Case Paper: Case 6.3 Visa Olympic Sponsorship Marketing

Week 4

Malcolm Robinson

Business Strategies in Sports

Instructor: Robert Prior

Tiffin University

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Visa attributed an important part of its success to high profile sponsorships such as its Olympic Games sponsorship which began in1986. Visa was the world’s leading payment brand and its vision was to be “The World’s Best Way to Pay.” Visa attributed an important part of its success to high-profile sponsorships such as its Olympic Games sponsorship. Visa also sponsored numerous events such as the Rugby World Cup, Best of Broadway, the Toronto Film Festival, NASCAR, the NFL, the Visa Triple Crown, and the Paralympics, and has an international alliance with The Walt Disney Company.

In fall 2002, Visa announced its decision to extend its Olympic Games sponsorship through 2012. Its original sponsorship deal was structured through the 2004 games in Athens, but the sponsorship was extended because the partnership had become increasingly successful overtime. Thomas Shepard, Visa’s executive vice president of international marketing, partnerships, and sponsorship, played a key role in convincing Visa’s six regional boards and its international board to allow Visa to extend its Olympics and Paralympics sponsorship.

 Shepard and his team came together to discuss the current corporate strategy and through this strategy they addressed the refinement of the existing sponsorship strategy. Their discussion resulted in a direction that emphasized greater involvement in the field of entertainment and as an outgrowth of the strategy, selecting and working with new partners such as The Walt Disney Company. Working with these companies would answer VISA’s question about how to evaluate the effectiveness of Visa’s existing sponsorships; and how to apply lessons from its existing and past sponsorships to current and future sponsorships and partnerships.

**Describe the Visa Brand. What attributes make for it being either a good fit or a bad fit for:**

The Visa Brand is an international trademark brand with six regional operations. It is one of the most recognizable brands around the world competing with coke for the title of one of most recognizable brands. Visa is one of the most prolific brands around the world for credit transactions. Visa has different types of cards that they produce the Visa Credit Card, the Visa Debit card, and the Visa Prepaid Card.

**a. Sponsorship:**

Good: Visa being one of the most recognizable brands allows for Visa to provide a sponsorship program that is well rounded, and visa has the money power to provide an intensive sponsorship program. Visa allows sponsorship for other sporting events in different realms of sports.

**b. Sponsorship of Sports:**

Good: Visa provides a great sponsorship program for many different sports, and provides a well-rounded program that has a global stage. Their financial support and marketing programs help new and emerging sports gain national popularity, but they also help sustain the U.S. talent development pipeline

**c. Sponsorship of Olympic sports.**

Good. The U.S. Olympic Team is one of the few Olympic Teams in the world that does not receive government funding. America can support U.S. Olympic and Paralympic Athletes in two ways—by showing support by using their Visa card to purchase U.S. Olympic Team apparel and through private donations. Sponsorship of the Olympics include being at the pinnacle of its category, having universal appeal and standing for excellence,

2. **The Olympics sponsorship is a central part of Visa’s strategy. Outline and evaluate ways that Visa has leveraged being a Tier-1 (TOP – The Olympic Partners) Olympic sponsor.**

In 2002, TOP paid the IOC over $50 million for a four-year sponsorship cycle. With this, Visa incurred additional cost to activate its sponsorship and other marketing program .Visa members received hospitality benefits due to Visa sponsorship status. Visa members could also sponsor an individual athlete or team, use the Olympic theme in marketing promotions, or issue Olympic cards with Olympic rings without paying extra fees. Visa utilized the games as a sponsorship platform by offering marketing tie-ins and opportunities for international exposure and image enhancement. Sponsorship translated directly into tangible benefits such as brand recognition and market share.

Visa used the Paralympic games to create a sponsorship that would create an affinity between its brand and the disabled community and their families worldwide. Visa felt that if you create something relevant for them and their families, they will be creating a partnership with them for mutual benefit.

**3. “Activating” a sporting sponsorship is a central issue to Visa. The case notes that Visa “spent an additional two to three times that of the sponsorship fees…to maximize the value of the sponsorship” (p.1). Evaluate the nature and rationale for these additional outlays.**

Celebrating today’s U.S. Olympic athletes is a priority for Visa, as is empowering tomorrow’s hopefuls to dream and to achieve. Visa realizes that the athlete is at the center of the Olympic Dream so they invest a lot in sponsorship, Visa has contributed to the development of dozens of U.S. Olympic Team Hopefuls through its Team Visa Athlete program. This initiative provides U.S. Olympic and Paralympic Team Hopefuls with direct funding, promotional support and life skills training in their quest for Olympic Glory. Michael Phelps, Kerri Walsh, Lindsey Jacobellis, Julia Mancuso, Ryan St. Onge, Alexi Salamone and Angela Ruggiero are just a few of the Olympic and Paralympic athletes who have been a part of the Visa family who have helped maximized the value of sponsorship.

**4. What are the major challenges Visa faces in extracting maximum value from its sporting-related sponsorships? How is it addressing these challenges?**

Visa’s goal has been to create a brand that was a trusted seal of approval so that members could use Visa as a platform to meet their objectives. During each of the Olympics VISA had sponsored since 1996, VISA had raised the bar. They had created an integrated marketing program that ranged from advertising too host city partner programs, Because Visa is not known as the most innovative brand, they could work on innovatiness. They also have to find out how to best leverage the property and how they can make a business case for sponsoring property. To address this issue, their sponsorship strategy has to be one with a global platform with local relevance. It has to be an integrated marketing approach with an expanded window of opportunity beyond just the Olympics. Credit card associated association such as Visa also does not generally earn profits. This is a major challenge Visa faces in extracting maximum value from its sporting-related sponsorships

The Olympic sponsorship has provided Visa with a global platform to amplify its brand message among a passionate global fan base. The sponsorship platform drives transactions, supports high-level brand goals, promotes specific product attributes and facilitates the development and advancement of the payment infrastructure in Olympic host cities. At the end of the day, the sponsorship increases product usage, enhances Visa’s global image and heightens brand awareness.

References

George F., Greyser, S., Walsh, B. (2006). The Business of Sports: Text & Cases on Strategy & Management, Thomson-Southwestern.