

2018 legacy: The little Games that could

By Ben Fischer, Staff Writer
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For years heading into the Pyeongchang 2018 Winter Olympics, worries grew that this might be the Games that withered on the vine.

Promised hotels weren't built. Tickets weren't being sold. Threats of nuclear war and the unremarkable host city discouraged foreign travelers. The NHL backed out, and Russian doping scandals consumed headlines. Perhaps worst of all: The South Korean people didn't seem to care.

But then the Olympics industry arrived this month to witness an unexpected thing: The Games worked out just fine, with an efficient, quiet competence that didn't quite make up for a subdued feeling around town but far exceeded expectations.

To be sure, Pyeongchang won't go down in history for Vancouver-like crowds, or Salt Lake City-style memories. Few Westerners attended, and the NHL's absence was noticeable. The host city's small size and rural feel challenged everyone who tried to put on a VIP guest experience for corporate clients and customers.

But none of the worst fears materialized, and the Games that some thought would flounder just three weeks ago stand as proof of the resilience of the Olympic brand, which again delivered compelling storylines and solid, if not record-breaking, TV audiences.



North and South Korea marching together was a memorable moment from Pyeongchang.

Photo: GETTY IMAGES

“The Games will be remembered for incredible sports, incredible TV images, and maybe not all of the atmosphere outside of the venues that we’ve seen in some other Games,” said independent Olympics consultant Michael Payne. “But this is not a region that has a history for winter sport, and [it will] probably be viewed as doing a much better job than was expected.”

Those low expectations were rampant and sponsors accounted for them, said Hayle Chun, vice president of partnerships and Olympics at Endeavor Global Marketing. “The fact is, sponsors adjusted over a long period of time what they’re looking to accomplish out of these Games,” Chun said.

January’s abrupt turnabout in Korean politics was the driving force behind the late improvement in feeling around Pyeongchang. After a year of battling rhetoric and missile tests, North Korean dictator

Kim Jong-un opened the door to rapprochement on Jan. 1, and with International Olympic Committee and South Korean cooperation, sent a delegation of athletes, officials and his sister to open the Games.

It was played as a political story, but it was a business story, too. Until then, the biggest fear of the Olympic industry was that Pyeongchang was shaping up to be a “regional” Games, when to succeed it had to be seen as a truly national event.

“That whole decision about greater Korea brought the whole nation to celebrating more,” said Omega CEO Raynald Aeschlimann. “I would agree that for some time, until lately, it was more about this region celebrating, and not Seoul.”

The Legacy of Pyeongchang

“Seven years ago, the Pyeongchang organizers welcomed us with open arms. It’s been a wonderful relationship, and they should be proud of their accomplishments. This has been one of the most well-run Olympics in recent history.”

— *Gary Henkel, NBC Olympics president*

“We’re praying they can find an operator/owner who can take over the venues. They’ve done such a great job with them, you wouldn’t want them to go to waste, and that’s one of the biggest things that’s hindered the Olympic brand is these white elephants.”

— *Angela Ruggiero, outgoing IOC member*

“These Games probably won’t go down as the best Games ever, but they will always be memorable, for many good reasons, and there will be a legacy for the country, for the Olympic movement and for the region.”

— *Richard Peterkin, IOC member from St. Lucia*

“The volunteers and organizers helped deliver a smooth and efficient event, and we saw firsthand how the country — and the local fans — embraced the Games.”

— *Phil Pacsi, Bridgestone Americas, vice president of sports marketing and events*

“I think Pyeongchang will be remembered as an extremely complex Olympics. The complexity was multifaceted. From the geopolitical issues in the fall to the relative thaw and uniting of North and South Korea at Games time. The remoteness of these Olympics, three hours east of Seoul, presented complexity around attendance, logistics and client programs.”

— *Adam Lippard, GMR Marketing head of global sports and entertainment consulting*

“The Pyeongchang organizing committee, I knew they’d be good, but I think they exceeded my expectations. ... And we’ve had very, very few problems.”

— *Alan Ashley, U.S. Olympic Committee chief of sport performance*

— *Compiled by Ben Fischer*

The global attention was remarkable. Speaking of broadcasters without rights to air the Olympics, Olympic Broadcasting Services CEO Yiannis Exarchos said, “Non-rights holders, there were two days where they were devoting half of their bulletins to the story, essentially promoting the Games against their competitors.”

Eventually, the Games reached their target of selling 1 million tickets. The crowds were overwhelmingly local — University of North Carolina sports marketing professor Jonathan Jensen said he’d never seen so few Westerners at the Olympics — and the crowds were mostly day-trippers from Seoul on the new KTX train.

The masses attended the sporting events, took in the showcases and shopped at the official Olympic stores, but did not hang out on the streets. While the official bus system got you efficiently from sports venues to a bus station and back, the layout did not encourage organic lingering.

Ann Wool, president of Ketchum Sports & Entertainment, enjoyed the scene at national houses and said sponsor hospitality outfits were strong, “but elsewhere it seems somewhat muted and the transportation was incredibly challenging for spectators and accredited people.”

While the improved relations with the North helped calm nerves and brought a cheerful tone to the event, the damage from the run-up was already done.

“Some of the traditional large contingents of foreign people did not buy into these Games,” said Christophe Dubi, IOC executive director of the Olympic Games. “When it was time to do it, book the travel and book the accommodation, there was still some tension. There has been some impact, there’s no doubt about it.”

It showed up commercially as well, said longtime Olympics sponsorship salesman Rob Prazmark, who said Pyeongchang is probably the second-least commercialized Games he’s seen next to Sochi. “Geopolitical issues cross over to international marketing because decisions have to be made one year in advance and large multinationals are risk averse,” Prazmark said.

Adam Lippard, head of global sports and entertainment consulting at GMR Marketing, called Pyeongchang a very “complex” Olympics, between the geopolitical dynamics, its distance from Seoul and the aspect of having the Games in three clusters, each nearly an hour apart, with no central hub of hotels and restaurants. “I’m not sure that anyone that chose to go smaller necessarily regretted that decision,” Lippard said.

In the Olympics industry, Pyeongchang 2018 will do little to quell the worldwide skepticism over the economics of hosting. The Games were over budget, costing \$12.9 billion instead of the originally budgeted \$7 billion to \$8 billion.

White elephants look probable. As of Thursday night, there were no plans for future uses of three major venues — the Gangneung Oval, the Gangneung Hockey Centre and the downhill course at

Jeongseon Alpine Centre. The tax base in Pyeongchang and Gangneung is modest, and a market for large sports venues is hard to imagine.

Pyeongchang won the Olympics with the theme “New Horizons,” an idea that it could create a love of winter sports in Korea by building a resort destination. Only time will tell if that develops, said Terrence Burns, the Atlanta-based bid consultant who helped Pyeongchang win the Games in 2011. “I think it’s a little disingenuous to look at the Games during the Games and talk about legacy,” Burns said. “If Korea as a nation needs its own Colorado or Salt Lake ... then this is it.”

Pyeongchang got certain things exactly right. The venues were universally praised for their sporting quality, transportation was inefficient but reliable, and volunteers were well-trained and exceedingly friendly. The weather was cold and windy at times but all in all not nearly as bad as feared, and the last rush of help from the Olympic family helped tie down the loose ends, Dubi said.

It’s the second consecutive Games in which the IOC has lent extraordinary effort to the local organizers, but Dubi said this was not a case like Rio 2016 — Pyeongchang organizers were a talented group that just needed help to get to the Olympic level. “If you take this region, which is very small, you have to bring in a lot of expertise to make an event of this caliber, and that’s what we did over the past few months,” Dubi said. “The result is a good one.”