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# IOC ready to raise price of joining its TOP program

Increases would take effect for 2022 and 2024 Olympics

By **Tripp Mickle**, Staff Writer

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The International Olympic Committee plans to increase the price of sponsoring The Olympic Partner program, ending a decade-long period where official Olympic sponsorships averaged \$25 million a year.

The price increases would kick in for the 2022 and 2024 Olympics, said Timo Lumme, IOC television and marketing services managing director. The organization has seven TOP sponsors committed to 2020 and will be working over the next year on renewals with Panasonic, Samsung and Atos Origin, which are all signed through 2016.

“Pricing of TOP has to reflect market conditions,” Lumme said. “Once we start getting into the sales cycle post-2020, there will certainly be a price revision.”

The plan to increase pricing comes as the IOC completes its third review of TOP since the program was created in 1985. TOP was designed to give brands an opportunity to affiliate with the Olympics and promote their association with the property worldwide. The program has become one of the pre-eminent global sponsorship packages in sports, raising more than \$3 billion since its inception and increasing in value by nearly 50 percent in the last decade, from \$663 million for the 2001-04 quadrennium to \$1 billion for the 2013-16 quadrennium.

But the price TOP sponsors pay, which



Lumme says the IOC would consider trimming the number of TOP sponsors.

Photo by: SHANA WITTENWYLER

is pegged at \$100 million a

## TOP SPONSORS

SPONSOR	SIGNED THROUGH
Atos Origin	2016
Coca-Cola	2020
Dow	2020
GE	2020
McDonald's	2020
Omega	2020
Panasonic	2016
Procter & Gamble	2020
Samsung	2016
Visa	2020

Source: International Olympic Committee

quadrennium in just rights fees, has been scrutinized in recent years as the value of local organizing committee sponsorships for the Beijing, London, Sochi and Rio Games have soared. Local sponsors such as Volkswagen paid \$100 million to sponsor the Beijing Games, and Nissan reportedly paid \$250 million for its sponsorship of the Rio Games. Those sponsors receive rights to activate only in the host country of the Games, while TOP sponsors, who pay the same amount or less on average, get rights in the host country and exclusive rights to use the Olympic rings worldwide.

Lumme said the rising prices that local organizing committee sponsors pay is one of the reasons the IOC is looking at its pricing of TOP. He did not say how much the IOC would increase the fee. Ultimately, that will be a decision made by the organization's new president, Thomas Bach.

"We have to present the TOP program and our thoughts on the future and future strategies to him and make sure he's comfortable with it," Lumme said. "I foresee we start having those conversations [with sponsors about new prices] if not in Sochi, shortly thereafter."

21 Marketing founder Rob Prazmark, who helped create TOP in the 1980s and was hired by the IOC to evaluate the program in 2009, believes the IOC could charge TOP sponsors \$200 million per quadrennium — double the current fee. The IOC will have to add more assets to justify that type of increase, such as TV media time, but Prazmark believes the price increase is feasible.

"The cost of TOP is a bargain for these global partners compared to if you had to go out and buy these rights individually," Prazmark said. "There are only two [major] global sponsorship programs in the world. This and FIFA, and companies that get involved with TOP do it because of brand, not price. This is why I think going forward past 2020, it's time to not only redo the program but redo the pricing."

The increases will carry some risk. Prazmark said that the last time

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**TIMO LUMME**  
IOC TELEVISION AND MARKETING  
SERVICES MANAGING DIRECTOR

the IOC tried to increase sponsorship prices significantly in the early 1990s, it lost three or four sponsors. But it managed to find new partners and set a market rate that was consistent across most of the 10 to 12 TOP sponsors. The program has seen limited turnover among sponsors since then because of the value and assets it offers.

“If they were able to increase it to \$200 million a sponsor, you could shrink the number of sponsors from 12 to six and increase revenue from TOP from \$1 billion to \$1.2 billion,” Prazmark said. “You’d be distributing the wealth across six companies and then be able to release the categories back to the national Olympic committees and organizing committees to let them raise more money on their own.”

Lumme said that contracting the maximum number of TOP sponsors from 12 to six is something that the IOC would consider.

“I would start with the default position that we would have 10, 11 or 12 [sponsors], unless actually the market drives us to having less,”

Lumme said. “That means that if the market is willing to pay a premium, or the amount that would justify us having less partners, and if the IOC, national Olympic committees and organizing committees all feel we’re winners, then I would look at anything.”

But beyond that, the IOC has been reluctant to disclose any other changes it’s contemplating for TOP. During the 125th IOC Session earlier this month, IOC Marketing Commission Chair Gerhard Heiberg said only that the IOC will continue to cap the number of sponsors at 10 or 12 so that enough categories remain for the Olympic organizing committees and national Olympic committees to sell.

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