#ReadyForRio: How a Revised Rule 40 Impacted Sponsorship at the 2016 Summer Olympics

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#READYFORRIO: HOW A REVISED RULE 40 IMPACTED SPONSORSHIP AT THE 2016 SUMMER OLYMPICS

By

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Submitted in Partial Fulfillment of the Requirements for Graduation with Honors from the South Carolina Honors College and Graduation with Distinction in Sport and Entertainment Management

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SUMMARY

The Olympic Games have become “the premier event in terms of attractiveness for sport sponsorship and ambush marketing” (Chavanat & Desbordes, 2014, p. 155). As the practice of ambush marketing, when non-affiliated brands associate with events without paying official sponsorship fees, has evolved, “digital disruption” (Madill, 2016) continues to threaten official sponsors’ rights and confounds event organizer’s best efforts to protect sponsors’ contractually-promised exclusivity which underpins these legal rights. In response, the IOC used a legislative tool known as “Rule 40” in 2012 to prohibit non-official Olympic partners from advertising using Olympic content, intellectual property and individual Olympians during the “blackout period” surrounding the Olympics. As this became an effective measure of preventing on-site ambush, Olympic ambush marketing has largely shifted toward social media, known as “social ambush” (Chavanat & Desbordes, 2014). Due to the immediacy and mass of content, this has become more sophisticated and harder to stop. With each successive Games, innovative marketers are finding new digital ways to associate their brands and athletes with the event without paying sponsorship rights fees (Scassa, 2011).

Thus, Rule 40 and brand protection “necessarily must evolve as well as adjust to the legal setting within the host country” (Grady, in press). Organizers must simultaneously address the ongoing policy and fairness concerns raised by athletes, specifically the need for added commercial flexibility to promote their personal sponsors during the Olympic period. For Rio 2016, this flexibility would come in the form of an amended version of Rule 40 that allowed for athletes to be used in “generic” advertising during the Games. The IOC must continue to allow some self-promotion of athletes’ personal sponsors online while simultaneously fostering an online environment in which official sponsors are easily distinguishable.
INTRODUCTION

When planning and executing the Olympic Games, a premier event in modern sport, the International Olympic Committee (IOC) relies heavily on sponsorship revenue from their official sponsors. “Worldwide Olympic Partners,” the top 11 sponsors of the 2016 Olympics, had exclusive rights during the Olympic cycle from 2013-2016.

With the purchase of these expensive sponsorship deals, brands are looking to capitalize on the “glow” of the Olympics, and use exclusive Olympic intellectual property to make ties from their brand to the Games. In order to make these sponsorship deals more valuable, the IOC has historically provided official partners with added exclusivity legislation that prevents competing brands from entering the marketing space, both figuratively and literally, during the period directly before, during, and after the Olympic Games. This has become known as the “Olympic blackout period.” With that legislation, an Olympic bylaw known as Rule 40, Olympic athletes have recently become restricted in their own ability to engage with their personal sponsors during the peak of competition at the Olympic Games (unless their personal sponsor is an official Olympic partner.) This has created public backlash from the competitors; most notably in the 2012 Olympics in London.

In 2015, in preparation for the 2016 Olympics in Rio de Janeiro, the IOC decided to “relax” Rule 40 and allow athletes and non-affiliated brands to engage in “generic” advertising during the Olympic Games. This study aims to analyze the effect of the revised Rule 40 legislation at the 2016 Olympic Games, both on-site and online, using qualitative methods of observational research.
RESEARCH PROBLEMS ADDRESSED

The purpose of this study was to understand how a revised Rule 40 impacted sponsorship in and around the 2016 Summer Olympics in Brazil. This includes analyzing their on-site activation as well as their social media presence. For most advertisers, there was also an aspect of athlete involvement through on-site promotion or activation. The research revealed that there is an ever-changing marketing landscape revolving around the Olympic Games, and it is necessary that official brands are provided with unique opportunities to distinguish themselves in the minds of consumers, while non-affiliated brands are policed in their efforts to market around the event. This study would be of particular value to Olympic planning committees, as well as brands that are looking to align any marketing efforts with mega-events in sport, whether that be as a paid sponsor or as a non-affiliated brand.
The Olympic Games have become “the premier event in terms of attractiveness for sport sponsorship and ambush marketing” (Chavanat & Desbordes, 2014, p. 155). During the London 2012 Summer Olympics, almost $2.8 billion of the $8 billion in total revenue came from official sponsorship fees. Yet, the practice of ambush marketing continues to threaten the financial viability of mega sport events. Ambush marketing is defined as “an intentional strategy on behalf of non-sponsors to associate themselves with an event in order to receive the recognition and benefits of official sponsors” (Sandler & Shani, 1989). The practice has become more sophisticated and harder to stop with each Olympics as ambush marketers find new ways to associate with the event without paying sponsor fees. One way that ambushers can create an association is by using Olympic athletes in advertising, even when those companies are not official sponsors. Through these advertising campaigns, brands such as Subway, which has no affiliation with the Games, can use athletes that they have sponsorship agreements, such as Michael Phelps, and create advertisements that appear to be tied to the Olympics, creating consumer confusion at the expense of the official sponsors. This is a common way that organizations use athletes in their marketing efforts – as “faces” or spokespersons of brands. Because of this, the IOC implemented Rule 40 to restrict advertising campaigns using Olympic athletes to official sponsors for the “blackout period” during and surrounding the Olympics. Managing ambush marketing is an ongoing and critical concern for each Olympic organizing committee, and will be a top concern again this summer (Svrluga, 2012).

The IOC must provide official sponsors with the exclusivity that encourages the purchase of official sponsor rights, while alleviating athlete concerns by allowing athletes the flexibility to market themselves through both official and non-official sponsors. As a relatively new piece of
ambush marketing prevention, Rule 40, an International Olympic Committee (IOC) bylaw, was applied at recent Games in London and Sochi to restrict advertising campaigns featuring individual athletes during the Olympic Games when those athletes are sponsored by brands that are not Olympic partners. This marketing period, known as the Rule 40 “blackout” period (Grady & McKelvey, 2015), has effectively functioned to minimize the presence of non-affiliated brands. Yet, Rule 40 has also resulted in intense criticism from athletes who feel they are unable to adequately market themselves at the peak of competition when their personal brand is most valuable. Recognizing these concerns, the IOC announced plans for a relaxed interpretation of the Rule 40 bylaw for Rio 2016, allowing athletes to continue their individual sponsorship deals throughout the “blackout” period, even if those sponsors are not official sponsors. The United States Olympic Committee (USOC) then followed suit by announcing similar guidance for competing athletes. The relaxed interpretation should “enable continuation of in-market generic advertising featuring Rio Games participants during the Games period, thereby eliminating a significant source of athlete dissatisfaction and disruption to athlete sponsors” (Team USA, 2015). The IOC is seeking to create a balance where official sponsors are still given exclusive benefits that encourage them to pay high sponsorship fees, while also allowing individual athletes to capitalize on their short window of visibility on an international stage through their personal sponsorships. The key to determining the effectiveness of a relaxed Rule 40 is identifying which campaigns will qualify as “generic” advertising, as deemed by the IOC and USOC. Seeing the content of the on-site and social campaigns allowed to run during the Olympics will shed light on the changing Olympic sponsorship landscape to see if there is new sponsorship flexibility for athletes. As Rule 40 is a new phenomenon in Olympic sponsorship, only having been in place
since the London 2012 Games, it is important that it is continuously evaluated for its effectiveness - especially as it is amended to fit the IOC’s needs.

SPONSORSHIP AT MEGA-EVENTS

Sponsorship has grown at sporting events in recent years, especially as the invention of DVR has made in-game commercials less appealing to marketers. (Choi, Stotlar, & Park, 2006, p.71). Sport events provide an opportunity for brands to both create brand awareness and improve brand image, simply through association with an event. By associating themselves with sporting events, especially those with large audiences, brands are putting themselves in the eye, and hopefully mind, of the consumer. There are a multitude of opportunities available to the brand: some as simple as logo inclusion throughout the event, others more engaging, such as branded sport simulators. In 2017, the NBA will debut ads on their jerseys – a practice that nets the top European soccer leagues $930 million in 2016, a 13% increase from the previous year. (Badenhausen, K, 2016) Regardless of the format, organizations look to engage in sponsorship deals that provide a high return on investment. LG, at the LG Sports Action Championship, sought to “be recognized” by, and “create meaningful experiences” with its core consumers. (Choi, Stotlar, & Park, 2006, p.75)

ATHLETE USAGE IN SPONSORSHIP

In sponsorship, athletes have been used as spokespersons and endorsers for brands. While these brands can be in the sport sector, they are oftentimes completed unrelated organizations residing in other categories, such as fast food or car insurance. For example, NBA player Chris Paul makes $4.5 million per year in endorsements (Fortune.com,) through various companies such as Nike, Jeep, Powerade, Upper Deck, and notably, State Farm, who has used Paul in a series of
commercials, playing off the euphemism of “assisting others,” a skill Paul is known for on the court.

Many athletes have sponsorship deals that extend beyond commercials and onto the playing field. Stephen Curry, known as one of the best basketball players in the world, is one of the most well-known Under Armour athletes. Under Armour pays Curry around $4 million per year, with the understanding that Curry will wear Under Armour products, namely shoes, during competition, as well as during more formal advertisements. Behind the success of Curry and his propulsion of the UA brand, Under Armour saw a 57% leap in footwear sales. (investor.underarmour.com)

ATHLETES AS AMBUSHERS

In the 1992 Barcelona Olympic Games, sponsored by Reebok, basketball athletes Michael Jordan and Charles Barkley covered the Reebok logo on their tracksuits with carefully draped American flags when they stepped on the podium to receive their medals. Both players had individual sponsorship arrangements with Nike. This is considered to be ambush marketing because, by obscuring Reebok’s logo, Nike ostensibly took away from Reebok some of the value of its sponsorship rights. (Scassa, T, 2011.) Since then, ambush marketing has developed into a practice that has not only diminished the value of official sponsors, but added the presence of non-affiliated brands. Companies look to promote their athletes at the peak of completion, even if the competition is sponsored by a competing brand within the category. This can lead to athletes such as Michael Phelps wearing Beats headphones, his own sponsor, onto the pool deck at the 2012 Olympics, when Bose paid the premiums to be the official sponsors within the audio category.

RULE 40

Potential host cities are expected to propose special legislation to address ambush marketing as part of the bidding process (McKelvey & Grady, 2008), whilst such legislation rarely, if ever, gets
tested in court once the Games begin. Yet, as social media became a more dominant vehicle for conducting ambush marketing (Chavanat & Desbordes, 2014), a new regulatory tool was needed. Regulatory efforts, by way of Rule 40, soon were aimed at athletes featured in sponsorship and advertisements by non-affiliated brands (those brands that are not official Olympic sponsors). Rule 40 originally disallowed the use of any athlete in advertising that was not part of an official sponsor’s campaign, thus creating a marketing environment in which the performers became far more reinforced as “brand ambassadors” of official sponsors. This created significant athlete dissatisfaction, as they became far less valuable to brands that were not Olympic partners, due to the fact that they would be unusable during the Games.

Over time, Rule 40 has changed in order to allow athletes additional flexibility in the campaigns that they may be featured in during the “blackout period.” While this has been a welcomed addition for many athletes, the timing of the waivers required for the athletes to be featured in “generic” content has become problematic, as it forces athletes and brands to make decisions about their marketing campaigns before they have knowledge as to whether certain athletes have even qualified for the Games.
METHOD

The methods that were used were based around observational research. They were all qualitative, and essentially looked like field notes. (Gratton, Jones, 2004, p. 179) In our case, it was important that we realized that we took our research as participants, meaning that we tried to simulate the experience rather than just observing it from afar. It was essential that we took pictures of what we saw as a form of recording data, which we did. Once we accumulated some data, it was equally important that we were able to analyze it, and ask "why" when it comes to the things that we found. If we can hypothesize as to why things were the way that they were (or weren't,) then we’ve begun to accomplish our original goal.

Observational research is especially useful when the nature of the research revolves around the “how” or the “why.” Because of observational research, we were able to understand what we were looking at in its natural setting. As it pertains to the Olympic research, this means that we observed what actually happened in Rio, rather than having to rely on simulations or second-hand sources.

The qualitative methods used for this research included a.) Observation on-site in Rio de Janeiro during the first week of the Olympic Games; this included observing physical advertising, such as billboards and fliers given to spectators in official fan experience zones. b.) Semi-structured interviews with global sports marketing professionals who are in Rio working with athletes and brands; c.) Content analysis of social media campaigns before and during the Olympics Games “blackout” period. Experiencing the sponsorship environment also helped both researchers make determinations about the effectiveness of each campaign in the minds of the consumer, essentially allowing the researchers to be “the eyes of these sport spectators” and visually experience what interests them first hand (Choi, Stotlar, & Park, 2006, p.72). The environment
surrounding Olympic venues has traditionally included athlete-driven advertising and sponsor activation on-site, heavy sponsorship activity near Olympic venues and in fan experience zones, and personal athlete appearances on behalf of brands. By being on-site, the researchers documented instances from the marketing campaigns used by sponsors and ambushers that would be unavailable if not observed in person.

Our Olympic sponsorship research was a great opportunity to utilize event observation as a form of collecting data. When we sought to answer how brands with various levels of rights differentiated themselves on site, it’s critical that we were able to observe those campaigns. We took pictures, made notes, and had a good feel for how brands attacked the challenge of maximizing the “glow” of the Olympic Games. These same ideas applied to what was circulating on social media; through observational research methods we successfully witnessed what was being said in that realm without having any impact on it. Because of observational methods, we have a much more holistic understanding of the types of advertising and sponsorship activation that took place at (and around) the 2016 Summer Olympics.

Since this is a study based on observational research methods, it is important to understand that the data gathered is from the eyes of a “participant,” rather than those that planned and executed campaigns. There is very limited inside knowledge.
FINDINGS

With the relaxed Rule 40 legislation, there were changes in how brands were utilizing Olympic intellectual property and Olympians in their on-site and online marketing efforts. In analyzing specific brands, both official partners and non-affiliated brands, it becomes much clearer how a relaxed Rule 40 impacted Olympic sponsorship at the 2016 Games.

CASE STUDY – COCA-COLA – OFFICIAL SPONSOR

SOCIAL MEDIA/DIGITAL

As an official partner, Coke was frequently using Olympic intellectual property to differentiate themselves from non-affiliated brands that had to be generic in their social media content. Coke’s social media campaign focused on the idea of “Gold.” With a #ThatsGold hashtag and official sponsor status, they marketed themselves through Olympic athletes and their pursuits of victory. They used Olympic keywords (such as the word “gold”) and the Olympic rings and medals, which Rule 40 exclusively reserves for official Olympic partners. The use of Olympians was a clear method of distinguishing the Coca-Cola brand from non-affiliated brands in the soft drink category. During the Games, they used over 75 athletes, running commercials and video spots where they described what it felt like to be “gold” and to win “gold.” This was something that they would have been able to do at the London 2012 Olympics under the prior Rule 40 legislation. Among others, Nathan Adrian, Ashton Eaton and Alex Morgan were featured from Team USA. They repeatedly highlighted the idea that “gold is a feeling.” From the viewer’s perspective, the overarching idea was that Coke was a great
way to celebrate happiness, both in Olympic competition and in the daily life of non-Olympians. Throughout the ads, Coke featured both Olympic athletes and normal civilians from many different walks of life, celebrating the different cultures that the Olympics bring together. The entire campaign was reminiscent of their previous “Open Happiness” campaign, with the addition of Olympians. Core Power, Minute Maid, VitaminWater, and Zico Coconut Water all ran digital advertisements featuring United States Olympians, so Coke took advantage of their official sponsor rights throughout their smaller brands.

The Coke Twitter page also took advantage of the official sponsor status even without the direct use of Olympians. They frequently featured Coke bottles as “athletes,” waiting to jump into the pool or waiting on the podium with gold medals around their necks. While a non-affiliated brand could have used their product to mimic athletes on a podium, they could not have done so with a reference to gold medals around their necks, or with the Olympic rings in the graphic. They often congratulated some of the prominent Olympians on their victories, especially in swimming and gymnastics. They continued to push the #ThatsGold hashtag, whether it was used in videos, GIFs, or still graphics. When Coke used Olympic athletes, they tended to use them in smaller groups – singles, pairs, or a few – as opposed to other brands such as Visa who tried to create more of a #TeamVisa feel. In all, Coke was proactive in leveraging their official partner status by using Olympic athletes online. Rule 40, as it has in previous years, reinforced their rights by preventing competing brands such as Pepsi from infringing on Coke’s Olympic affiliation.
ON-SITE

Coke predominantly focused on two major activations in Rio de Janeiro, while also scattering themselves around the city. When visitors arrived at GIG, the major Rio de Janeiro airport, they were handed a free Coke sample that included a gold label and the Olympic rings. There were a handful of official Olympic sponsors that were present in the airport, such as Nissan and Omega, and while all of the official sponsors used Olympic rings and athletes in their advertising, Coke was the only brand with an activation other than a billboard or sign.

Once Olympic ticket holders made their way into Olympic Park, there was a Coke activation that was awaiting them. If visitors could find the activation space tucked towards the back of the park, they were able to enter the area that featured retail opportunities as well as product samples. There were not many Olympians used in this activation, but Coke had the benefit of being the only brand in their category that were in the Barra Olympic Park.

For non-ticket holders, there was also a “Coca-Cola Station” in the Praca Maua area of Rio. Targeted at teenagers, Coke brought in famous social media figures from around the world, some of which had over 2 million followers on various platforms. Again, Coke focused more on their rights to Olympic intellectual property than Olympians. If Coke had chosen to integrate Olympic athletes into the station, they may have increased traction to one of their primary on-site activations, and they likely would have been more successful in reinforcing themselves as an official partner in the minds of consumers.
Despite their on-site presence, the lack of Olympic athlete presence may not have lead the on-site fan to associating Coke as an official sponsor. While they did use athletes in the digital space, they did not use them nearly as much as other official partners (or even competing brands) in person.

Coke’s Olympic campaign seemed original, but also tied into itself regarding the culture and competition of the Olympic Games. They effectively used Olympic-related words and phrases that were prohibited from competing brands in their activations online and on-site. They did not utilize Olympian-generated content or imagery in their exclusive on-site activation space as much as other official partners.

CASE STUDY – VISA – OFFICIAL SPONSOR

In building a “Team Visa,” Visa focused on specifically Olympic athlete usage to differentiate themselves from other non-affiliated brands that would have had to use athletes generically under the revised Rule 40 legislation. In all, Team Visa consisted of 46 athletes for the Rio Games. 2016 marked 30 years that Visa has served as an official Olympic partner, so they could build on their longevity as a partner while also finding new ways to innovate for the 2016 Games. As a longtime official partner, Visa has experienced the evolution of the Rule 40 legislation.

They used the Olympics to spotlight new technology – namely a “payment ring” that athletes would be able to wear to pay for things even quicker. They also sponsored a separate team of refugee athletes as well as the Paralympics.

SOCIAL MEDIA/DIGITAL
On all digital avenues, Visa launched a “Carpool” campaign featuring a bevy of Olympic Athletes that non-affiliated brands would not have had access to. There were predominantly 14 athletes featured, spanning 11 different sports and 7 different nationalities. The commercial played off an idea of competitors using Visa payment systems to make their way to the Games, and how there were more ways to pay with Visa than those commonly found at the traditional point of sale. There was a flurry of official Olympic marks seen throughout the advertisement – in the form of bumper stickers, decals, Rio de Janeiro monuments, and pictures of signage outside of Olympic venues. Most of the athletes featured in the advertisement were seen wearing their country’s uniform in one way or another. In contrast, under the new Rule 40, non-affiliated brands would have been able to use athletes in a similar advertisement, but without any official Olympic marks and only if they were traveling to an ambiguous destination rather than the Olympic Games. On social media, Visa tagged their Olympic-related content with the hashtag #TeamVisa. Their Twitter page was not keeping up with the Olympics as much as some other brands, but they focused on “supporting #TeamVisa athletes” as they chased their Olympic dreams. On Twitter, they did celebrate Team USA’s 1000th gold medal since Visa has been an official sponsor. This congratulations message was something that only official sponsors would have been able to post, and Visa distinguished themselves from non-affiliated brands with the use of
words such as Olympic, gold, medal, #Rio2016, as well as the official Olympic logo. They also commonly used pictures of the Olympic medals in their posts. Their Twitter is primarily used in general to show support for mega events that they are sponsoring – such as the Olympics and the Super Bowl.

On Facebook, they shared many of the same graphics as their Twitter page. None of the graphics were athlete heavy, but they did use Olympic marks in each of them – predominantly the Olympic rings and the Rio 2016 logo. The standard format was an Olympic-themed line, followed by “Accepted here.” (i.e., “Nail-biters. Accepted here.”) This played off the idea of Visa being accepted around the world.

ON-SITE

Visa was very heavy in its branding efforts on-site, and focused most of its resources with Olympic retailing. At the two Visa megastores, which were located on Copacabana beach and within Barra Olympic park, there was extensive Visa and Olympic signage – including on the temporary facilities themselves. There were hosts of Olympic athletes in their official Olympic uniforms, ranging many sports and countries, featured on Visa signs inside and outside of the megastores. The color scheme of the entire retailing venue was Visa’s blue and yellow.
Once patrons entered the store, they were only able to pay for merchandise with Visa credit or debit cards. Any other form of payment (including cash) was not accepted. This was an interesting strategy by Visa, but one that did put them in the forefront of the consumer’s mind. Buyers had no option but to use their Visa cards if they wanted official Olympic merchandise.

As the exclusive payment card and payment system of the Olympic Games, Visa did leverage their official sponsor status. By excluding other forms of payment, they were able to exclude competitive brands and confirm themselves in the minds of consumers as the official sponsor. They chose to focus on their on-site activations rather than leveraging their status to a larger audience online, therefore partially ignoring the relaxation of Rule 40 and athlete usage.

**CASE STUDY – SAMSUNG – OFFICIAL SPONSOR**

**SOCIAL MEDIA/DIGITAL**

As a technology giant, Samsung’s Olympic activation predominantly centered on Olympic video content rather than Rule 40 subjects such as Olympic intellectual property or athlete imagery. Samsung had unique access to Olympic content through their new virtual reality technology. For the first time in Olympic history, there was a virtual reality live stream of Olympic events. In conjunction with the NBC Sports app, 85 hours of live content was streamed exclusively to users of Samsung’s VR headsets. This included the opening and closing ceremony, as well as some basketball, gymnastics, track and field, and fencing. This provided a unique way for an official sponsor to have exclusive content that was seamlessly integrated into their existing product.
Samsung also released an exclusive edition of their Galaxy S7 Edge phone in April prior to the Games. It featured the Olympic rings on the back, a feature restricted from competing brands, and was advertised as the “Official Smartphone of the Rio 2016 Olympic Games.” Samsung, like all of the official sponsors, was heavy in their use of intellectual property in differentiating themselves from non-affiliated brands.

Samsung focused their social media efforts on a #DoWhatYouCant hashtag, which highlighted the idea of overcoming adversity to compete in the Games but did not use any protected Olympic words. In comparison with Under Armour, a non-affiliated brand who ran a #RuleYourself campaign during the Games, it would have been impossible to identify the official sponsor based on the hashtags. They did have athletes in their posts, but they did not usually identify them by name, sport, or country, and did not often feature them in official uniform with official Olympic marks. They used athletes to supplement whichever sport they were covering in each graphic. This made them appear “generic” in nature, and failed to distinguish themselves from the non-affiliated brands, who would have been able to produce similar content after the Rule 40 amendment. When they did choose to mention specific athletes, they were often lesser-known competitors in lesser-followed events. Samsung did not activate their official status on Instagram during the Games.

Prior to the Games, Samsung did cover four hopeful Olympic athletes in a short video series titled “A Fighting Chance.” It was a longer film that was promoted through their social media, and mainly focused on athletes that were making huge sacrifices (often in third world countries) in
hopes of qualifying for the Olympics. There was direct Olympic reference in the videos, but only in reference to their Olympic dreams.

ON-SITE

Samsung’s primary on-site activation was in the Olympic Park, a space reserved for official partners, where they had a Samsung “Galaxy Studio” that focused primarily on their virtual reality technology. Once fans entered the studio, they were greeted by a very millennial staff who were full of energy, singing and dancing as fans were encouraged to experience Samsung’s latest products. There was a movie theater setup where fans were immersed in the virtual reality technology, as they went through many of the major Olympic sports. While the energy in the Galaxy Studio was impressive, Samsung did not use athletes heavily in their activation and would have appeared generic if not for their reserved location in Olympic park. They focused more on the “Olympic experience” in Rio de Janeiro, featuring pictures of Christ the Redeemer and other local landmarks. However, if Samsung had put fans “in the eyes” of Olympic athletes during their activation, as opposed to using generic athletes participating in Olympic sports, they would have leveraged their status and created a unique fan experience that their competitors could not have done.
Samsung also had a presence on Boulevard Olimpico, where they utilized a smaller Galaxy Studio to interact with fans. This was likely a less visited activation, not only because of the smaller size but also the increased presence of other official sponsors in the area.

CASE STUDY – UNDER ARMOUR – NON-AFFILIATED BRAND
SOCIAL MEDIA/DIGITAL

Under Armour was the pioneer of using athletes in the digital space without breaching any Rule 40 restrictions. Their most notable athlete was Michael Phelps, who they utilized greatly through a #RuleYourself campaign that was created months before the Olympics, but ran all the way through the Games. This was the best example of a campaign that would not have been possible during the London 2012 Olympics under the previous Rule 40 legislation.

The #RuleYourself campaign was especially effective because it was able to capitalize on the excitement leading up to the Olympic Games without any direct mention. In the initial video that was promoted on Under Armour’s major social channel accounts, Michael Phelps was shown vigorously training for the “upcoming global sporting event,” while the song “The Last Goodbye” foreshadowed the fact that this would be his last attempt at Olympic greatness. Throughout the video, Phelps was wearing Under Armour apparel in and out of the pool, with no reference to Team USA.
Under Armour continued to use the #RuleYourself hashtag during the Olympics to congratulate Phelps and other Under Armour athletes during their victories. Following Rule 40 restrictions, Under Armour did not use any word such as gold, medal, Olympics or Rio. Instead, they used an American Flag emoji and referenced Phelps being “unbeatable in the pool.” Timed correctly, they were a seamless marketing effort that appeared to be as Olympic-themed as any content from competing official brands, despite the fact that Rule 40 prohibited them from direct mention of the event or even the Olympic Games.

ON-SITE

Because of the existing Rule 40 restrictions, Under Armour was limited in their ability to create an on-site presence. They were unable to use any Olympic athletes in the same way that other official sponsors did, but they still succeeded in having a presence in Rio during the Games. There were two main ways in which Under Armour activated in the city, and
both were much more experiential forms of marketing surrounding the beach scene in Rio.

One of the first things that visitors and locals saw on the Rio beaches were the Under Armour gyms that had been constructed prior to the start of the Olympics. Stationed every quarter-mile or so, they were small training structures that had various features such as pull-up bars, gymnastics rings, or bars for dips and push-ups. They were all branded with Under Armour signage, and featured pictograms of workouts that could be done at each station. As we walked down the beaches, we found that they were widely used by locals and tourists alike.

The second activation that Under Armour used featured manned training locations that encouraged people to work out right on the beach. They had trainers who were guiding users through different exercises. This all occurred beneath an Under Armour tent, with trainers who were showcasing Under Armour products in action.

Both activations were permitted under the new Rule 40 legislation because they were not in an Olympic “clean zone,” nor were they using any intellectual property or Olympians. These would have also been permitted in prior Olympic Games, but in 2016 Under Armour could have used generic photos of Under Armour athletes such as Michael Phelps in Under Armour apparel and still been compliant.
DISCUSSION/IMPLICATIONS

In analyzing the 2016 Olympics, it is necessary to identify some key brand trends as well as areas for improvement in the Rule 40 legislation. In all, brands will be looking to the future, where they hope to create greater opportunities to leverage on their official sponsor status and distinguish themselves from non-affiliated brands. On the other hand, organizers of the Games will be hoping to provide potential partners with increased opportunities, both online and on-site, in order to increase demand for official sponsorship rights. If they are able to do that, brands will be more willing to pay significant premiums to distinguish themselves during and around future Olympic Games.

Sponsorship has grown at sporting events in recent years, especially as the invention of DVR has made in-game commercials less appealing to marketers. (Choi, Stotlar, & Park, 2006, p.71). As consumers view fewer and fewer commercials, their interactions with brands during mega-sporting events has occurred almost exclusively on-site, through in-event television, and online. With a disproportionate amount of target markets consuming the event remotely, Rio 2016 partners were forced to focus on advertising in-event (rather than on-site) through methods such as the Rolex logo in the background of sand volleyball matches, and online, where content is incredibly difficult to regulate. Online, these official partners sought to affiliate themselves with premier moments of the 2016 Games by congratulating athletes and teams in the moment with official Olympic marks, such as Coca-Cola, or by developing long-standing campaigns with the athletes that found themselves under the spotlight in Brazil.

Thus far, Olympic marketing legislation has effectively prohibited non-affiliated brands from having significant presence on-site at the Olympic Games. Since those brands are prohibited from
the area in and surrounding Olympic Park, they are limited in their on-site activation abilities, and most of those brands choose to abstain from on-site activation altogether.

In the past, the IOC, as well as other official Olympic organizers, have predominantly focused their efforts on ensuring this on-site presence is exclusively reserved for those who pay for official rights. In general, they have done a good job of allowing official partners to gain on-site access to fans of the Games without much infringement from competing, non-affiliated brands. As the advertising landscape develops, it will become increasingly necessary for these organizers to focus their efforts in the digital space, with the goal that official brands are easily distinguishable from non-affiliated brands, and have simpler and more consistent access to consumers of Olympic content. If protection resources are moved online, which has traditionally been a much harder space to regulate due to the immediacy and mass of content, there will be added incentive for potential partners to attach themselves to the Olympics. Rule 40 must find ways to limit the digital access of non-affiliated brands, and continue to make Olympic content exclusive in the digital space.

Therefore, moving forward, digital media will be the new arena in which Rule 40 regulation must continue to make strides. If official partners can continue to use exclusive Olympic content, such as hashtags, or feature with official Olympic accounts, it will create a sort of network and “group” of official partners that are more easily distinguishable. If they can use Olympian-generated content, such as account takeovers, or collaboration with athlete accounts, it will create greater buzz around the brand and truly establish themselves as an Olympic-affiliated entity.

From the athlete perspective, athletes will continue to push for legislation that allows them to market themselves fully during the Games. Under current Rule 40 guidelines, it has been difficult to find lucrative sponsorship deals that financially support their training. In the 1992 Barcelona
games, Michael Jordan and Charles Barkley, both Nike athletes, covered their Reebok logos with an American flag while on the podium as a form of ambush marketing (Scassa, T, 2011). While there were no major examples of in-event athlete ambush in 2016, athletes were frequently attempting to interact with their sponsors, whether they were official partners of the Games or not, online.

Conversely, from the sponsor’s perspective, their main goal is to monetize the “glow” of the Olympic Games. This is far easier to do as an official sponsor that has both a metaphorical seat at the IOC’s table and advertising space within Olympic park itself, but the IOC has, by design, historically made it difficult to do so otherwise. Since non-official sponsors can now advertise generically featuring Olympic athletes through a revised Rule 40, official sponsorships have become slightly less valuable. The IOC must not only continue to monitor the effectiveness of Rule 40 in regulating the digital space, but also make a concerted effort to provide the official partners with online advertising opportunity that distinguishes official brands from the “generic” advertising of their competitors.

Under the current Olympic model, it is essential to the financial sustainability of the Games that the IOC can receive significant compensation for official sponsorship rights. However, it is also essential that athletes feel that they are able to market themselves to the point that the Olympics become financially worthwhile. Rule 40 must be able to balance the needs of both entities.
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