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SBJ/Aug. 22-28, 2016/On The Ground in Rio



## The Olympics that succeeded in spite of itself

By **Ben Fischer**, Staff Writer

Published August 22, 2016, Page 1

The images of empty seats on the world's largest sports stage spoke for themselves. But for the legacy of Rio 2016, the explanations managed to say even more.

Olympic Games organizers and observers had many theories why the world was staring at thousands upon thousands of plastic chairs instead of cheering crowds: Sponsors weren't using tickets they bought. Or maybe it was the high price of tickets, which organizers refused to discount.

Perhaps fans were stuck in traffic, or gave up on the arduous trip over Rio's clogged highways altogether. Or the events were too late or too early in the day. A plan to give free tickets to local children didn't work because kids were on winter break. Or maybe the fans were there, but they were just standing in long lines for food at concession stands that often didn't have any.

All of those theories were true to one extent or another, and each illustrated the frequent, crippling dysfunction that marred the first Olympics in South America.

But on the field of play, Usain Bolt shined for the third straight Games. The USA women's gymnastics team dominated. Michael Phelps cemented his title as "Greatest Olympian of All Time." Those fans who did show up danced, celebrated and smiled late into the night, and many sponsors say their guests had a wonderful time.

The Rio Games will go down as the Olympics that succeeded in spite of itself, as good weather, cheerful fans, heroic athletes and striking vistas delivered what the organizing committee could not. Unprecedented intervention by the International Olympic Committee came too, and that may accelerate strategic reforms across the movement.



Rio provided enthusiastic crowds at many events, but empty seats were often plentiful and hard to ignore, even at popular sites like beach volleyball.

Photo by: GETTY IMAGES

percent of the folks who experience the Olympics do so by television or whatever particular platform, and that has been spectacular,” said Canadian IOC member Dick Pound. “The world has no idea about the back-of-the-house shambles that are here.”

On the last Wednesday of

the Games, Pound added hopefully, “Let’s get through another four or five days, get out of town, and the world will forget how close it has come to disaster on many occasions.”

From the perspective of big-dollar sponsors, operating their hospitality and activations was a slog. That’s not to say they didn’t accomplish their goals or please their guests, but it was a daily ordeal for their agencies hired to make it all work behind the scenes.

“It’s a tale of two legacies,” said Adam Lippard, head of global sports and entertainment for GMR Marketing.

Ultimately, Lippard said, the Games were a positive experience, but they were one of the more challenging and complicated environments GMR had encountered in a very long time.

GMR hired hundreds of local staff to help manage 15 large client programs in Rio. The agency’s large group of clients actually helped GMR manage its needs, Lippard said, because staff could apply a solution found for one client across its entire portfolio before others experienced the same problem.

Sponsors say they got what they wanted, even if it took a lot of work to make an impact in a sprawling Olympic footprint that took two hours to traverse. “The reason we did the sponsorship was to help our brand in the market,” said Jonathan Adashek, chief communications officer of official mobility sponsor Nissan, which launched its Kicks model on Aug. 5 and rebranded a hotel in Copacabana. “I get in the taxi, I say I’m going to the Nissan Hotel, and they know exactly what I mean.”

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Many are quick to defend Rio 2016, noting the economic calamity in Brazil. Signs of budgetary collapse were common, from the poorly managed volunteer program, to the lack of wayfinding signage, to the precarious sewer system that couldn't handle toilet paper being flushed.

Compared to the apocalyptic predictions of the American media, the Olympics went well. "In the end, it's not going to be the best by far, and for all the people who said it would be the worst, I think they got through it," said Sheryl Shade, an agent who represents diver David Boudia and others.

Tickets proliferated on the informal market, most likely a result of traveler attrition ahead of the Games. The budgetary impact may be limited because Rio claims to have sold nearly 90 percent of all tickets, but the empty seats were an awful look.

"If I wanted a ticket to any event, and I mean even gymnastics, there were tickets to be found," Shade said. "And there were plenty of them."

NBC Sports Chairman Mark Lazarus admitted the empty seats were a problem. "It certainly would look better on TV if the seats were full — and in many cases, they have been — but there's nothing we can do about that," he said.

The problems started out of the gate for Olympic partners, when sponsor guests waited two hours to enter the opening ceremony. Volunteers guided regular fans to a gate designated for sponsors, just the first of many complaints about poorly trained or unaware local staff.

The lines got better, and better signs around Olympic venues were finally erected in the second week. But as the IOC and sponsors were forced to step in repeatedly to make up for the failures of local hosts, many bemoaned the lost opportunity.

"As we stand here, we all should be celebrating this exciting and defining moment for the Olympic Games, the first Games in South America, versus scratching our heads wondering if it was worth it," said Dave Mingey, founding partner of GlideSlope, which advised four clients in Rio.

Timo Lumme, the IOC's managing director of television and marketing, defended Rio 2016's partner servicing, saying logistical problems were common to any big city. "Yes, there have been some challenges but as far as I'm concerned, if you're following it very closely, Rio's getting better every day," he said on Aug. 17.

A sense of under-performance was pervasive. The Rio beaches, mountains and people lived up to the billing. But standard parts of the Olympic plan, like extensive out-of-home Games signage and branding, were missing. Security fencing around the Rodrigo de Freitas Lagoon was plain chain link. Long stretches of the marathon route had little Olympic imagery.

Tom Shepard, a former Visa marketing executive and partner at 21 Marketing, said the city was missing the extra cultural buzz and energy that makes the Olympics transcend mere functionality. Sponsor activation appeared "succinct," he said. And it wasn't just a matter of economics — Rio could have done much more without spending lavishly, he said.

"To the broader point, is there a lot of fat in and around the movement?" he said. "Absolutely, the IOC is trying to cut some of that fat. I don't think that means you can't deliver in style, whatever that style is."

Octagon's Nick Griffith disagreed, reporting robust consumer and brand activity in places like the Olympic

Boulevard site in the refurbished city port area.

The Barra Olympic Park carried a relatively sparse sponsor presence. McDonald's had no full-service restaurants in general Olympic zones, a notable absence. But it wasn't easy for a sponsor to really give the sense of blanketing the city — the Olympics took place across four distant clusters. There were also fewer sponsors because of the economy.

"The number of [local] sponsors at the tier 1 and tier 2 levels is relatively smaller," said Griffith, whose agency has 12 clients in Rio. "But most of the TOP sponsors are activating as much as ever."

Lumme noted that with social media becoming such a powerful marketing force, activation dollars are now being spent in ways less visible to the naked eye. "From my perspective, [the in-person activation] is more than satisfactory," he said.

Rio will likely further drive the IOC to reconsider its franchise approach, in which it grants hosting duties to an inexperienced new city every two years and then cedes most operational control. That dynamic leads to chaos when hosts aren't up to the challenge, as in Rio, but also can cause problems when the opposite occurs. The London 2012 committee was so flush with its own sponsor dollars and ticket sales that it gave short shrift to IOC partners.

Patrick Baumann, a Swiss IOC member and head of the International Basketball Federation, said it's time for the IOC and sport federations to reclaim more control. They're the ones with the expertise, and it would be better — regardless of the city — to be more hands-on.

"We were maybe a little more pushed in that particular direction this time, and it's been working out very well," Baumann said.

But that hands-on approach frustrated the IOC in Rio. Members are used to ironing out a few problems at the start and then stepping back to enjoy the show. Instead, daily coordination meetings grew tense as transportation grew worse, volunteers quit and even the diving pool water turned green, Pound said.

IOC members advanced funds to Rio 2016 and took extraordinary steps to intervene on delayed projects like the International Broadcast Center. "It's cost us a lot more to deliver the Games than it did any other Games in history," Pound said.

Many said the IOC simply has to do more due diligence before selecting cities. "There's no question that some of these headwinds never could have been anticipated," Mingey said. "But the Olympic movement, as a whole, has to get better at forecasting just how legitimate the promises of legacy and sustainability made by each candidate city truly are."

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