

Do luxury brand Olympics sponsorships work?

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Omega at the Olympics

Luxury marketers that partner with or sponsor the London Olympics 2012 are likely going to gain global awareness, but whether or not brands actually get anything out of the commitment is still up in the air.

Already, marketers including Omega, Ralph Lauren, BMW and Stella McCartney have announced their commitment to this summer's Olympic games in London. The Olympics are set to be the most-watched events this year, but luxury marketers may have trouble measuring ROI from the games.

"Considering the state of our narcissistic, bipolar and highly divided country, the Olympics is the one event that brings us together," said Chris Ramey, president of [Affluent Insights](#)^[2], Miami. "If selling luxury is connected to emotions and, of course, we all know it is, then the Olympics is the perfect opportunity to create messaging that resonates in an environment where everyone pulls together."

New kind of gaming

The Olympics are still months away, but it is likely that brands will start to hype up the games via social media.

Therefore, it is probably a smart move that legitimate sponsors have marketing tactics other than Facebook and Twitter since there is a good chance they will be lost in the crowd.

The Olympics are slated to be the most-watched event this summer, which could do wonders for brand awareness.



Ralph Lauren's uniforms

However, this also means that consumers who are not equipped to or interested in buying luxury goods will still hear the message.

Affluent consumers will definitely be watching on television, but there is a greater likelihood that wealthy consumers will be able to travel to London than those of lesser means.

Even so, luxury is largely driven by the aspirational and millennial markets, Affluent Insights' Mr. Ramey said.

In addition, experts expect that it is difficult to gauge ROI for Olympic sponsors.

"To maximize the benefits of an Olympic sponsorship requires good advance planning with specific ideas for how to exploit the various opportunities that sponsorship creates," said Ron Kurtz, president of the American Affluence Research Center, Atlanta. "The plan should include activities before the event, during the event and after the event.

"There is an opportunity for ROI if promotions are designed in a way the results can be measured," he said. "In addition, it is possible to put a dollar value on the unpaid media exposure that is generated by comparing the cost of advertising in the same media."

Omega placement

Some sponsorships will likely be more beneficial than others.

For example, watchmaker Omega is serving as a top sponsor for the London Olympics. It has been an Olympics sponsor since 1932.



[4]

Omega placement at past Olympics games

Omega's position allows it to use all Olympic imagery on products, hospitality opportunities at the games, direct advertising and promotional opportunities including Olympic broadcast advertising, on-site showcase and selling opportunities, ambush marketing protection and awareness of partnership through a sponsorship recognition program, according to the [Olympics Web site](#) ^[5].

The watchmaker is already beginning to advertise its partnership via its Web site and social media pages and the Olympics Web site.

Meanwhile, both Ralph Lauren and Stella McCartney will be getting a lot of attention for their participation in apparel this year.



[6]

Ralph Lauren's Web site

Ralph Lauren created the opening and closing ceremony parade uniforms for the United States while Stella McCartney partnered with Adidas to develop the uniforms for Britain's athletes.

Both apparel companies have been showing their creations off via in-store, mobile and digital means.

German automaker BMW has been named a partner of the Olympic games. It has shown its support through Web site ads, print campaigns and events in various cities to which it has invited Facebook followers.



[7]

Olympics microsite

A multichannel approach that starts out early is probably the best way to go when marketing for the Olympics.

"Olympic sponsorships are a way to achieve unpaid media exposure to the millions of TV viewers around the world," Affluence Research's Mr. Kurtz said. "Also, it gives the sponsor a platform for creating promotions that can be directed to consumers, the trade/distribution channels and its employees through contests, sweepstakes and incentive programs.

"Sponsorships also create opportunities for news that can be used for communications through social and digital media," he said. "They contribute to a favorable image of the brand as a supporter of a highly-popular and revered international event."

Final Take

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