

The Paralympic Games and sponsorship: getting the gold

Coming just a few weeks after what many believe to be the pinnacle of sporting achievement, the Paralympic Games has often been viewed as the smaller, less exciting, cousin that follows the main event. This issue was highlighted when with only a few weeks before the opening ceremony *The Guardian* reported that only 12% of tickets had been sold. In addition to this there were signs that the Rio 2016 Organising Committee had a severe funding shortfall that was leading to the delay of travel grants awarded to competing nations. Local media reported that Paralympic funding had been diverted to the Olympics. Against this backdrop, Fraser Reid and Daniel Alfreds of Couchmans LLP, explore what the future holds for the commercial sponsorship programme of the International Paralympic Committee ('IPC') and what can be done to ensure that it remains attractive to sponsors and capable of growing its monetary base, in an increasingly competitive sponsorship landscape.

The Paralympics has come a long way since its humble beginnings in 1948 when Dr Ludwig Guttmann had an idea to stage a sports competition for persons with a disability and organised an archery competition at the Stoke Mandeville Hospital rehabilitation facility in Aylesbury for 16 injured British World War II servicemen and women with spinal cord injuries¹. The games were held again at the same location in 1952, and Dutch and Israeli veterans took part alongside the British, making it the first international competition of its kind. These early



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competitions, also known as the Stoke Mandeville Games, have been described as the precursors of the Paralympic Games. The 9th Annual International Stoke Mandeville Games, retroactively designated as the 1960 Summer Paralympics were the first international Paralympic Games.

The term 'Paralympic Games' was first approved by the International Olympic Committee ('IOC') in 1984 while the IPC was formed in 1989. The Summer Games of 1988 held in Seoul was the first time the term 'Paralympic' came into official use and since the summer Olympic Games of Seoul 1998 and Winter Olympic Games of Albertville, due to an agreement between the IOC and IPC, the Paralympic Summer and Winter Games have taken place in the same host cities as the IOC Games.

Some statistics

To many, London 2012 was seen as the best Games to date and helped catapult the Paralympics into the hearts of the UK's general public - packed out stadia, a continuation and, to some extent, enhancement of the Olympic feel good factor - and accelerated the momentum of the Games since the turn of the millennium. After a sluggish start, Rio has well and truly embraced the Games and at the time of writing this article the Games were again set to be deemed a success.

In terms of size, Rio 2016 is the biggest Paralympics ever with 528 medal events² and 4,342³ competitors from 159⁴ countries though until Rio 2016, Sydney 2000 remained the biggest Games to date in terms of the number of events held, even over London. Otherwise, since Sydney 2000, both the Summer and Winter Games have generally followed an upward curve for the number of spectators and the size of the TV audience.

IPC sponsorship programme

Like the IOC, the IPC has a multi-teared sponsorship programme consisting of 'worldwide partners', namely Atos, Panasonic, Samsung, Visa, Otto Block and Panasonic, followed by 'international partners', namely Allianz and BP, official suppliers (DB Schenker and 361) and even a Governmental Partner, The German Ministry of the Interior, the regional government of North Rhine-Westfalia and the City of Bonn, which provide financial support.

Again, like with the IOC structure, National Paralympic Committees ('NPCs') such as the British Paralympic Association ('BPA') also have their own sponsors. Since London 2012 there has reportedly been a marked increase in sponsorship for the BPA who received a "43 per cent rise in funding and continued investment from business⁵."

The Rio Games itself then has its own partners with rights specific to the Rio Paralympic Games and whose partners include a mixture of mainly Brazilian companies and multinational corporations⁶.

Sponsors are afforded the benefits of similar protection to IOC Worldwide Olympic Partners. As with the London 2012, the Paralympics in Rio is supported by legislation covering unauthorised marketing and advertising throughout the Games, underpinned by a series of rules and regulations for participants and accredited persons, and reinforced by rigorous policing of ambush marketing and enforcement against infringement. In Brazil, the Olympic Act⁷ protects symbols and expressions specific to the Rio Olympic and Paralympic Games including flags, anthems and mottos as well as prohibiting the use of 'similar to' advertising.

Athletes

The well reported Rule 40 of the Olympic Charter has attempted to preserve the integrity of the Olympic Games and prevent the over-commercialisation of the competition and its athletes. The IPC Athlete and Participants Image Policy Rio 2016⁸ sets out similar restrictions for Paralympics athletes and enables the para-athletes to apply for and obtain specific waivers where required.

The Policy states that the purpose of this rule is to prevent ambush marketers using their association with Participants to imply that they have an association with the Paralympic Games, a Paralympic Team or the Paralympic Movement. Such unauthorised association undermines the exclusivity that the IPC, Rio 2016 and/or NPCs can offer to official partners. In addition, the IPC Social and Digital Media Guidelines⁹ for persons accredited to Rio 2016 sets out rules for the use of social media.

Sponsorship revenues

In the IPC's 2014 Annual Report (the last publically available), the IPC generated revenue of just over €12.5 million, half of which was through "marketing, broadcasting, sponsorship and fundraising, as well as grants¹⁰." The contribution from the IPC's main sponsors or 'Worldwide Partners' amounted to 19% of the IPC's core income.

This appears impressive on paper but if one compares the sponsorship revenues of the IOC to the IPC between 2010-2014, the IOC generated revenues that average at around €1.2 billion for the year. This is nearly 100 times the IPC's total. Further, only Visa, Samsung, Atos, Panasonic and Toyota are worldwide sponsors for both the IOC and the IPC.

So what can the IPC do to maintain its momentum and convert the interest in attracting

more sponsors and generating greater revenues, and not least whilst the Games grow and become bigger to meet the increased costs of competition? For all the attractions of one of the premier sports events, supported by a global media and marketing campaign, a massive global TV audience and a rigorous policy and anti-infringement programme, competition for marketing spend is fierce and budgets are stretched.

The IPC's strategic goals

The answer as to what the IPC intends to do can be found in the IPC's Strategic Plan for 2015-2018¹¹ and the IPC's strategic goals:

'Consolidate the Paralympic games as a premier sporting event'

There is no doubt that the IPC is on track with this goal, but one of the biggest hurdles to this and for attracting new sponsors is the positioning of the Paralympics after the Olympic Games. There is little or no build up to the Games and this creates challenges for any marketing and sponsorship strategy. The further alignment of the IOC and IPC for 2018 and 2020 has put an end to any change, for the short-term future, at least.

'Implement [...] attractive competition formats [...] provide robust sport-specific classification, supported by policies procedures and evidence, as a prerequisite for fair and easily understood competition'

Challenging the interests of para-sport is the threat of one sided and predictable competition, in which the least impaired athlete always wins. As more money is invested in the Games and more people watch the Games, more scrutiny will be focused on the fairness of competition and the IPC will need

to ensure that it constantly monitors and ensures that the events themselves remain attractive and fair. Allied to this, is the need to help ensure clarity and educate the public about the nuances of the different categories, or classifications, as they are referred, of competition.

Para-athletes are placed in categories for competition based on their impairment, these are called sport classes. If it is determined that an athlete has a disability, there are 10 types of visibility including impaired muscles power, Hypertonia (which is an abnormal increase in muscle tension and a reduced ability of a muscle to stretch, due to a neurological condition, such as cerebral palsy or multiple sclerosis) to limb length deficiency¹². The presence and permanency of one of the sport's eligible impairments is a prerequisite to participate, but not the sole criterion.

Each sport's Paralympic classification rules describe how severe an eligible impairment must be for an athlete to be considered eligible. These criteria are referred to as minimum disability criteria. Examples of minimum disability criteria could be a level of amputation for athletes with limb deficiency. If an athlete is eligible for a sport, the classification panel will assess which sport class the athlete can compete in. This illustrates how complex and detailed the actual categorisation process is. There were even claims before the start of the Rio Games that certain athletes misrepresent their disabilities to enhance their chances¹³ and these rules and their application will inevitably come under more scrutiny as the stakes get higher and sponsors invest more money.

Specifically achieving an increase in brand awareness in key

territories (in particular the US)

The past and recent performance by the US at the Paralympics based upon the final medals table standings, infers that this sporting powerhouse may not be investing as much in Paralympic sport as the IPC hopes or, indeed, needs. In 2012, the United States were 6th in the medals table, and whilst there has been an improvement to 4th in the table for Rio just behind 3rd placed Ukraine, this is still poor, by US standards anyway, and not least since Team GB has won almost twice as many golds and China three times as many golds.

The IPC needs the US to engage more which will greatly assist the IPC's sponsorship programme, not least because US Corporations such as McDonalds, Proctor & Gamble and Coca Cola are only worldwide partners of the IOC.

'Empower para-athletes'

Whilst the strategic goal is to ensure that there is improved access and opportunities in para-sport, one of the key ways to do this is through marketing as a result of the increased profile of the current Paralympian athletes, who can act as role models, empowering and exciting others to participate in their sport.

A sport, a team, and an event attract interest and followers through the athletes. It is the talent and the personalities who generate the interest, the stories and none more so than in this digital age where story telling is what brands are about. With the Paralympics there are so many stories, in fact all the para-athletes have an interesting story and whilst that is not to say that Olympic athletes do not have good stories (dedication, sacrifice), there is something very compelling about overcoming a disability, which takes human achievement, courage, and endurance to another level.



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To give just one example, one of the stars of Rio 2016 is Tatyana McFadden. She was born in Leningrad, then the Soviet Union, with spina bifida, a congenital disorder that paralysed her from the waist down. After her birth mother abandoned her in an orphanage that was too poor to afford a wheelchair for her, she walked on her hands for the first six years of her life. The doctors told her she was so sick that she had very little time left to live. While in the orphanage, she met Deborah McFadden, who was visiting Russia as a commissioner of disabilities for the US Health Department. Deborah, adopted Tatyana and took her to live in Baltimore.

Fast forward to the present, and she is one of the greatest para-athletes of all time, having won seven gold, four silver and three bronze medals at the Paralympics dating back to Athens 2004 and 12 golds at World Championships. She has her own website, is an activist for equality for the disabled whose efforts have resulted in the introduction of the Maryland Fitness and Athletics Equity for Students with Disabilities Act. She has an impressive social media following and has five personal sponsors including BMW, BP, Coca Cola and Nike.

There are two sides to this: commercially, the para-athletes, because of their individual stories and personal fights to overcome their disabilities, their courage, inspiration and determination, are attractive to brands - although somewhat ironically, Oscar Pistorius was the first real global celebrity para-athlete who didn't deliver as a role model. On the other hand, the IPC and the para-athletes, quite understandably, don't want to be treated as special cases and wish to be treated like any other athletes, inclusion and

equality being the key aims.

'Enhance cooperation with IOC [...] use the Paralympics growing credibility to establish stronger ties with the IOC and identify new opportunities and activities under the partnership agreement which are mutually beneficial and add further value to IPC'

This one is the game changer with the older cousin keeping its younger cousin under its wing, even closer in fact. The current Cooperation Agreement signed in June 2006¹⁴, and which runs through to 2016, will now, as from 8 May 2016, be extended to the Pyeongchang 2018 Games and the 2020 Games, continuing the practice of 'one bid, one city.'

In addition to renewing the Cooperation Agreement, the Parties also agreed to discuss further areas and projects of mutual interest and collaboration. In particular, this includes further cooperation in the commercial area and to explore the benefits of a closer cooperation on the Games planning and delivery functions.

The agreement will also lead to an increase in funding from the IOC to the IPC, a figure that will not be disclosed by both parties publicly.

Who wins most out of this? Will the IPC and the Paralympic games be galvanised or shackled by this partnership or *entente cordiale* of sorts? Given the history, the synergy and financial security that the IOC provides, then surely it is a marriage made in heaven?

As a key part of this Cooperation Agreement, Tokyo 2020 will see the integration of the sponsorship programmes for the IOC and IPC. This could be seen as a clever strategic move by the IPC to convert the five remaining TOP sponsors to becoming worldwide partners for the IPC, or alternatively, as a clever strategic move by the IOC to avoid fighting

over the same sponsors with the IPC. Offering a cheaper and more cost effective sponsorship package in the same host city with a strong social element is a compelling proposition when compared with a far more expensive sponsorship package with historical issues over legacy and doping. Subject to the details agreed, the dual sponsorship packages for both events 2018 onwards would combine and offer to brands all of the traditional benefits of an Olympic sponsorship package (huge global exposure, profile, prestige, history etc.) with the new contrasting elements that the Paralympics bring (achievement, courage, social good etc.) and which, arguably, may be missing from the Olympics. Some critics argue that the Olympics has lost its soul, but then by including the Paralympics, to some extent, the Olympics could be seeking to redeem itself, and appear more attractive to sponsors.

Momentum is a key ingredient in any winning sports marketing campaign and it may be argued that the best solution for the IPC's sponsorship programme is to stage the Paralympic Games at the same host city and venues but, perhaps, two years after the Olympics and half way through the Olympic cycle. Not only would this mean that the venues are utilised over a longer period, but the sponsors could have a longer lead time for each event and have sufficient time to roll out their activation programmes before the event. By having the Olympics and Paralympics so close together, it means most of the major activity is crammed into 4-5 weeks. The issue of empty sponsors' seats may also be worse where we have the same sponsors for both events that take place within weeks of each other.

Despite the funding challenges, the IPC's sponsorship programme appears to be in a good place, with its future secure following the extension to the Cooperation Agreement

stakeholders and clients such as [...] media and sponsors'

This is self-explanatory and can be achieved not least by the combination of the strategic goals above. The implementation of a digital media strategy is a key component to this, and the effective use of all platforms including Snapchat, Instagram, Facebook and Twitter. The IPC have, on paper anyway, a very clear, coordinated and sophisticated social media strategy, and aligned to this, have rich and varied content to enhance engagement.

New fame, new challenges

The Paralympic Games, the para-athletes and the sponsors will be in the spotlight with increased profile and media interest. The sponsors' own policies and treatment of the visually and physically impaired will inevitably come under the microscope of the media - which is a useful way of ensuring that they have the right procedures, facilities and opportunities in place.

Despite the funding challenges, the IPC's sponsorship programme appears to be in a good place, with its future secure following the extension to the Cooperation Agreement with the IOC and another successful Games having come to an end. As discussed, there are a number of areas that the IPC needs to work on to enhance their sponsorship offering and it will be interesting to learn the outcome of the negotiations of the terms of the Cooperation Agreement and the alignment between the IOC and IPC with respect to their sponsorship programmes.

The current timing of the Paralympic Games just after the Olympics does not help the sponsorship programme, but it may be an inescapable commercial consequence in order to ensure the financial stability of hosting two similar major sports events. The

present formal explanation for the Paralympic name is that it derives from the Greek preposition *pará* ('beside' or 'alongside') and thus refers to a competition held in parallel or side by side with the Olympic Games: so, do we really want to mess with history?

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1. <https://www.paralympic.org/the-ipc/history-of-the-movement>
2. <https://www.paralympic.org/rio-2016/about-us>
3. <http://www.insidethegames.biz/index.php/articles/1041389/comoros-and-liberia-miss-final-cut-at-rio-2016-paralympics-to-leave-159-countries-set-to-compete>
4. <https://www.paralympic.org>
5. <http://www.telegraph.co.uk/investing/business-of-sport/paralympics-sponsor-brands/>
6. Including Bradesco, Bradesco Seguros, Coca Cola, Correios, Net, Claro, Embratel, Loterias Caixa, GE, Nissan, Omega, and P&G.
7. Law 12.035/09 of 1 October 2009.
8. https://www.paralympic.org/sites/default/files/document/150915142237616_IPC_Athletes_Image_Rio%2B2016.pdf
9. https://www.paralympic.org/sites/default/files/document/160310153303351_IPC%2BSocial%2Bband%2BDigital%2BMedia%2BGuidelines%2Bfor%2BRio%2B2016V2.pdf
10. https://www.paralympic.org/sites/default/files/document/151014133749319_2014%2BIPC%2BAnnual%2BReport_accessible.pdf
11. https://www.paralympic.org/sites/default/files/document/150916131143110_2015_09%2BIPC%2BStrategic%2BPlan%2B2015-2018_Digital_v2.pdf
12. The Paralympic Movement adopted the definitions for the eligible impairment types as described in the World Health Organization International Classification of Functioning, Disability and Health.
13. <http://www.theweek.co.uk/rio-2016/76251/rio-2016-classification-row-is-another-blow-to-paralympics>
14. In 2003, the IOC-IPC Agreement was adjusted. The amendment ensured that Organizing Committees for the Olympic and Paralympic Games in 2008, 2010 and 2012 would pay the IPC a certain amount for broadcasting and marketing related to the respective Paralympic Games. In June 2006, the IOC and the IPC signed a further extension covering the 2014 Sochi and the 2016 Rio Games.

¹Foster engagement of key