



Paris Olympics 2024 – D12 – Sponsors – Business not so usual

Sponsorship is a sports-specific advertising technique. Its purpose is to make a brand known to the greatest number, which is an integral part of the assets of companies, an intangible capital. This brand capital comprises assets (and liabilities) linked to a brand – its name or symbols associated with an increase (or decrease) in value of products and services. They can be grouped into 5 categories: customer loyalty, reputation, perceived quality, brand image and any other asset (patents or trademarks to protect the company from unscrupulous competitors including counterfeits). Strong brand equity is an asset in negotiations with the distribution- a high profile is preferred to an unknown brand. It's a barrier to entry for the competition. The winner takes it all.

Three levels of spin-offs are expected by the sponsoring companies. The direct audience is measured in the stadiums with the spectators and now the omnipresent influencers. The indirect audience concerns viewers by the media, traditional broadcasters, and increasingly viewers on social networks become decisive, boosted by influencers. The gains in awareness are quickly measured by surveys and polls regularly conducted by brands among representative consumers. The most important positive effect for brands is the increase in sales. Sponsors are not philanthropists; they want to associate their company with an event that carries positive values and benefit from this good spirit. They have the honesty to admit it.

In Paris, the LVMH sponsor whose trunks were marked by their checkered canvas at the opening ceremony attended by 1 billion viewers worldwide ticked all the boxes. The brand is closely associated with French and particularly Parisian luxury, with a very strategic presence along the Seine since the purchase of the Samaritaine, a monument both commercial and artistic. Founded in 1870 by Ernest Cognacq, a French pioneer of the large retail trade, it was the largest department store in Paris with four stores totaling 48,000 m². Bought by LVMH and closed in 2005, its reopening planned for 2011 has been delayed by ten years, a sign of its architectural, cultural and emotional importance to the Parisians. Its Art nouveau and Art deco buildings are the work of French architects Frantz Jourdain and Henri Sauvage; the main store is listed in the register of historical monuments.

The Paris 2024 team has stressed the importance of private funding for the organization of the Olympics. They actively sought sponsors – the Française des jeux, EDF and BPCE bank were the first partners, classic. There was a lack of a donor able to pay out a hundred million euros. Total has been a candidate, but the Mayor of Paris has recalled the commitments of the French dossier for Paris 2024 – sponsors in line with the promise to organize Olympics with low environmental impact. The French fossil fuel giant, often accused of «greenwashing» and repeated cynicism in the face of promises never fulfilled, was an undesirable sponsor. Anticipating the negative campaign, they would have been subject to, Total preferred to throw in the towel. LVMH has imposed itself.

It is not enough to have financial arguments to be sponsors of the Olympics, a demanding specification must be respected. Business as usual but with a sustainable spirit.

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