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Exploiting the Olympic Mystique: The Origins of the First International Marketing Program

Filled with dreams of grandeur, the Canadian Olympic Association (COA), during its meeting of September 7, 1968, chose Montreal as its candidate for the 1976 Summer Games. Enclosed in its official application to the International Olympic Committee (IOC) for the Games were letters of support from the COA, the Prime Minister of Canada, the Premier of Quebec and Montreal's City Council. On May 12, 1970, at its 60th Session, the IOC chose Montreal. It was a triumphant victory for Montreal, especially given the fact that Moscow had led on the first ballot.

Capitalizing on its "omnipotent" Olympic trademark and symbol protection, the Montreal OCOG began establishing the foundation for a vast expansion of marketing programs aimed at helping to achieve its goal of "self-financing the Games." Efforts included: (1) selling rights to official suppliers and sponsors; (2)

exploitation of official emblems of the Games, including those purchased from the Munich OCOG; (3) production of commercial publications; and (4) establishing numerous concession opportunities around Olympic venues. At its height, the marketing program included signed agreements with no fewer than 628 companies, each for a fee of \$50,000 (CDN). Forty-seven companies were multinational in scope; 42 of them were designated “official sponsors.” Yet, after administration and management costs were deducted, the total corporate sponsorship initiative netted revenues of barely \$5 million, obviously only a small share of the monies needed to underwrite the cost of the Games.

Beset with a deficit of \$990 million (CDN) from the Olympic Games, the Government of Quebec called on the city of Montreal to assume twenty percent of the shortfall through property tax increases. The remaining balance of the Olympic deficit, some \$792 million, was covered by a series of medium-term loans from the Quebec government. Although not directly responsible, the massive shortfall did little to enhance the IOC’s reputation and the Modern Olympic Movement in the local, national, and international press.

This paper examines the events behind the emergence and eventual demise of the Modern Olympic Movement’s first international marketing program. More significantly, it will delve into the activities of the people and organizations that established the foundation upon which the IOC’s current international marketing program, TOP (The Olympic Partners), resides. Given the global impact of the Modern Olympic Movement on sport, it is essential to expand our understanding of those factors that impinge upon the decisions made within the organization. Yet, despite the increasing importance of revenues derived from marketing within the Olympic Movement, most of the scholarly work done on this topic has continued to rely on various secondary sources. In order to redress this state of affairs, much of this work relies on primary source material located in the IOC archives in Lausanne, Switzerland.