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Bridgestone hoping to capitalize on Olympic sponsorship

By [Chris Sweeney](#)



BRIDGESTONE AMERICAS PHOTO

Bridgestone Americas is supporting a number of athletes for the Rio 2016 Olympic and Paralympic Games, from L-R Kelley O'Hara (soccer), Meb Keflezighi (track & field, marathon), Cullen Jones (Swimming), Khatuna Lorig (archery), Will Groulx (para-cycling) and Aly Raisman (gymnastics).

NASHVILLE (July 27, 2016) — It's tough to find a seat at the most exclusive Olympics sponsorship table, but Bridgestone Corp. has one of the 12 chairs for at least the next eight years.

Now comes the real work.

The firm secured a deal in 2014 to become part of The **Olympic Partners** program, which gives it exclusive global sponsorship rights. The company joins Coca-Cola Co., McDonald's Corp., Dow Chemical Co., Omega Ltd., Panasonic Corp., Visa Inc., Samsung Electronics Co. Ltd., General Electric Co., Proctor & Gamble Co., Atos S.E. and Toyota Motor Corp. as TOP sponsors of the 2016 Olympic Games

in Rio de Janeiro.

Bridgestone's agreement runs through the 2024, spanning three summer and two winter Olympic Games — with the next three events taking place in the Asian region, including Bridgestone's home city of Tokyo in 2020.

“Joining the Olympic movement as one of just 12 global partners provides an incredible opportunity to strengthen Bridgestone's awareness in markets globally, both where we're well known and where we're growing, and to connect our brand to something larger than our businesses or borders,” T.J. Higgins, president of Bridgestone Americas Tire Operations' integrated consumer tire group, said in an email interview.

“The decision to partner with the International Olympic Committee and the Olympic movement was also a natural evolution of sport as a business and marketing platform for many decades.”

Mr. Higgins added that while Bridgestone is a TOP partner, it does not have global activation rights until 2017. For the 2016 Olympics, it has marketing rights in Brazil, the Republic of Korea, Japan and the U.S. The firm also had less time to plan its Olympic program because it signed two years into the Brazil cycle.

Being associated with the Olympic movement generally has its advantages. Kim Skildum-Reid — founder and director of Power Sponsorship, a sponsorship consultant firm that provides a wide range of services to clients in all sectors — said in an email interview that some research shows Olympic sponsorship raises the market capitalization of a company, also admitting that other research shows increases to be negligible or overstated.

But the biggest advantage the investment provides is a stage for Bridgestone to show itself off to the world.

“Basically what this sponsorship becomes is a megaphone that

may attract attention to your brand that otherwise would be difficult to do without spending a lot of money,” said Jim Andrews, senior vice president of marketing at IEG—a firm that has tracked and monitored the sponsorship industry since the 1980s. “The smartest sponsors use this as a platform to do a number of different things off of.”

Race to the TOP

The cost associated with being a TOP sponsor is high. While Bridgestone would not release financial specifics, Rob Prazmark, founder and CEO of 21 Marketing, estimated that the cost has surpassed \$200 million for a four-year cycle, maybe even more depending on how competitive the category is.

Mr. Prazmark was part of the original team that created and sold the TOP program for the IOC when it was developed in 1985 and, according to 21 Marketing's website, he sold the program until 1996. His firm continues to negotiate sponsorship deals for some of the world's biggest events.

That figure is just for a seat at the table, but it is a significant chair to have. Andrews said the TOP program is a one-stop shop. The sponsor gains the IOC's worldwide rights, is an official sponsor of the Olympic games and its organizing committee, and then the hundreds of national committees below that. National and organizing committees can, however, go sell other categories in areas where there isn't a TOP sponsor.



BRIDGESTONE CORP. PHOTO

Bridgestone Corp. CEO and Chairman Masaaki Tsuya and International Olympic Committee President Thomas Bach signed an agreement in 2014 in Tokyo making Bridgestone an official Olympic Games sponsor through 2024.



BRIDGESTONE AMERICAS

Bridgestone Americas has launched a consumer sweepstakes and an internal training and sales incentive program tied to the Olympic Games and Team USA for the Bridgestone Affiliated Retailer Nationwide Network.

Below that, things can get murky depending on the country. For instance TOP sponsors may not be guaranteed individual federations or governing bodies. But generally speaking, there is a strong effort to protect TOP sponsors.

Athletes may sign with whomever they want, Mr. Prazmark said. However non-TOP partners are not allowed to use Olympic imagery, the word “Olympic” or the five rings. For example other tire makers could sign Michael Phelps to a sponsorship deal, but only Bridgestone could use specific Olympic imagery or Olympic brands in its campaign.

“The advertising has to be pre-approved by the United States Olympic Committee, who is out to protect (TOP sponsors),” Mr. Prazmark said. “It has to be done in such a way that will not confuse the public on who the sponsor is.”

Mr. Higgins said Bridgestone Americas has teamed up with six U.S. Olympic and Paralympic hopefuls, four of whom made their respective teams — Meb Keflezighi, track and field, marathon; Aly Raisman, gymnastics; Kelley O'Hara, soccer; and Will Groulx, para-cycling. While Cullen Jones, swimming, and Khatuna Lorig, archery, did

not make their teams, Higgins said Bridgestone is “honored to continue working with them to celebrate their many accomplishments both on and off the field of play.”

He added Bridgestone will continue its ongoing support of golfers Matt Kuchar and Stacy Lewis, who are competing at the Rio games and that parent company Bridgestone Corp. has partnered with cyclist Kohei Uchima, golfer Yuta Ikeda and triathlete Ai Ueda.

Olympic-sized payoff

Ms. Skildum-Reid said an Olympic sponsorship provides the same things that any good, well-leveraged, sponsorship would deliver, only on a larger scale. These include:

Changing perceptions of the brand;

Changing behaviors around the brand; and

Aligning with target markets.

However, she notes that these benefits don't come from the sponsorship itself, but from how the company leverages the sponsorship.

"The only drawback is not executing it correctly," Mr. Prazmark said. "It's a major investment that clearly at this size goes all the way to the top of the house. There has to be a clear vision on how you implement it internally worldwide. That's the only element they've got to be prepared for. It has to be embraced by the entire organization."

He added that an Olympic affiliation also helps with recruitment. With unemployment tightening up in areas of the world, there becomes a fight to hire the best and the brightest in engineering or accounting. A lot of companies leverage their Olympic association to help tell their story and sell prospective employees on their culture.

"We see the Olympic Games as a strategic investment that differentiates us from our competitors and will lead to new growth opportunities," Higgins said. "Our partnership will also help build awareness and reputation with consumers, and we know these are determining factors in their brand preference and choice.

"This is good for our entire value chain. Our partnership is also an opportunity to showcase, on a global scale, our company's values, and marks the first truly global marketing platform in Bridgestone's history, allowing us to engage new customers and key stakeholders around the world."

Companies approach the Olympics differently. Mr. Prazmark said some firms use the Olympic affiliation every day over the four-year period, such as GE. While others, such as Coke, go all in during the weeks leading up to and through the games, and then they're done until the next Olympics.

Mr. Andrews said to be successful, a company has to take advantage of all the different elements having this association offers, and sometimes that means spending upwards of two times on the activation than what they spent on the fee. Some companies go into these associations not realizing that, or paying lip service to it, and then come to a painful realization.

"It certainly depends," Mr. Andrews said. "You have to do it right. If Bridgestone, or any sponsor, does the right things and takes advantage of what they just bought and really uses this as a platform for all of these different kinds of marketing communications, we've seen that it can be a really effective vehicle. It certainly has great potential to be a very powerful marketing vehicle if it's activated and executed in the right way."

Bridgestone has already begun leveraging its partnership, with a special "worldwide Olympic partner" logo and integrated Olympic themes into its most recent commercial for its DriveGuard tire line. The spot started running in May and featured Lorig firing arrows at both the DriveGuard and standard tire then comparing their performance.

Mr. Higgins said Bridgestone Americas' Olympic advertising will begin airing in August in both the U.S. and Brazil, running through the Paralympic games.

"Our activation plans for Rio 2016 include soon-to-launch national advertising and digital campaigns that will share our Olympic message in the U.S. and Brazil," he said. "We've also launched an Olympic-themed retail marketing campaign to inspire teammates and help drive sales."

Key concerns

With major events like the Olympics, there is always a concern that non-sponsors might try to employ ambush tactics. Mr.



BRIDGESTONE AMERICAS PHOTO

Bridgestone Americas is running a series of Olympics-themed commercials this summer, including one featuring five-time Olympic archer Khatuna Lorig shooting an arrow into the firm's DriveGuard run-flat tires..

Prazmark said that the IOC goes to great lengths to protect its TOP sponsors.

“We have exclusive rights as a (TOP) partner, and both the IOC and USOC have very strong rules and protection plans in place to prevent ambush marketing,” Higgins said.

“As a TOP, we also have an exclusive buy with NBC, which gives us access that non-sponsors don't have. Some brands may try to push the limits when it comes to ambush marketing around a major event like the Olympic Games, and we trust that the IOC and the USOC will continue working hard to protect the rights of Bridgestone and other TOP partners.”

Ms. Skildum-Reid, however, said what the IOC and the Olympic organizing committees do tend to be limited to legal remedies, and the best ambushers know that they don't have to break any laws to be effective. But she added that TOP sponsors such as Bridgestone have the power to dominate many ambush channels by fully leveraging their sponsorship access.

“If a competitor is determined to run advertising that has a theme of athletic competition and sportsmanship, you can't prevent somebody from getting right up to that line,” Andrews said.

“You can only stop them if they cross it and most brands are smart enough to know right where that line is. But you go into these kinds of relationships understanding that's the environment. In this case, the best defense is a good offense. If you're out there marketing your official recognition, your rights to the games logo and the five rings, that's something nobody else can do in your category.”

And with every Olympics, there are usually a number of political and social issues leading up to the games. In 2008 it was concern over air pollution in China, and with Rio the Zika virus already has caused some athletes to back out of the games. Not to mention the financial situation in Brazil and the usually recurring concern that the host city might not be ready.

Mr. Higgins said Bridgestone is aware of the issues surrounding the games and is in close contact with the IOC and the Rio organizing committee on how they are being managed, taking a variety of precautions in its onsite operation. Andrews added that while global events such as the Olympics attract negative coverage, the brand is instantaneously recognized and comes with far more positive energy.

“Every Olympic games seems to have its hiccup going into it,” Mr. Prazmark said. “There's always this nail-biting period that we're in right now. A lot of people write about it, and the virus gets a lot of attention because some known athletes aren't going. But the games will happen. It's a worldwide phenomenon.

“The games start, and all of a sudden it's a global festival of humanity. People tend to rally around that.”

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