

SYDNEY
OLYMPIC
2000
MARKETING

Marketing and the Olympic Movement

Ancient Precursors to the Modern Olympic Games & Olympic Marketing

LIKE THE OLYMPIC GAMES OF TODAY, THE ANCIENT OLYMPIC FESTIVAL WAS A CELEBRATION OF CULTURE. AT ITS peak during the fourth century B.C., the ancient Olympic festival drew crowds from the Peloponnesian peninsula as well as from colonies as far away as Libya and Egypt. Poets and other writers recited spontaneously. Spectators gathered around sculptors at work. Vendors sold food from stalls, and traders from throughout the peninsula sold horses. Rulers frequently struck coins to celebrate their victories at the Olympic Games — a predecessor of the Olympic coin programme, a longstanding tradition in modern Olympism.

Though many ancient Olympians were rulers or noblemen, Olympians who were less wealthy often received support from private benefactors. Victors at the ancient Olympic Games brought fame to their communities in the Greek world, and these champions often were elevated to the social tier of the most important office bearers and citizens of their city. Today we know that one city built a private gym for its Olympic wrestling champion. The city of Athens offered prizes of 500 drachmas to Olympic victors — in a society where 500 drachmas per annum could place one in the wealthiest economic class.



A Century of Olympic Marketing

Support from the business community and other benefactors has helped to support the athletes, promote the Games, and build venues for more than a century. Olympic marketing has developed significantly over the past two decades to ensure the viability of the Olympic Games for many decades to come.

Since the Olympic Movement embraced controlled marketing programmes, both the Olympic Games and the Olympic Winter Games have enjoyed a period of accelerated growth, allowing more athletes from more countries to compete in more Olympic events. Reciprocally, the growth of the Olympic Games and the Olympic Winter Games has made commercial association essential to their continued viability.

The International Olympic Committee, as the governing body of the Olympic Movement, is responsible for managing worldwide Olympic marketing programmes such as the television rights and The Olympic Partner (TOP) worldwide sponsorship programme. The IOC also oversees the local marketing programmes that each Organising Committee manages within the host country. This co-ordinated effort has ensured the future of the Olympic Games, allowing each Olympic Games marketing programme to develop and grow and improve upon the last.



FOR THE FIRST TIME, REVENUE FROM MARKETING PARTNERS WAS ABLE TO PROVIDE OLYMPIC ATHLETES AND OFFICIALS WITH FREE TRAVEL AND ACCOMMODATIONS FOR SYDNEY 2000, AT A COMBINED VALUE OF MORE THAN US\$45 MILLION.

Olympic marketing helps the world's athletes reach the Games, with direct support for training, development, travel and lodging. Olympic marketing support helped more than ten thousand Olympic athletes reach Sydney 2000, and this support continues to provide Olympic hopefuls with a promise for the future Olympic Games.

The success of Olympic marketing programmes today also provides for the Olympic Movement of tomorrow. During the coming Olympic quadrennium (2001 – 2004), the IOC will contribute record Olympic marketing revenue, generated from 1997 – 2000, to aid athlete training and sport development throughout the world. To provide a legacy and support to Australian sport, the Australian Olympic Committee received US\$125 million in Olympic marketing funds, and the New South Wales government received US\$367.5 million for the construction of sport facilities.



THE SYDNEY 2000 OLYMPIC GAMES LOCAL SPONSORSHIP PROGRAMME WAS THE MOST FINANCIALLY SUCCESSFUL DOMESTIC PROGRAMME IN OLYMPIC HISTORY, GENERATING US\$492 MILLION IN REVENUE. THE PROGRAMME MORE THAN DOUBLED THE TARGETED SYDNEY BID REVENUE AND GENERATED MORE REVENUE THAN THE ATLANTA 1996 DOMESTIC SPONSORSHIP PROGRAMME IN A MARKETPLACE THAT IS NEARLY 15 TIMES SMALLER.



THE SYDNEY LOCAL MARKETING PROGRAMMES GENERATED US\$1,095 MILLION FROM LOCAL SPONSORSHIP, TICKET SALES AND LICENSING COMBINED, NEARLY TRIPLING THE TARGETED SYDNEY BID REVENUE OF US\$379 MILLION.



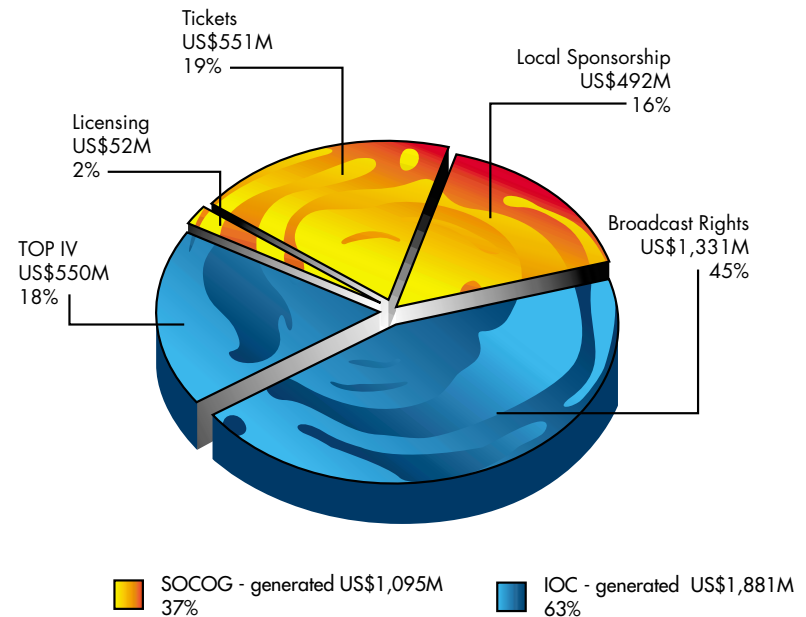
THE 199 NATIONAL OLYMPIC COMMITTEES THROUGHOUT THE WORLD RECEIVED A TOTAL OF MORE THAN US\$200 MILLION FROM THE IOC IN BROADCAST AND TOP SPONSORSHIP REVENUE. THE 28 INTERNATIONAL FEDERATIONS OF SUMMER SPORTS RECEIVED A TOTAL OF MORE THAN US\$160 MILLION FROM THE IOC IN BROADCAST REVENUE ALLOCATIONS AND MARKETING REMUNERATION.

Olympic Marketing and the Financing of Sydney 2000

Revenue Generation

The IOC and the Sydney Organising Committee for the Olympic Games (SOCOG) generated approximately US\$3 billion during the period 1997 – 2000 from the marketing of the Sydney 2000 Olympic Games, mostly from the sale of collective broadcasting rights, sponsorships, tickets and licenses. The IOC generated approximately 63 percent of the overall revenue. SOCOG's unprecedented marketing success within the host country of Australia generated nearly 37 percent of the overall revenue.

 **Revenue Generation, 1997–2000:
Sydney 2000 & the Olympic Movement**



Currency Exchange Rate: All broadcast and TOP Partner agreements were concluded in US\$ while the majority of local sponsorship and licensing agreements were concluded in AU\$, as were ticket sales. The currency exchange rate used between the IOC and SOCOG throughout the quadrennium, and applied herewith, is AU\$ 1 = US\$ 0.70.

Local Sponsorship Revenue: Includes all SOCOG contracted revenue, including media partners' support.

TOP Revenue: Includes the share distributed to the Nagano Organising Committee.

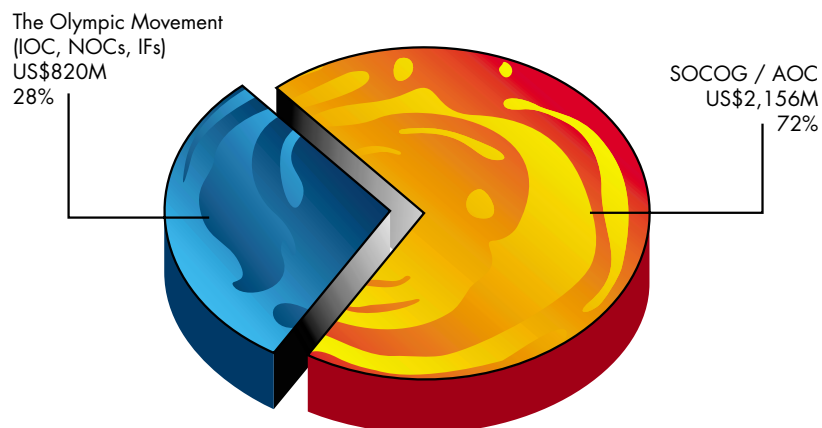
Revenue Distribution

Approximately 72 percent of the overall Olympic marketing revenue was distributed to SOCOG and the Australian Olympic Committee for the funding and operation of the Games and for the training of the Australian Olympic team. Funds have provided a legacy for the future of sport, with contributions to support athletes, coaches and sporting facilities.

The remaining 28 percent of Olympic marketing revenue was distributed throughout the Olympic Movement. The International Federations of summer sports received support for the promotion and development of their respective sports throughout the world. National Olympic Committees received support for athletes and sport development programmes within their home countries. The IOC made other contributions to other sport organisations and retained a small percentage to maintain its operations.



**Revenue Distribution, 1997–2000:
Related to the 2000 Olympic Games**



BROADCAST PARTNERSHIP AND TOP SPONSORSHIP REVENUE NEARLY DOUBLED SYDNEY'S ORIGINAL BID FORECAST. THE IOC CONTRIBUTED APPROXIMATELY US\$1.1 BILLION DOLLARS IN BROADCAST AND TOP SPONSORSHIP REVENUE TO SYDNEY FOR THE STAGING OF THE GAMES, ACCOUNTING FOR NEARLY 60% OF THE SYDNEY ORGANISING COMMITTEE BUDGET.