmine endorsement-wise in Asia." Stern noted U.S. sprinter Tyson Gay was an unexpected "non-factor," but he added of Gay, "I admire that he made no excuses or reference to the injury set back, this says a lot about his character." Rowady noted U.S. gymnast Shawn Johnson "had the opportunity to remain the face of American gymnastics for years to come" if she had won the women's all-around gymnastics Gold.

LOOKING BACK: With the first week of the Beijing Games in the books, our panelists shared their opinions on some of the most surprising business developments thus far. Principe noted the "lack of overwhelming negative feedback or boycotts of China, the Olympics or the sponsors based on the allegations of China's human rights record." Principe: "For better or worse, China and the IOC have been very effective in separating global politics from the Games itself and getting folks to focus on the positive achievements of the athletes, the facilities and the Chinese people." Carter said he is surprised "by the way that the issues that could have derailed the Games have almost completely dissipated," specifically discussion of smog and politics. Carter: "From a business perspective, this is a huge win for all the stakeholders who need the public's interest to be on the events themselves." Rowady noted the Olympic Green "has been a huge failure to date." Rowady: "With so much planning time for the providers of hospitality and sponsorship rights, in concert with BOCOG, how could this happen?" Rowady added the Olympics are "ripe for better activation and promotional programs," and the Olympic Movement "needs to be willing to transform its marketing innovation to continue to nurture their relationships with key marketers and brands."

ON THE RIGHT TRACK? Panelists debated whether marketers' best opportunities at the Beijing Games are in the past, or whether the track & field events of the second week can maintain the momentum of swimming and gymnastics. Principe said after Phelps' historic performance, there "has to be a certain amount of fatigue in the viewing audience." Principe: "There is no way that the same amount of passion, enthusiasm and excitement can extend for another week." Stern said track & field "always has interest, but week one will outshine week two this year, especially given that a number of the key track & field events will not be covered live in the United States." Bechtel said because of Phelps, swimming "has overtaken track and field and so has gymnastics." Bechtel: "Track & field only has itself to blame as the recent steroids and

doping scandals have done their damage to the sport and they've lost the trust of their fan base. I don't see it changing in the near future either." Rowady agreed, saying it is "fair to say that doping issues within track & field have hurt the sport, especially within the U.S.," where viewers are "embracing the believability and true amateurism of swimming and gymnastics as examples of what the Olympic ideal is supposed to be." But Carter said "due to the excitement" of Phelps' accomplishment, track & field and the other events this week "will benefit." Carter: "I think it's a matter of momentum -- if people are tuning in every night for the first five nights, I think they are going to keep tuning in for all seventeen."
