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Olympic athletes may get chance to sport sponsors

Taking office amid widespread criticism surrounding Russian anti-gay legislation and the Sochi Winter Games, International Olympic Committee President Thomas Bach began his leadership in 2013 with reform on his agenda. "It's time for our rules to evolve," Bach said in an interview with the New York Times last November. "And they have to, just like in the corporate world."

In an effort to protect the brand and keep up with technological growth, Bach introduced 40 Olympic reform proposals last fall, including changes to the host city bidding process and creation of an Olympic digital channel for broader online exposure.

"Reforms have to happen when you are in the driver's seat," Bach explained, addressing questions concerning the timing and breadth of his proposals. "If you are hit by problems, then you are no longer in the driver's seat and lose your leadership. So the moment to change is now."

In February of this year, the IOC Executive Board suggested another set of reforms, this time to the sponsor advertisement rules. Many Olympic athletes believe the moment for this change is long overdue.

Shortly before London 2012, members of the Track and Field Association launched a social media campaign concerning Rule 40 of the Olympic Charter and encouraged competitors, coaches, trainers, officials and fans to express their frustration using the hashtag #WeDemandChange2012.

The campaign ignited a firestorm of criticism — voiced primarily on Twitter — about how the IOC applies Rule 40 to athletes.

Rule 40 mandates that an athlete participating in the Games may not "allow his or her person, name, picture or sports performance to be used for advertising purposes" during an

SPORTS MARKETING PLAYBOOK



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approximately month-long blackout period, which usually begins with the opening of the Olympic Village and ends several days after the Closing Ceremony.

The rule prevents athletes from openly endorsing a brand that is not an official sponsor of the Games, even if the athlete has an existing contractual relationship obligating him or her to promote the brand. The ban applies to commercial advertisements (e.g. television and radio spots), print ads, social media posts and content on personal blogs among other media.

Rule 40 works in conjunction with Rule 50, which states that an athlete may use his or her own specialized equipment (sometimes including clothing/uniforms) during competition, but that branding and logos on such equipment may not exceed a certain size. Rule 50 may require athletes to cover up large logos out of respect for a clean field of play.

For noncompetitive Olympic appearances, such as medal ceremonies or press conferences, athletes must wear official sponsor apparel, even if Rule 50 permits them to compete in items of their choice — say, run races in a certain non-sponsor's track shoes.

The IOC strictly enforces these brand protections. Michael

Phelps "momentarily found himself in hot water" during London 2012 when unauthorized photos of Phelps, sitting in a bathtub in swimming gear next to a Louis Vuitton bag, were leaked during the Rule 40 blackout period.

Louis Vuitton was not an official Olympic sponsor. Ultimately, Phelps was not disciplined for a rule violation, as he did not participate in or sanction the leak, and therefore did not "permit" a non-sponsor's use of his image when such advertising was restricted.

The penalties for breaking Rules 40 and 50 can be steep and can include fines, removal of accreditation or complete disqualification from the Games, depending on the nature of the offense. The rules are "a great protection for the [official Olympic] sponsors and [show] a commitment that athletes make to the International Olympic Committee," said Lisa Baird, chief marketing officer for the USOC.

They primarily exist to prevent ambush marketing, a form of advertising in which brands that are not official Olympic sponsors attempt to associate themselves with the event to gain increased exposure, name recognition and profits.

One legendary and clever

example of ambush marketing involved sprinter Linford Christie, who attended a 1996 Olympic press conference wearing contact lenses inscribed with the Puma logo. Real-time and recirculated images of Christie came with a built-in (albeit somewhat bizarre) Puma ad. That year, Reebok had paid for official sponsorship, and the Puma-Christie stunt undermined the deal.

More recently and perhaps more subtly, snowboard and clothing manufacturer Burton expertly skirted Rule 50 restrictions and enjoyed brand association with Sochi 2014 when it incorporated the company brand and logo into the design of its snowboards. Certain Sochi athletes used Burton boards as their specialized competition equipment.

The boards featured easily recognizable (i.e., giant) letters stenciled in bright colors on board backs. Burton was showcased during numerous competitions and medal ceremonies, but no Rule 50 violation occurred because the athletes' snowboards used the Burton brand in the same way as snowboards that had been available to retail consumers in the 12 months prior to the Olympics.

Despite the need for advertising restrictions to protect official sponsors of the games, Olympic athletes have argued that the IOC's application of Rules 40 and 50 unfairly inhibits their fundraising activities and unreasonably limits self-promotion in new forums (namely, social media platforms). Four-time Olympic rower, Canadian David Calder, explained that companies are more likely to support athletes who are good at social media, as "you'll always find that the athletes with the character, the charisma, the ability to reach into the hearts and minds of people who have the means to support them are the ones" that succeed in landing sponsorships and awards.

“But if you can’t tweet about your sponsorship or the support that you receive during that blackout period, well that’s a deterrent to any sponsor.” And individual sponsorships can mean all the difference in training and expenses, especially for athletes competing in minor sports — athletes who are not household names like Michael Phelps, Ryan Lochte and Gabby Douglas.

Little-known athletes often live at or below the poverty line, even while staying at the Olympic Village, and the IOC’s past interpretation of the Olympic Charter has taken away their ability to help their sponsoring brands when it really

matters — during the Games.

After Sochi 2014, the USOC pledged to open a dialogue about commercial advertising opportunities for U.S. athletes who have relationships with non-sponsors. The February proposal calls for the relaxation of Rule 40 so that it would allow athletes and non-sponsors to use “generic (non-Olympic) advertising” during the Games. The board also proposed an increase in the maximum size of a manufacturer’s identification on equipment used in competition, a modification to Rule 50.

The proposals will be presented and voted on at the full IOC meeting in Kuala Lumpur, Malaysia, in July, and, if approved (as is expected), the

relaxed rules will take effect prior to Rio 2016. “Athletes have wanted this change for a very long time,” IOC spokesman Mark Adams told The Associated Press. “It’s been a very long discussion.”

National sport organizations, such as the USOC and the Canadian Olympic Committee, already have started issuing new guidelines for rule compliance. So-called “generic” brand endorsements can have “no direct or indirect association with the Rio de Janeiro Olympics,” said the USOC.

Skeptics note that the interpretation of “generic” will be a hot-button issue and that non-sponsors are bound to exploit the

amended rules’ gray areas. Will a congratulatory message be viewed as a direct or indirect reference to the Games? Will rule interpretation issues put even greater stress on athletes who are “trying desperately to focus on one thing and that’s winning a medal at the Olympics,” as Calder worries that they will? Will the new rules act as a segue to future, NASCAR-like Olympic Games in which every inch of an athlete’s uniform and equipment are covered with sponsor branding and logos?

One thing is clear: If the IOC passes the relaxed rules, Rio 2016 will be a whole new playing field for sports marketers.