

Business

All of Team USA's Tokyo Sponsorships Now Expire Before the Games

By [Eben Novy-Williams](#)

March 24, 2020, 3:56 PM EDT

-
- ▶ Deals set to end in 2020 conflict with rescheduled Olympics
 - ▶ Venture with Los Angeles committee is seeking 2021-28 sponsors
-

2020 Tokyo Summer Olympics Are Delayed

2020 Tokyo Summer Olympics Are Delayed

As Olympics stakeholders ponder what a postponed Summer Games might mean for their businesses, there's one glaring problem in the U.S.: All of Team USA's sponsorships will expire before the Tokyo Games are held.

The 20 brands that paid hundreds of millions of dollars to associate themselves with Team USA through the 2020 Tokyo Games all signed deals that expire at the end of December. They were structured that way to clear the slate for a joint venture of Team USA and the organizing committee for the 2028 Los Angeles Games to sell new deals from 2021 through 2028.

Now that organizers have pushed Tokyo 2020 into next year because of the coronavirus pandemic, it's unclear how the old and new sponsors will coexist. The delay leaves current

partners such as Kellogg Co., Mondelez International Inc., Nike Inc., Liberty Mutual Group Inc. and Ralph Lauren Corp. in the dark as to whether they'll be allowed to participate.

Bloomberg News contacted all 20 companies, and none that responded wanted to comment on the record. Some indicated that they'd already reached out to the U.S. Olympic & Paralympic Committee to ask about their deals; others said they planned to do so shortly.

Veteran Olympics marketer Rob Prazmark said that while extending those 20 companies' deals through next year might have a small negative effect on the ongoing negotiations for the 2021-2028 opportunities, he expects the joint venture to allow the companies to remain involved in the games next year.

"How the USOPC joint venture treats these corporations will have a lasting marketing legacy going forward," said Prazmark, who represented similar joint ventures for the last two domestic Olympics. "If someone puts a gun to their heads and says, 'See ya, thanks for all the money,' that will reverberate through the marketplace. They have to think long-term."

Team USA made \$424 million from sponsorship and licensing rights during the four-year Olympic cycle that ended with the 2016 Rio Games. Payments in this cycle are on pace to top that, according to the team's financial documents. A representative for the team didn't respond to requests for comment.

Dueling Airlines

The complexities will be hard to unwind. United Airlines Holdings Inc., for example, is Team USA's official airline through the end of the year. Rival Delta Air Lines Inc. was the first partner to sign with the joint venture, meaning Delta is Team USA's official airline in 2021. Which airline will be with the team in Tokyo next year?

"We support the decision to postpone the Tokyo Games," Casey Wasserman, chairman of the Los Angeles organizing committee, said in a statement. "While the short-term adjustments that come with postponement require hard work and collaboration, we are optimistic for the future."

The IOC requires each organizing committee to work with its local national team to sell sponsorships in the run-up to its games. The idea is to keep the two sides from working against each other.

As a result, Team USA structured all its current deals to expire at the end of this year, thinking they would include the 2020 Tokyo Games. The group then partnered with the Los Angeles committee on the joint venture, called U.S. Olympic & Paralympic Properties, to sell their assets together for the next eight years. Comcast Corp.'s NBCUniversal, which holds U.S. TV rights to the games, later joined the venture. Negotiations with current companies, and new ones, are underway.

Some of Team USA's current 20 partners will probably extend their deals, making the question of next year's Tokyo Games easier to solve. Others, like United, likely won't.

The joint venture has lofty sales goals. They include \$2.5 billion in local partners for the Los Angeles Games, and \$5 billion in overall revenue from sponsorship, ticket sales and hospitality. By comparison, organizers for the 2020 Games in Tokyo secured a record \$3.3 billion in local sponsorship, and budgeted to sell \$800 million in tickets.

In this article

DAL
DELTA AIR LI
22.41 USD ▼ -0.07 -0.31%

K
KELLOGG CO
64.10 USD ▼ -0.40 -0.62%

MDLZ
MONDELEZ INTER-A
51.41 USD ▲ +0.08 +0.16%

NKE
NIKE INC -CL B
88.37 USD ▲ +1.02 +1.17%

RL
RALPH LAUREN COR
68.30 USD ▼ -0.65 -0.94%
