

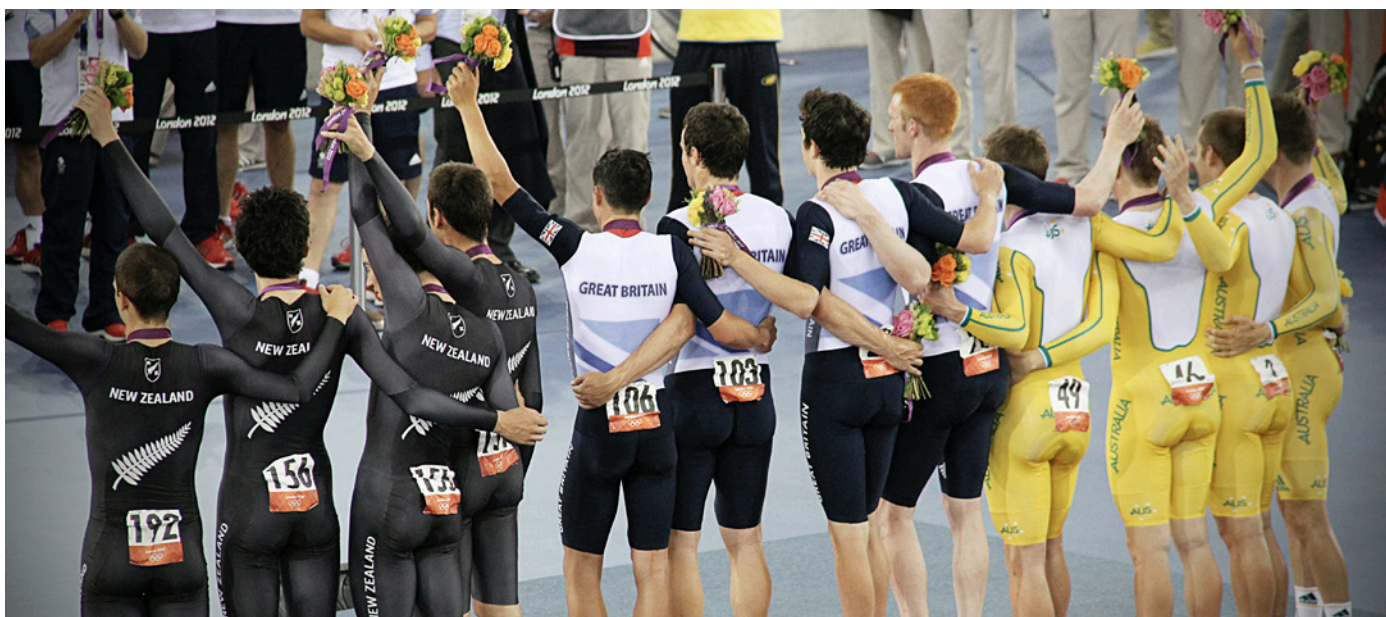
HOW CAN ATHLETES MAXIMISE THE OLYMPIC EXPERIENCE?



INTRODUCTION

The emotional rewards associated with the honour of representing your country at an Olympics are unimaginable. However, what is it really worth for an athlete to attend the Olympics? How much does winning a medal change their ability to commercialise themselves? And importantly, how are new audiences, growing sponsorship dollars and evolving Olympic rules changing opportunities for Athletes to be able to maximise their commercial potential?

The Olympic Games remains an enduring commercial proposition but as media, sport and entertainment go through generational change, the role and commercial pathways for Olympians is being examined as never before.



NEW AUDIENCES AND GROWING SPONSORSHIP DOLLARS.

The last decade has not been without its challenges for the International Olympic Committee (IOC) but commercially, the brand it oversees has rarely been more powerful.

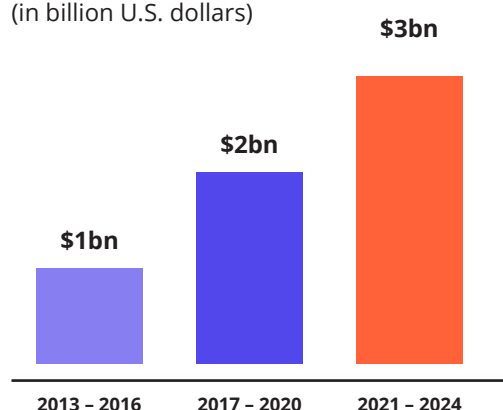
The revenues generated through Olympic sponsorship and broadcast deals have risen exponentially since the turn of the century. That appeal has endured despite controversies and difficulties involving host cities, anti-doping and integrity scandals involving athletes, officials and nation states, ever greater competition for mass audiences and the sheer complexity of delivering the world's biggest sporting events.

Since the mid-1980s, the Olympics have been funded at the global level by a combination of media rights sales and an exclusive sponsorship scheme, The Olympic Partner (TOP) programme. That has enjoyed a robust spell of growth.

Last year, IOC president Thomas Bach revealed that the TOP sponsorship tier would raise over \$3 billion in the 2021 to 2024 cycle. Those figures may be affected by the postponement of the Tokyo Games

SPONSORSHIP SPENDING ON OLYMPIC GAMES

(in billion U.S. dollars)



from 2020 to 2021 but that headline number was up from around \$2 billion between 2017 and 2020, and a little over \$1 billion from 2013 to 2016.

There has been a significant turnover of sponsors in that time, with a more tech-focused cohort

coming in. US technology provider Intel and Chinese cloud computing and ecommerce giant Alibaba both signed long-term agreements in 2017, with insurance group Allianz added in 2018 and digital accommodation service Airbnb following in 2019.

Alongside that has come a commitment to find more ways for those companies to engage with the Olympic audience from 'flame to flame' – between each edition of the Games themselves. Since its launch as an over-the-top (OTT) digital network in 2016, the Olympic Channel has evolved into a producer of original online content, longer-form programming and documentaries for the movement, and it provides another platform for brands.

At the same time, powered in no small part by multi-billion dollar media rights contracts with the likes of NBC in the US, Discovery across Europe and NHK in Japan, broader and deeper coverage is available than ever before. According to its own figures, Olympic Broadcasting Services (OBS) produced 9,000 hours of content from Tokyo 2020, a 30 per cent rise on Rio 2016.

A reform of the IOC's bidding process for host cities – with an emphasis on consultation over expensive elections – will also give it a longer-term overview and greater theoretical control of its long-term destiny. With the exception of the 2030 Winter Games, the hosts of every edition until 2032 have already been selected.

Yet of all the stakeholders involved in the success of the Olympic project, it is the most important group whose share in the future is unresolved. Many Olympians are not directly paid for their appearances in the Games. Some countries, like the UK, pay allowances so that those on elite performance programmes can train full-time. Other countries offer performance bonuses to medallists, sometimes in the five or six-figure range.

For many others, their primary source of income will be from non-Olympic competitions, from endorsements, or from other employment. That underlines the difference between elite athletes in the world's richest sports and the rest – an issue that became especially apparent early in the pandemic, when less fortunate Olympians preparing for Tokyo 2020 had to suspend training and find other work.

This model is under intensifying debate, not least as the IOC and local organisers move to freshen up the Olympic sports programme with new disciplines like surfing, skateboarding and breaking that have a strong crossover with youth and entertainment culture. As it bids to attract younger fans, the influencer-led dynamics of social media could also hold unexplored power for the Olympics, whose leading media partners have collaborated in recent Games with Facebook, Snap, Twitter and TikTok.

With the rise of the athlete voice a defining trend across so much of the sports industry, there are sure to be different outlooks to consider in the years ahead.



RULE 40 AND ATHLETE COMPENSATION.

The regulations around the use of Olympic trademarks like the five rings are notoriously strict, while the Games are also presented through a 'clean venue' policy that removes any branding other than technical partners from competition sites.

For athletes, however, arguably the most significant directive in the past few decades has been Rule 40 of the Olympic Charter. Passed in 1991, this prohibits the promotion of non-sponsor brands during a blackout period which begins just before and ends just after each Games.

Most Olympians, but especially those in minority sports, can potentially be hampered financially by Rule 40. It means that at a point where their visibility is at its highest, they are unable to capitalise. The best-known stars of the Games mitigate this through long-term partnerships but in a crowded field, not everyone can count on retaining lasting value.

To an extent, the IOC has recognised the weak position in which this puts athletes and Rule 40 is no longer enforced across the board. Instead, its application has been devolved to National Olympic Committees (NOCs) since 2019. Some of those organisations have now relaxed their rules or negotiated different arrangements with their athletes.

Nevertheless, NOCs are also trying to maximise a short window for the benefit of their own local sponsors and they, too, are incentivised to place limits on what non-Olympic sponsors can do. For example, the British Olympic Association (BOA) does allow athletes' sponsors to use their images during the Games window, but all advertising must be generic and must not feature or reference Olympic

marks or messaging. It also asks that brands submit marketing materials weeks before the opening ceremony.

Representative bodies like Global Athlete, an independent pressure group established in 2019, have said that the reform of Rule 40 does not go far enough. Its leadership has called instead for more direct compensation and rights guaranteed through a collective bargaining agreement, similar to those in US professional leagues.





EVOLUTION IS NECESSARY TO ADAPT TO CLIMATE ISSUES, TO SOCIETAL ISSUES AND ECONOMIC TRANSPARENCY.

Martin Fourcade

It has also argued that in the last four-year financial cycle, only 4.1 per cent of Olympic revenues went to athletes, compared to around 40 to 60 per cent in the world's five richest sports leagues. That money is typically disbursed, it noted, through scholarships, grants and competitive awards that athletes have no part in negotiating.

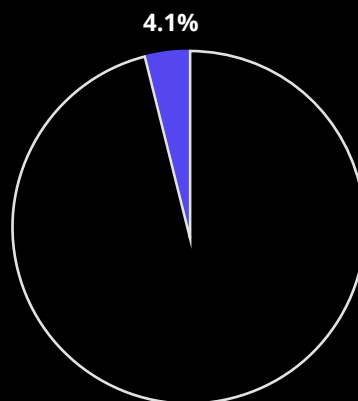
The conversation within Olympic circles is being steered towards alternative forms of compensation. As part of his campaign for one of the two vacant seats on the IOC Athletes' Commission to be filled

during Beijing 2022, American Samoan skeleton rider Nathan Crumpton has asked athletes if they believe they should receive a direct share of IOC revenues, saying he would support that cause if a majority were in favour.

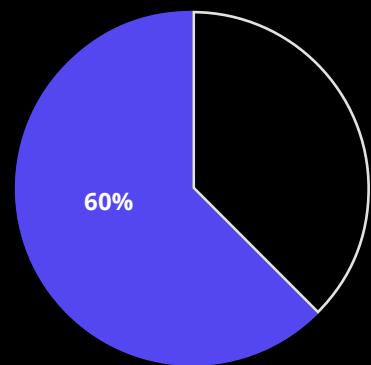
French biathlete Martin Fourcade, a five-time Olympic champion who was another of the 16 candidates in the race, also told L'Equipe that "evolution is necessary to adapt to climate issues, to societal issues and economic transparency".

REVENUE TO ATHLETES

According to Global Athlete, only 4.1 per cent of Olympic revenues in the last cycle went to athletes, compared to around 40 to 60 per cent in the world's five richest sports leagues.



Olympic
revenue



World's five
richest sports leagues



RULE 50 AND BEIJING 2022.

The Beijing 2022 Winter Olympic Games are unusual for several reasons, from the contracted preparation time between its opening ceremony and the closing ceremony of the event before – the pandemic-delayed Tokyo 2020 – to the continued public health restrictions in China against Covid-19. Tickets have not gone on public sale, with entry limited to selected pre-screened groups, while firmly policed bio-secure bubbles are in place to prevent athletes circulating through the city and deny family and friends the chance to join them for a second successive Games.

Moreover, international outrage at the alleged ongoing abuses of Uighur Muslim people in the Xinjiang region by the Chinese government has led to a very quiet build-up to Beijing 2022. Faced with a combination of political pressure in their home markets and public opposition to any tacit endorsement of the host state's actions, but not wanting to risk their access to Chinese consumers in the long run, many sponsors have kept their promotional activity to a minimum. With long-term contracts in place, they will seek to capitalise instead from Paris 2024 onwards.

For many athletes, that approach has meant their association with Beijing 2022 will be on solely sporting terms. There are, in any case, certain restrictions on how Olympians can engage with political and social issues during any Games. Rule 50 of the Olympic Charter demands that the arena itself be free of political expression, something

the IOC argues is essential to maintaining a free and peaceful event involving every nation on the planet. Organisations like Global Athlete disagree: it has said that Rule 50, in its current form, is an impediment to athletes' rights and can be self-defeating.

When it comes to Beijing 2022, the picture is complicated further by uncertainty around athlete safety. Some sportspeople have used their platforms in the past to question the actions of the Chinese government – most notably after Chinese tennis star Peng Shuai made sexual assault allegations against former vice premier Zhang Gaoli, and subsequently appeared to have gone missing.

However, Global Athlete and some human rights groups have advised those competing at Beijing 2022 to exercise caution while they are in China and reserve any comment for their return home.

Disagreements over the suitability of Rule 50 predate Beijing 2022 and are certain to outlast it. Before Tokyo 2020, there was widespread dialogue over the clearance athletes would have to protest, with a particular emphasis on anti-racist gestures in solidarity with movements like Black Lives Matter.

As personal values become more fundamental to athletes' public profiles, overlapping with the purpose marketing strategies of their partner brands, it is more and more important to strike the right balance.

SPONSORS' CHANGING ACTIVITIES.

The entry of new corporations into the Olympic Partner programme has changed the goals of some Olympic sponsorship.

For companies like Intel and Alibaba, the Games provide a space not just for distributing marketing and branded messaging but also to demonstrate their technical capabilities at scale. Alibaba, for example, has developed cloud-based infrastructure for OBS and for retail and ticketing functions in its capacity as the IOC's 'cloud services partner'.

Other sponsors have continued with more conventional consumer-focused advertising campaigns that put athletes closer to the centre. Procter & Gamble has long based its positioning on the personal sacrifices that make it possible to become an Olympian – with the twist that its focus is not on competitors but their families – through its celebrated 'Thank you, Mom' campaigns.

NOC sponsors will often use their role supporting athletes in communications and set-pieces. Team USA partner Delta chartered flights to Beijing for Olympic team members and staff – a common activation for an airline partner.

Then there are promotions that foreground athletes and leverage their participation in compounding ways. Korean electronics giant Samsung has given every athlete their own Samsung Flip smartphone at Beijing 2022, having previously given out handsets to encourage competitors to film and share clips during opening and closing ceremonies.

Historically, similar tactics have been used by 'ambush' sponsors like headphones brand Beats, which gave out its products for free to athletes at London 2012 to wear for venue entries and warm-ups.

One of the newest members of the TOP programme has developed what could be a different template. Airbnb has suffered a hit in its role as an official supplier of accommodation to the Olympics, with both Games in its contract so far having been closed to most international travellers due to the pandemic. However, it has made an impression through its creation of an Athlete Travel Grant – an \$8 million fund towards eight years of travel and accommodation costs for Olympians and Paralympians during their training programmes.

Airbnb has also established a scheme where athletes can run their own licensed 'Olympic Experiences' in their local areas, with the company offering \$500 of promotional credit per applicant. These were originally envisaged as in-person activities but athletes have also been permitted to create online events during the pandemic.



NEW DEVELOPMENTS AHEAD.

After its progress in the last few years, the Olympic commercial programme and experience are poised to take further steps forward. Paris 2024 will bring in such innovations as the first mass participation Olympic marathon and other uses of connected fitness technology, while the organisers of LA 2028 are designing partnership structures that maximise media and storytelling opportunities in the world's biggest economy.

Other developments are accelerating all the time. Merchandising giant Fanatics, which works with many of the richest leagues in sport, will take control of the Olympic Shop ecommerce operation from the middle of 2022 and run it through Paris 2024, Milan-Cortina 2026 and LA 2028.

The IOC has also become the latest sports organisation to investigate the possibilities

of the blockchain. Together with nWay, it has launched Olympic Games Jam: Beijing 2022, a 'play-to-earn' mobile game where users can compete in a number of winter sports events and buy or trade NFT-based digital versions of collectible Olympic pins.

While athletes will continue to demand a share of Olympic revenues, then, they will also want to participate in Olympic IP in ways that are not currently permitted. The discussions over how that can be made possible will live on for some time to come.

Nonetheless, the Olympic movement will also be aware of the opportunities that will come from better harnessing the power of athlete profiles and the networks they forge in their own communities. In that context, the value of agile solutions that connect Olympians to fans, brands and commercial partners becomes clear.





CONCLUSION

When you think about the national and global profile opportunities that an event like the Olympics offers athletes, there is certainly more than a medal and national pride at stake.

The Olympics don't make it easy for athletes to commercialise themselves during the games due to protecting official Olympic sponsors. They've relaxed some of these rules, but further relaxing would help amateur athletes make financial gains from the event, which for most of them is their key exposure period that happens every four years (if they're lucky enough to make multiple Olympic games).

Pickstar plays a key role in bringing athletes and companies together to ensure maximum value is achieved for both talent and brands during an Olympic period. And importantly, throughout the pre and post event period.

ABOUT PICKSTAR GROUP

Pickstar Group offers a simple, online Marketplace that helps people to connect with sports stars, celebrities and personalities. It's end-to-end digital platform enables the fast and effective bookings of talent for any type of commercial arrangement.

Founded in 2016 by two former AFL athletes, James Begley and Matthew Pavlich, Pickstar Group has become the most trusted platform for facilitating paid talent engagements, large and small.

In addition to Pickstar's Marketplace, Pickstar Group offers VLAST, a tool created by athletes, for athletes. The tool offers talent and governing bodies an easy and efficient way to manage all aspects of valuable talent appearances and activations.. It improves the talent experience, reduces administrative costs, and removes human error, by empowering talent, agencies, brands, and rights owners to maintain and develop more meaningful relationships and measurement of talent appearances.

VLAST caters to the needs of the sponsorship, activation, and endorsement ecosystem. It offers a centralised dashboard providing automatic scheduling, messaging, and holistic overviews of the most important elements of talent activation.

With offices in Adelaide, New York and London, Pickstar Group's reach is truly global and with expansion into new star categories including chefs, media and wellness influencers, Pickstar can find a meaningful connection for any business and any opportunity.

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