"Welcome Home": Motivations and Objectives of the 2004 Grand National Olympic Sponsors

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Abstract

Given the increasing dependence of sport organizations and events on corporate sponsorship, this study set out to examine the motivations of the Grand National sponsors of the Athens 2004 Olympic Games and the objectives they sought to fulfill through their sponsorship. Semi-structured interviews were conducted with 7 of the 10 Grand National Olympic sponsors. Findings indicated that these companies' decision to join the National Sponsoring Program was not entirely business-driven; rather, the desire to support the national effort and a sense of obligation led most companies to enter into a sponsorship agreement. As for the sponsors' objectives, our research confirmed past findings (e.g., Abratt, Clayton, & Pitt, 1987; Lough, Irwin, & Short, 2000; Ludwig & Karabetsos, 1999) by showing that increasing sales/market share, enhancing corporate image, and increasing awareness for the brand were highly valued objectives for national Olympic sponsors. In addition, our findings provide some support for the importance of corporate citizenship and improved employee relations. This study concludes with some recommendations for current and future organizing committees and companies considering an Olympic sponsorship at the national level.

"Following the Los Angeles Games the International Olympic Committee established The Olympic Program, to provide a limited number of corporations with exclusive rights to Olympic properties. However, other companies have the opportunity to become an Olympic sponsor at a different level by supporting a National Olympic Committee, an organizing committee of the Olympic Games, individual sports, or Olympic athletes."

Introduction

What do an automobile company, a bank, a brand of beer, an Internet provider, and a sports drink have in common? They are all frequently featured as sponsors of sport organizations and events, and they all invest large amounts of money, products, and/or services for the right to do so. Mullin, Hardy, and Sutton (2000) define sponsorship as "the acquisition of rights to affiliate or directly associate with a product or event for the purpose of deriving benefits related to that affiliation or association" (p. 254). Based on this definition, there are two parts to any sponsorship agreement: the first part includes the sponsor's investment in order to "acquire" the right to associate with the event, and the second part involves the benefits that the sponsor receives in return for their investment.

Corporate sponsorship spending reached all-time highs in the 1990s. Mahony and Howard (2001) reported that the extent of corporate support invested in the North American sport industry alone in 1998 exceeded $5.1 billion. The growth in sponsorship spending could be attributed to government restrictions on tobacco and alcohol advertising, the high cost of advertising and its questionable effectiveness, the greater number of sponsorship opportunities as well as...
the effectiveness of sponsorship as a marketing tool, and the increased media coverage of sporting events (Meenaghan, 1991).

Similarly, over the years, Olympic sponsorship has become one of the most dynamic forms of marketing, with dual benefits for both the corporations and the Olympic movement. In fact, this particular business activity has taken center stage since the 1984 Los Angeles Olympic Games when Peter Ueberroth was able to generate over a $200 million profit by limiting the number of sponsors to 30 (Kruger, 1999).

Following the Los Angeles Games the International Olympic Committee (IOC) established The Olympic Program (TOP) to provide a limited number of corporations with exclusive rights to Olympic properties. However, other companies have the opportunity to become an Olympic sponsor at a different level by supporting a National Olympic Committee, an organizing committee of the Olympic Games (OCOG), individual sports, or Olympic athletes (Arani, 1992).

In an era where financial burdens have put investments in sport sponsorship under serious scrutiny, understanding the motivations influencing a company’s decision to become involved can provide valuable insight in the process of soliciting and maintaining corporate support. Furthermore, understanding the objectives that corporations seek also allows sport properties to work with their sponsors to better meet expectations.

"The world's premier sporting event is considered one of the most promising sponsorship opportunities in sport. This reputation is partially attributed to the IOC's strong marketing strategy, which effectively utilizes the Olympic symbols and ideals to increase the Olympic Games' brand equity and value."

This research focused on the 10 Grand National Olympic sponsors of the 2004 Athens Olympic Games. The purpose of this study was twofold: to explore the motivation behind those companies’ decision to become Olympic sponsors and to examine the objectives each company sought to achieve through their Olympic sponsorship agreement. Given the special nature of the Olympic Games and the increasing need for financial support, an understanding of those motives could assist future event organizers as well as organizers of smaller events in the solicitation of corporate partners.

There is a shortage of research focusing on the reasons companies decide to affiliate with the Olympic movement at the national level (Slack & Bentz, 1996). The present study aims to contribute to the literature by focusing on national Olympic sponsors and their motivations. There are some differences between national and TOP sponsors, not the least of which is that most TOP sponsors are usually involved in long-term partnerships with the IOC. For example, Visa began its Olympic partnership in 1986 and has planned various global marketing initiatives that extend to 2012. In contrast, national sponsors usually develop a relationship with the Olympic Games which, though financially demanding, is rather short-term and more ad hoc in business terms. Nevertheless, these deals are very instrumental for the organizing committees that are counting on the national sponsors’ expertise and support in infrastructure development in order to meet the challenges of the Olympic Games (Brown, 2000).

Furthermore, the Olympic Games are widely perceived not only as a sport-oriented, multi-national festival but also as a means for a country to set and achieve national goals in relation to social issues, economic matters, and infrastructure. As a result, the National Sponsoring Program was designed to serve as a fundraising tool and an opportunity for further development and networking for companies affiliated with the organizing committee. For example, the Hellenic Telecommunications Organization was selected to become a Grand National sponsor in 2001 in the telecommunications category. In addition to the rights fees paid to obtain the sponsorship and further costs incurred to leverage the sponsorship, the company invested another €200 million to upgrade its own infrastructure and services in order to handle the needs of the Olympic Games. Similarly, the Public Power Corporation S.A. invested more than €300 million to ensure sufficient power during the Olympics. Therefore, there is a compelling need to better understand the reasons underlying these affiliations and how they are linked to the broader corporate strategies of the respective companies.

Olympic Sponsorship

Over the last two decades, worldwide interest in the Olympic Games has increased dramatically in terms of media coverage, consumer interest, and corporate involvement. The world’s premier sporting event is considered one of the most promising sponsorship opportunities in sport. This reputation is partially attributed to the IOC’s strong marketing strategy, which effectively utilizes the Olympic symbols and ideals to increase the Olympic Games’ brand equity and value. In fact, sponsorship constitutes one of the
most important factors of the IOC's marketing strategy, as evidenced by the interest of international corporations in the Olympic Games and their willingness to significantly invest in order to join the Olympic movement. In that spirit, the 11 TOP IV sponsors contributed $579 million to the Olympic Movement in the 1997-2000 period, a figure substantially higher than the $95 million generated by the nine TOP I sponsors in 1985-1988 (“Olympic Marketing Fact File,” 2004).

As repeatedly stated by current IOC President Dr. Jacques Rogge, sponsorship has provided the means to “democratize sport worldwide” and free the Olympic Games from “political divisiveness” (Redgate, 2002). Sponsors are more instrumental than ever in making the Olympics happen. The IOC supports local organizing committees by giving them 20% of their gross sponsorship sales. However, each OCOG has to generate additional revenues by selling Olympic sponsorships at a lower (national) level. The Athens Organizing Committee (ATHOC) for the 2004 Olympic Games did so through its National Sponsoring Program, which included three categories: the Grand National sponsors, the Official Supporters, and the Official Providers. The first category of Grand National sponsors included 10 companies and is the focus of this paper.

**Athens 2004 Sponsorship**

In March 2004, ATHOC announced that the total revenue generated from sponsorship up to that point had reached more than €570 million, which accounted for approximately 30% of the Games' budget (€1.962 billion). That amount included €272 million from TOP and another €300 million (representing 143% of the organizing committee’s target) from ATHOC’s National Sponsoring Program (“Athens 2004,” 2004). This program broke all previous sponsorship records since ATHOC was able to cover its projected sponsorship revenues by filling only 21 of the possible 40 sponsorship categories; in essence, ATHOC contributed to the IOC's effort to reduce the commercialization of the Olympic Games.

**Sponsorship Motivations**

In his discussion on the value of sponsorship, D'Alessandro claims “there is no question that a well-chosen and well-managed sponsorship can move your brand forward more dramatically than almost any other marketing activity” (2001, p. 71). However, there has been limited research focusing on the reasons companies decide to become involved in sport, and particularly Olympic, sponsorship. Arthur, Scott, Woods, and Booker (1998) advise that before entering a sponsorship agreement “any organization should implicitly investigate whether or not they should actually become a sponsor” (p. 50). Similarly, Irwin and Asimakopoulos (1992) propose that the first step in evaluating a sponsorship proposal is to examine the company's marketing plan and corporate objectives in order to assess how well the particular sponsorship is aligned with those objectives.

Amis, Slack, and Berrett (1999) provide a very insightful perspective on the topic of sponsorship; they argue that a sponsorship opportunity should be evaluated based on its ability to provide a company with competitive advantage. They approach sponsorship as a resource and suggest that it could deliver enhanced image and reputation for the company in an efficient manner if handled properly. Moreover, their findings indicate that companies experience success when they are able to incorporate their sponsorship deals within their overall corporate strategy (Amis et al., 1999). This last point has been supported by other researchers who also view sponsorship as part of a company's marketing communications mix (e.g., Meenaghan, 1983; Meenaghan, 1991).

The decision to invest in sport sponsorship could be based on a variety of rational and emotional motives (Arthur, Scott, & Woods, 1997), such as the need for increased awareness, increased sales, and a positive image or the desire to be a good citizen by supporting a worthy cause. Regardless of their focus, however, these motives should be examined carefully before a company begins setting specific sponsorship objectives (Arthur et al., 1998). Cornwell (1995) recommends that any company considering a sponsorship should first examine whether this marketing activity will “help achieve existing and planned general marketing and corporate objectives and do it more effectively and efficiently than other alternatives” (p. 17). Accordingly, corporations should be very thorough in their review of sponsorship opportunities and enter into an agreement if and only if they believe that this sponsorship will enhance their market position. Linking the sponsorship to the company's brand management strategy could help the sponsor obtain competitive advantage.

**Sponsorship Objectives**

The popularity of sponsorship as a marketing and communications tool relies on the fact that such an investment can help a company achieve corporate objectives. In response, the marketing literature has paid considerable attention to the objectives that appear to be important when a company enters a sponsorship relationship (e.g., Abratt, Clayton, & Pitt, 1987; Irwin & Asimakopoulos, 1992; Ludwig & Karabetos, 1999; Scott & Suchard, 1992). Research findings have suggested that most companies invest in
Sport sponsorships in an effort to raise brand awareness and enhance the image of their company, increase sales and market share, reach a specific group in the market, enhance staff relations, fight competition, become involved in the community, and obtain hospitality opportunities.

Abratt et al. (1987) found that the most important incentives that lure organizations into a sponsorship agreement are the potential for media coverage, the opportunity to promote the image of the corporation and increase awareness, the potential to turn event spectators into company customers, and the opportunity for public relations with existing and prospective customers. Scott and Suchard (1992) found that increased media coverage, improved company sales performance, enhanced client relationships, and the extension of promotional efforts are all reasons for which companies decide to sponsor a sporting event. However, their research showed that only reasons related to company performance and client relationships were significant in determining the financial resources allocated to sponsorship.

Irwin and Sutton (1994) contended that most sponsorship objectives fall under four categories: position enhancement, status enhancement, trade networking, and public service. Using this proposed list as a starting point, Lough, Irwin, and Short (2000) found supporting evidence emphasizing the importance of position and status enhancement objectives among North American sport sponsors. Their study pointed to the significance of commercial objectives and the heightened need to prove return on investment for sponsors involved in such relationships.

Moreover, in their study comparing traditional sport sponsorship to sponsorship of women’s sports, Lough and Irwin (2001) found that increased sales and market share were the most highly rated objectives for a sponsor. However, their analysis showed that for those involved in sponsoring women’s sports, the goodwill associated with those events as well as the opportunity to enhance the image of the company and to be a good citizen were also highly rated objectives. Given the discrepancies between the investment and attention allocated to men’s versus women’s sports, supporting women’s sport might be seen by sponsors (not to mention consumers) as a more worthy cause. Along the same lines, supporting a country’s efforts to successfully put on a celebrated international event such as the Olympic Games might be seen by national corporations as a worthwhile cause.

In one of the few studies focusing on Olympic sponsors, Ludwig and Karabetsos (1999) found that the most important objectives rated by sponsors of the Atlanta 1996 Olympic Games were exclusivity, increased public awareness of the company, and increased sales. Interestingly, continuing the Olympic tradition was rated as the least important objective, providing additional supporting evidence for the need of sport sponsorship to meet commercial goals.

The review of the literature suggests that companies enter sponsorship relationships to fulfill a variety of objectives. However, no matter what those objectives are, a company should not consider a sponsorship unless they have specified the outcomes they hope to obtain from the agreement. Furthermore, in order to be helpful, those outcomes need to be “Specific, Measurable, Attainable, Relevant, and Trackable” (Arthur et al., 1998, p. 52). Setting objectives before undertaking any sponsorship will not only guide the selection of the right sponsorship opportunity for the company but will also provide standards for the evaluation of sponsorship effectiveness once the agreement is underway.

Given the limited research conducted on Olympic sponsors, especially at the national level, and the financial implications of Olympic sponsorship, this study set out to explore the motivations and objectives set by the 10 companies that served as Grand National sponsors of the Athens 2004 Olympic Games.

“Research findings have suggested that most companies invest in sport sponsorships in an effort to raise brand awareness and enhance the image of their company, increase sales and market share, reach a specific group in the market, enhance staff relations, fight competition, become involved in the community, and obtain hospitality opportunities.”

Methodology

Setting

The 2004 Olympic Games were awarded to Athens, Greece, in September 1997 and took place from August 13 to August 29, 2004. Although Greece was the smallest country to host such a gigantic and expensive sporting event in more than 100 years, it was widely reported that the Athens Olympic Games were successful in administrative and technical issues; in fact, the Games were commended for breaking established records related to the number of participating countries and athletes, TV viewership rates, TV coverage volume and total income generated from broadcasting, and the TOP and national sponsorship programs. Positive feedback was also provided on volunteer involvement, live attendance rates, and ticket sales.
### Table 1
Profile of Grand National Sponsors of the Athens 2004 Olympic Games

<table>
<thead>
<tr>
<th>Company Name</th>
<th>Product Category</th>
<th>Company Identity</th>
<th>Agreement Date</th>
<th>Contribution</th>
<th>Past Sponsorship Involvement</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alpha Bank</td>
<td>Banking</td>
<td>Main private Greek banking foundation, following the merge of two national banks</td>
<td>February 2001</td>
<td>€74m (in cash and services)</td>
<td>Sport (sailing) Art (art exhibits, music concerts, museums)</td>
</tr>
<tr>
<td>Hellenic Telecommunications</td>
<td>Telecommunications</td>
<td>Leading Greek company, in the top 10 in Europe</td>
<td>November 2000</td>
<td>€58.7m (in cash and services)</td>
<td>Sport (track &amp; field athletes)</td>
</tr>
<tr>
<td>Heineken/Athenian</td>
<td>Brewery</td>
<td>An international company under dual ownership (Greek and Dutch), active in trading beer and water</td>
<td>February 2001</td>
<td>€17.6m (in cash)</td>
<td>Sport (soccer, tennis, golf) Art (cinema, music concerts, music halls) Brewery</td>
</tr>
<tr>
<td>Hyundai Hellas*</td>
<td>Automotive</td>
<td>The sole private agency for Hyundai automobiles in Greece, has 4% market share</td>
<td>July 2001</td>
<td>€16.4m (in cash and kind)</td>
<td>N/A</td>
</tr>
<tr>
<td>Delta</td>
<td>Dairy Products</td>
<td>Greek company with international activity, has 50,000 sales points and three production units</td>
<td>March 2001(joint sponsorship with competitor Fage)</td>
<td>€18.5m (in cash shared with Fage)</td>
<td>Sport (track &amp; field, tennis) Art (painting, theater)</td>
</tr>
</tbody>
</table>

continued on following page
### Table 1 continued
Profile of Grand National Sponsors of the Athens 2004 Olympic Games

<table>
<thead>
<tr>
<th>Company Name</th>
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</tr>
</thead>
<tbody>
<tr>
<td>Fage</td>
<td>Dairy Products</td>
<td>Greek company exporting in 18 West European countries, USA, and Australia; also sponsored the bid for the Games</td>
<td>March 2001 (joint sponsorship with competitor Delta)</td>
<td>€18.5m (in cash shared with Delta)</td>
<td>Sport (basketball, volleyball, cycling, athlete endorsements) Art (art collections, museums)</td>
</tr>
<tr>
<td>Hellenic Broadcasting Corporation (ERT)*</td>
<td>Television and Radio Stations</td>
<td>The only public broadcasting agency in Greece</td>
<td>May 2001</td>
<td>€16.7m (in advertising time and space)</td>
<td>N/A</td>
</tr>
<tr>
<td>Hellenic Post (ELTA)</td>
<td>Post and Courier Services</td>
<td>Historical Greek public organization that currently operates as Public corporation (DEKO) and is under privatization</td>
<td>October 2001</td>
<td>€11.7m (in cash and kind)</td>
<td>N/A</td>
</tr>
<tr>
<td>Olympic Airlines</td>
<td>Airlines and Airline Tickets</td>
<td>First air company founded in Greece, facing major financial problems and failing efforts to turn private</td>
<td>March 2003</td>
<td>€10m (only in kind)</td>
<td>Sport (archery, regatta) Conferences</td>
</tr>
<tr>
<td>Public Power Corporation S.A. (DEI)</td>
<td>Electric Energy</td>
<td>Leader in the Greek market in electric power, became a corporation (Ltd) in 2001</td>
<td>March 2004</td>
<td>€300m (in infrastructure and service upgrades)</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Not interviewed
N/A - No available information

Note: All abbreviations in parenthesis correspond to the companies’ Greek names.
One of the issues of concern that arose during the Athens Games was the escalating cost of the operation and infrastructure provision for the Olympics. In the case of the 2004 event, the Greek government contributed 14% to ATHOC's operational budget. This figure does not include the €1.3 billion spent on security and the €4.6 billion spent on sport venues and other game-related infrastructure. These expenses increased the government's budget deficit from 1.4% of the GDP in 2002 to 3.2% in 2003 and an estimated 4% in 2004 ("PricewaterhouseCoopers," 2004).

Participants

The sample for this study consisted of the entire group of Greek businesses selected by ATHOC to take part in the Grand National Sponsoring Program. These businesses included: Alpha Bank, Hellenic Telecommunications Organization, Heineken/Athenian Brewery, Hyundai Hellas, Delta, Fage, Hellenic Broadcasting Corporation, Hellenic Post, Olympic Airlines, and Public Power Corporation S.A. All businesses in this sponsorship category are considered large national corporations, with sizes ranging from 1,000 to 11,000 employees, and are leaders in their respective industries. All of the companies have Greek ownership with corporate headquarters located in Greater Athens, and some conduct business internationally. Sponsors were selected through the same screening process. Table 1 presents a profile of each Grand National sponsor.

Data Collection

Of the 10 companies participating in the National Sponsoring Program as Grand Sponsors, seven executives agreed to be interviewed. Thus, seven semi-structured interviews were conducted with the companies' marketing director or other staff members responsible for Olympic sponsorship agreements. Unlike past studies examining sponsor objectives in which companies involved in sponsorship were given a list of objectives and asked to rate the importance of each one, this study employed a different method. The researchers felt that using a qualitative approach was more appropriate for two reasons: it would allow the collection of more in-depth information on the reasons for sponsor involvement in these one-time agreements, and it would be more fitting to the sample size. The interviews were conducted between January and May 2004 and each lasted approximately one hour. Each interview took place at the central offices of the company, and the following questions were asked in addition to other emerging follow-up questions, when appropriate:

What is the role of your Olympic sponsorship in your overall brand management strategy?

What are your objectives for your Olympic sponsorship?

What are the benefits sought through your Olympic sponsorship?

For the analysis of the data, common themes and meanings were developed and refined based on the existing relevant literature. Consistent with the study's research objectives, our findings are presented in two sections: sponsor motivations and sponsorship objectives. A discussion of the results follows.

Results

Sponsor Motivations

In order to explore the motivations of Grand National Olympic sponsors, we inquired about the role of this sponsorship in each company's overall brand management strategy. Interestingly, we found little evidence that the companies involved in the National Olympic Sponsoring Program viewed their participation as an opportunity to gain competitive advantage. In fact, it was apparent that a few of the companies considered the money paid to become a sponsor a "cost" rather than an "investment." As one of the sponsors stated, "We know that the commercial benefits are low, so what we want is to avoid losses" (personal communication, February 17, 2004).

For the most part, becoming a Grand National sponsor was a way to support the nation in this huge effort and participate in the largest sporting event in the modern history of the country. More specifically, there were four sub-themes that emerged in terms of the companies' motivation to enroll in the national Olympic sponsorship program. Companies decided to become a sponsor in order to

1. help the country [Greece] in a national effort;
2. be part of the most important sporting event and develop an association with the Olympic Games;
3. fulfill an obligation fitting the history, size, and strength of the company; and/or
4. support a major development in the company.

Each of these sub-themes is discussed in more detail below.

Help the country in a national effort

Of the seven companies interviewed, four agreed that they decided to become a Grand National sponsor because they wanted to help the country in this national effort to put on successful Olympic Games. After failing to be awarded the 1996 Centennial Games, Greece successfully bid for the 2004 competition. Being one of the smallest nations to ever host an event of such magnitude, at times, the task seemed unmanage-
able. The companies in our sample felt the need to support the country in this great challenge. One of the sponsors echoed this sentiment, asserting, "For us it is more important to support the efforts of ATHOC and to contribute to the national effort of the country for a successful Olympiad" (personal communication, February 16, 2004). This notion was even stronger in the case of another company that decided to proceed with the sponsorship, even though they did not believe that the sponsorship agreement fit their broader corporate goal of international exposure. As their representative explained, "For us, what is important is the intangible benefit and not the financial [benefit]. For us, our participation is symbolic; it is a matter of honor" (personal communication, February 16, 2004). Another sponsor highlighted the importance of supporting not only the Olympics but also the country's effort to develop further and modernize its operations. This sponsor stated, "The 2004 Olympic Games are a significant hallmark in the modern history of Greece and at the same time they are a grand challenge and a reference point in the development of the country. [Our company], responding to this national affair... decided to serve this noble cause of sponsorship ..." (personal communication, May 10, 2004). There is much historical significance in holding the Olympics in Greece, since the Olympic Games originated in this country. The central slogan for the Olympics, "Welcome Home," united citizens and corporations alike in support of this national effort.

**Fulfill an obligation fitting the history, size, and strength of the company**

A very interesting finding revealed that companies felt an obligation to become Olympic sponsors because of their history or size. As one of the sponsors mentioned, "It [becoming a sponsor] was the obligation of the company [because] we were expected to be one of the few companies in Greece that could [afford to become a sponsor]" (personal communication, February 19, 2004). For other companies, it was a matter of pride to be part of this national effort. One of the national sponsors stated, "For us this sponsorship was a matter of honor. There was no other option; there was no way that, given our national status as a company, we would not be one of the national sponsors" (personal communication, February 16, 2004). A third company cited its historical involvement with Olympic sponsorship and company history as reasons that made involvement imperative; as their representative stated, "Historically there was no way that we would not be the first sponsors. We are a historical company. We also were sponsors in 1896 so we already have a connection with this particular goal" (personal communication, February 17, 2004). The same company also indicated that becoming an Olympic sponsor would give them a unique stage to celebrate their 175th anniversary. Interestingly, these comments do not signal that improving company performance is a primary reason to become involved, even though that factor dominated the discussion on sponsorship objectives. Companies felt that being the leaders in their respective industries almost created a responsibility to enroll in the Grand National Sponsoring Program.

**Support a major development in the company**

Of the four sub-themes that emerged, this particular explanation was the only one that underlined more strategic reasons for entering this sponsorship program. In the years leading to the Athens Olympic Games, three of the companies in our sample were going through significant changes: the first company (banking) had merged with another bank in 1999; the
second company (airline) was in deep debt and was in the process of becoming a private corporation; and the third company (post and courier services) was in the process of shifting its orientation in preparation for an Initial Public Offering (IPO). At those strategic points in their history, the three companies felt that becoming a national Olympic sponsor would assist them in their repositioning efforts and help carry the company into a new era.

The stated motivations that became evident through this research highlight issues of national pride and a sense of responsibility that are, at first glance, a far cry from a business-oriented exchange relationship. However, there are some conditions unique to the Greek market that may help explain our findings. First, Greece is one of the smallest nations to ever host the Olympic Games, and this designation magnified the already huge challenge of hosting the world's largest sporting competition. The fact that the Olympics originated in this country also hyped the emotions associated with hosting the 2004 Games. Further, all the negative media coverage concerning the host country's readiness and ability to handle the requirements of the Games leading up to the Olympics engendered a strong sense of national commitment to show the world that the country could deliver what was promised. This might have also influenced the sponsors' decision to present their relationship with the Games more as community involvement and less as a business-driven investment.

**Sponsorship Objectives**

Many researchers have been concerned with the objectives set by sport sponsors (e.g., Abratt et al., 1987; Irwin & Sutton, 1994; Lough et al., 2000; Scott & Suchard, 1992). In an effort to expand past literature, especially literature involving Olympic sponsorship, the present study examined the objectives of Grand National Olympic sponsors of the Athens 2004 Olympic Games. Our results provide general support for past research findings. Most companies in our sample seemed to be concerned with sales/market share objectives and image enhancement objectives. Additionally, brand recognition and community involvement were also important for about half of the companies interviewed, while enhancing employee relations was an objective of at least two of the national Olympic sponsors. A more detailed discussion of the main findings is presented below.

**Increase sales and/or market share**

Consistent with other studies (e.g., Lough & Irwin, 2001; Lough et al., 2000; Ludwig & Karabetsos, 1999), almost all national Olympic sponsors reported that one of their objectives was to increase product sales and/or market share for their company. The only company that did not include increased sales as one of their objectives is the sole provider of electric power in the country, which makes that particular goal somewhat irrelevant for them. Two companies had set specific profit targets while others cited getting new Greek and international customers as well as increasing the consumption of their product(s) as primary objectives.

One of the sponsors admitted, "Our goal is to increase our market share and get new consumers. More specifically, we aim to attract a younger crowd, as the profile of our consumers is middle age" (personal communication, February 18, 2004). Another sponsor that has dominated the Greek market in their category was more concerned with how the sponsorship would help them generate business internationally. Their representative stated, "We consider this sponsorship to be an alternative way to promote our products internationally" (personal communication, February 16, 2004). He went on to say that the company expected that the international consumers who would visit Greece for the Olympics would be exposed to the company's
products and would continue to consume them upon return to their countries. It is worth mentioning that there was one company that did not explicitly say that they aimed to increase sales; rather, their objective was to avoid financial losses due to the sponsorship costs they had incurred.

**Enhance the image of the company**

Consistent with past literature (e.g., Abratt et al., 1987; Lough & Irwin, 2001; Witcher, Craigen, Culligan, & Harvey, 1991), five of the seven national Olympic sponsors were concerned with enhancing or changing the image of their company. This motive was particularly important for one of the sponsors going through shifts in their orientation. The company representative explained, "We are currently going through changes, so we wanted to promote a modern image reflecting effectiveness and quality; a humane image of our company.... [Our goal is] to create a positive image. We are planning an Initial Public Offering so we want to develop an image of service by providing services to 2004 [ATHOC] toward a national goal" (personal communication, February 17, 2004). This particular company felt that supporting the Olympic Games could generate positive associations among consumers by showcasing the company's ability to provide quality services to the public. Similar objectives were set by yet another sponsor who saw Olympic sponsorship as a way to strengthen their image of trust and credibility with their customers and increase the prestige of the company.

**Increase brand awareness/recognition**

The literature indicates that companies consider sport sponsorship to be an effective tool in increasing their brand awareness levels (e.g., Abratt et al., 1987; Ludwig & Karabetos, 1999; Witcher et al., 1991). Similar to those findings, the present study indicated that, for at least three of the sponsors, enhancing the awareness and recognition of their company (or of one product in particular, as was the case for one of the sponsors) was a significant objective. This intent was also evident in the comments from one company representative who stated, "[Following our merger, we felt that] becoming a sponsor would help establish the new name of our bank in the mind of the consumer" (personal communication, February 18, 2004).

**Be involved in the community**

Previous research on sponsorship has provided marginal support for this objective (e.g., Lough & Irwin, 2001; Lough et al., 2000). However, about half of the 2004 Grand National Olympic sponsors that were interviewed highlighted the importance of community involvement and social responsibility as one of their sponsorship objectives. The significance of the event for the country as well as the emotional investment in the Olympic Games created a sense of national pride that may explain the heightened importance placed on this objective. Interestingly, Kuzma, Shanklin, and McCally's (1993) research on sponsor objectives provides some supporting evidence for our findings. Those authors found that companies sponsoring Olympic-type events (such as the International Special Olympics) considered community responsibility their most important reason for becoming contributors, followed by increased levels of company awareness and enhanced corporate image. That ranking was different for Fortune 1000 companies, which valued the two latter objectives more than the opportunity to demonstrate community responsibility. Hence, the authors concluded, "Whenever an event is local and/or has a charitable theme, the community-responsibility objective often becomes more important than the purely commercial goals of awareness and image" (Kuzma et al., 1993, p. 31). Our findings are also supported by Chadwick and Thwaites' (2003) results. In examining the sponsorship program of Beijing's bid for the 2008 Olympic Games, they found that good corporate citizenship, as well as public image and improved relations with the Chinese government, were highly rated sponsor objectives.

"In terms of the motivation for becoming a national Olympic sponsor, there was no evidence in our data to suggest that companies did any type of investigation or business analysis before they entered into the sponsorship agreement. The decision appeared to be one of national pride and ethical responsibility."

**Improve employee relations**

Two of the seven companies in our sample included improving the relationships among their employees as one of their objectives. Past studies have indicated that improving employee relations is not one of the most highly rated objectives for sponsors (e.g., Lough & Irwin, 2001; Ludwig & Karabetos, 1999). It appears that the importance of this particular objective might vary depending on the circumstances within the company. For example, one of the national Olympic sponsors that considered this as one of their main objectives had recently (in 1999) merged with another company in their industry. As the representative of the company stated, "We consider this sponsorship important because it can bring the employees of the two companies closer, [it can] unite them since they will be work-
### Table 2

**Practical Recommendations**

<table>
<thead>
<tr>
<th>Major Point Resulting from Research Inquiry</th>
<th>Major Implication for Practice and/or Further Research</th>
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</thead>
</table>
| 1. Supporting the home country and becoming part of a national effort are important motivations for Olympic sponsors at the national level. | - Organizing committees (OCOGs) could use this knowledge as a sales argument when soliciting sponsors at the national level.  
- Given that two of the declared primary interests of the IOC are to control the operational budget of the Games and to enhance the legacy of the host country, the IOC should be proactive in assisting future OCOGs design and implement successful national sponsorship programs, which would be appealing to a large number of companies.  
- These results might be particularly relevant for other small nations bidding for or organizing the Olympic Games. |
| 2. Olympic sponsorship—even at the national level—could be a valid option for companies looking to promote major corporate changes. | - The organizing committee has a responsibility to understand the priorities of each sponsor and assist them in fulfilling their objectives. Customized sponsorship programs could be a way to cater to each sponsor’s special needs. |
| 3. Increasing sales-market share, enhancing corporate image, and raising awareness were all important objectives for national sponsors. | - It would be interesting to further examine how these objectives are linked to the sponsors’ overall brand strategy and translated to corporate benefits.  
- Does the importance placed on each objective vary depending on the type of company? |
| 4. Not all objectives of a sponsorship are strictly business-driven; demonstrating corporate citizenship and social responsibility was important for national Olympic sponsors. | - The multifaceted nature of sponsorship as well as the variety of objectives it can fulfill should be highlighted by event organizers.  
- Given the somewhat altruistic orientation of the national sponsors, OCOGs should multiply their efforts to protect companies’ exclusive rights and privileges from incidents of ambush marketing. |
| 5. There was limited evidence to indicate that sponsorship objectives set by national Olympic sponsors were specific, measurable, and trackable. | - OCOGs should help national sponsors link their sponsorship to broader corporate strategy and subsequently set objectives that could serve as guidelines for assessing sponsorship effectiveness. Studies on sponsors’ objectives might be a false orientation; more research attention is needed on sponsorship leveraging and evaluation or on how sponsors progress over a 3-to-5-year period following their sponsorship. |
Another sponsor echoed this sentiment, revealing that one of their objectives for this involvement was "to unite employees under one vision and a common effort" (personal communication, May 10, 2004).

**Achieve other objectives**

Other objectives that were discussed by at least one of the sponsors in our sample were the ability to leverage sponsorship rights and the opportunity to create a legacy after the Olympics. Exclusivity, the ability to run hospitality programs, and priority for tickets were also mentioned in the interviews. However, none of these factors were cited as specific objectives; rather, they were seen more as byproducts or rights acquired through the company's sponsorship agreement. Interestingly, continuing Olympic tradition was not mentioned by any of the sponsors in our sample. In their research on 1996 Olympic sponsors, Ludwig and Karabetsos (1999) also found minimal support for that objective.

In summary, although our findings provide general support for past research, there are some unique themes that emerged from this study. In terms of the motivation for becoming a national Olympic sponsor, there was no evidence in our data to suggest that companies did any type of investigation or business analysis before they entered into the sponsorship agreement. The decision appeared to be one of national pride and ethical responsibility. As for the sponsorship objectives, although our results agree with previous research findings, to a certain extent, one thing was apparent: even those organizations that had set commercial objectives provided no evidence that their objectives were specific and measurable and could be used in the future to track the effectiveness of their sponsorship.

Table 2 summarizes some practical recommendations for the IOC, OCOGs, and Olympic sponsors that were informed by our findings.

**Limitations and Directions for Future Research**

This research offers a first step toward understanding the motivation behind and the objectives sought from Olympic sponsorship agreements at the national level. Certain limitations need to be acknowledged, and the first limitation relates to the small sample size of companies. The exploratory nature of this study as well as the criterion imposed on the companies to be part of the Grand National Sponsoring Program of ATHOC resulted in only seven interviews from the maximum 10 companies qualifying to provide interview data for this study. However, input from a larger sample (i.e., the 2004 Official Supporters and Official Providers) or more employees from the companies interviewed might offer a different view of the motives and objectives underlying the National Sponsoring Program of the Athens 2004 Olympic Games.

This research focused on extending the discourse on the motives and corporate objectives associated with national Olympic sponsorship agreements by offering a qualitative-oriented account. Future research should explore potential links between the companies' objectives and attempts made to leverage their sponsorship. It would be a worthwhile study to investigate whether sponsor motives and objectives are altered by their developing relationship with organizing committees. It is plausible that sponsors enter into agreements for various motivations and objectives, but changes may occur in the orientation and priorities over time (Amis et al., 1999). By establishing these links, researchers can gain a more reliable perspective on how sport event sponsorship decisions are made. Admittedly, today we know little about how stated objectives are linked to achieved results in the context of sport sponsorship (Cornwell & Maignan, 1998). Future research in this direction can be guided theoretically by the propositions suggested by McCarville and Copeland (1994) in relation to the exchange of valued resources. By gaining insight regarding the most valuable resources preferred by sponsors, sport event organizers can package their sponsorship opportunities in the most attractive and effective way.

**Conclusion**

The findings of the present study question commonly cited reasons for corporate involvement in sponsorship agreements and suggest that the notion of national obligation, rather than anticipated financial returns, could be the main reason for becoming an Olympic sponsor at the national level. The results also highlight discrepancies in how companies approach their sponsorship agreements and reconfirm Amis et al.'s (1999) suggestion that efforts to integrate sponsorship deals within the overall marketing strategy of a company are lacking. It is our contention that a better understanding of sponsors' motivations and objectives can assist both companies and sport properties in the fulfillment of successful partnerships.

**References**

