

BUSINESS

Sponsors Dial Down Volume at Rio Olympics

Corporate presence is more subdued and sponsors are said to be returning some tickets



Athletes visiting the McDonald's restaurant in Rio's Olympic Village. Along with the dessert kiosk McDonald's is operating at the city's main Olympic Park, the site is part of the company's more-muted presence at the Games. *PHOTO: MICHAEL KAPPELER/ZUMA PRESS*

By **REBECCA DAVIS O'BRIEN**

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For the London Olympics in 2012, McDonald's Corp. set up its biggest-ever restaurant: a 32,000-square-foot building with cushioned chairs, recycled wood floors and a balcony overlooking the Olympic Park.

The McDonald's in Rio's main Olympic Park is a fraction of that size. The so-called dessert kiosk has no seating and serves only ice cream.

The company's choice highlights a distinctive feature of the Rio games: the subdued presence of major Olympic sponsors.

The streets of Rio de Janeiro aren't packed with buses wrapped in brand names. Sponsors' billboards and promotions seem lost in the colorful city.

In the Olympic Park, small Coca-Cola Co. logos adorn tables and menus, while drink stands consist of a cart staffed by an attendant or two, with stacked cases of warm soda.

“I have not seen a lot of overt commercialization of Olympic sponsorship,” said Rob Prazmark, president of 21 Sports and longtime adviser to the International Olympic Committee. “It’s a very conservative games.”

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Indeed, Olympic officials and others say corporate sponsors aren’t using and are even returning tickets.

In Rio, sponsors have faced several challenges, experts say, including a failing economy, broader shifts in marketing strategies, and the fact that the events spread across a sprawling metropolis, rather than concentrated in a single Olympic Park, as in London.

“It does feel diminished because things are so spread out,” said Shawn McBride, executive vice president of sports at Ketchum Sports & Entertainment, which represents sponsors including Procter & Gamble. “I think you get outside these Olympic clusters and you feel like you’re in a big city, not swept up in the Olympics.”

That feeling is compounded by a sharp swing toward digital and social-media marketing, which tends to be less visible.

“There’s no question that more marketing dollars are going into the social media experience, as opposed to spending several million on a showcase in Olympic Park,” said Michael Payne, former director of marketing for the IOC.

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The lower-profile presence of top Olympics sponsors reflects sensitivity to Brazil's political instability and economic woes. "Things are nice, but not over the top, because the reality is that would be pretty tone-deaf," Mr. McBride said.

Several major sponsors said their presence in Rio is on par with previous Summer Olympics, and dismissed suggestions that concerns about security and public health might have led them to scale back their plans.

In addition to the dessert kiosk, McDonald's has a full-service restaurant in the athletes' Olympic Village. Spokesman David Zlotnik said the company, which has 33 permanent McDonald's restaurants in Rio, chose to operate only those two Olympic outlets because the events are so far flung—only 45% of the events are taking place in Rio's main park, he said.

The decision had nothing to do with the local economy, Mr. Zlotnik said. Instead, McDonald's decided to showcase an operation fairly unique to Brazil, where it runs 2,500 dessert kiosks serving vanilla cones, McFlurry desserts and smoothies.

A spokesman for Coke, which has sponsored the Olympics since 1928, said the beverage company's marketing efforts in Rio have been "typical" compared with previous Summer Games.

Coke has an open-air exhibit in the Olympic Park that includes ice-cold commemorative gold aluminum bottles and displays highlighting the company's longstanding role as a sponsor. It also is hosting concerts in a former warehouse painted Coca-Cola red in the renovated port area of Praça Maua.



A Cody Simpson concert in Rio de Janeiro put on by longtime Olympic sponsor Coca-Cola. PHOTO: PASCAL LE SEGRETAIN/GETTY IMAGES FOR COCA-COLA

Coke hasn't made any changes or scaled back its hospitality program for guests, the spokesman said. But unlike several previous Olympics, Coke isn't holding a board meeting in Rio to coincide with the events. The spokesman said Coke's board has skipped other Olympics.

Last month, Coke said it would fully roll out its Olympics marketing campaign in only about 50 countries, down from more than 100 for the 2012 Olympics in London.

Coke also has had bad luck with its sponsored athletes. In July, U.S. golfer Jordan Spieth withdrew from the Olympics, citing health concerns. Coke planned to market his presence in Rio, where golf is an Olympic event for the first time since 1904. U.S. swimmer Missy Franklin, a pitchwoman for Coke's Minute Maid juice brand, has struggled in Rio after winning four gold medals in 2012.

Some sponsors have been more visible. Bridgestone has ads in the airport and along bus routes and highways. Visa Inc., whose credit cards are the only ones accepted at the Games, has a modest ad campaign throughout the city.

Sponsors also use the Games to entertain clients and conduct business. General Electric Co., a major sponsor that provides electrical and other equipment for the games, expects to entertain 800 guests in Rio, a company spokesman said, including GE executives, directors, family members and corporate customers.

But even that aspect of the Games appears muted. Rio Olympics spokesman Mario Andrada said last week that sponsors weren't filling the seats in certain venues, particularly in beach volleyball, which he attributed to the frustration of long lines and limited food supply.

Major sponsors have been returning unfulfilled tickets—even for high-demand events like the swimming finals, Mr. Prazmark said.

“I've never seen that, ever,” said Mr. Prazmark, who has worked in Olympics marketing for 30 years. He said corporations reserved tickets and hospitality needs more than a year ago, only to have their clients opt to stay home out of concerns for political unrest, economic uncertainty and the Zika virus.

—*Ted Mann, Julie Jargon and Mike Esterl contributed to this article.*

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