

# IOC Bringing On Airbnb As Part Of Global Sponsorship Deal

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Airbnb is close to announcing a global sponsorship with the IOC, sources said, a major escalation of the home-sharing platform's modest sports marketing presence as it prepares to go public in '20. According to sources, Airbnb's Olympic rights will mostly focus on its growing "experiences" line. It is not intended to infringe on the traditional large-scale, business-to-luxury class hotel and hospitality business that Olympic organizers require to stage the biennial Games, sources said. The hotel category is currently open for the USOPC and has never been sold globally by the IOC. Airbnb has been seeking agency help to activate its deal, with GMR Marketing, Endeavor Global Marketing and CSM's iLuka, among those known to have kicked the tires. Insiders expect an official announcement within weeks. Sources cautioned the final terms of the relationship may not be ironed out for some time, but Airbnb representatives were seen at an annual meeting of current sponsors last month in Switzerland.

**PRICE POINT:** Launched in '16, Airbnb Experiences allows hosts to offer access to their hobbies, skills or expertise as vacation activity to customers, similar to how the S.F.-based company's original business offers private homes as lodging. An IOC spokesperson said, "The IOC regularly receives interest from companies interested in joining the Worldwide TOP sponsorship program, however we don't comment on speculation." Airbnb did not return a message. Financial terms are unknown, though two sources said the deal would run through the '28 L.A. Games. The IOC has been known to seek \$50M annually for global rights, but the price can vary substantially by category and services offered. Currently, 13 companies comprise the global TOP sponsorship tier, including stalwarts such as Visa and Coca-Cola and newcomers Alibaba and Intel. They get category-exclusive rights to every Games, the IOC itself and national Olympic committees. Some sponsors spend as much on promoting their sponsorship as they do on fees. Insiders said the arrival of Airbnb makes sense because many fans build vacations around the Games, and Olympic host committees see the Games as a way to show off their national culture. However, it may raise questions for other IOC partners: A multi-faceted "experience" could easily run into conflicts with Visa, Coca-Cola, Toyota, Bridgestone and other sponsors who generally enjoy the exclusive right to be associated with the Games.

**BIGGER SPORTS EMPHASIS:** Earlier this month, The Information reported that Airbnb's operating losses doubled in its '19 Q1 to \$306M, driven heavily by marketing spending. The IOC is Airbnb's largest sports expenditure since its '08 launch. Airbnb had been a sponsor of the N.Y. Marathon from '14-17 -- at a time when it faced intense public and political scrutiny in N.Y. -- but its only current sports sponsorship is with Lakers C DeMarcus Cousins, according to SBJ Research. It has spent \$1.7M on TV advertising so far in '19, with about a third of that in sports programming, including one spot that's run three times on NBC's "Football Night In America," according to an SBJ analysis of iSpot.tv data.

**HELPING AIRBNB'S IMAGE?** News of the deal emerges as Airbnb faces scandals on multiple fronts and is preparing to go public in '20. On Oct. 31, five people were killed in a shooting at a home in Northern California that had been rented on the site, leading Airbnb CEO Brian Chesky to promise the company would take unauthorized and abusive use of their properties more seriously. Also, Vice recently published a detailed report of scammers using Airbnb to post fraudulent vacation listings and take advantage of Airbnb's allegedly lax direct oversight of transactions on its site, which Vice said the FBI is now investigating. For Airbnb, the Olympics could be a path toward improving its public image, said veteran Olympic sponsorship expert Rob Prazmark, noting that even a modest increase in its eventual stock price could pay for the Olympics deal. Airbnb has been valued at \$31B by private investors. "It's a great reputational play," said Prazmark. "Airbnb's had their fair share of being in the news. I think this just props up the brand and gives it a lot more panache and credibility."