

THE UNIVERSITY OF CALGARY

Television and the Olympics:
Nature of the Relationship

by

Richard K. Alaszkievicz

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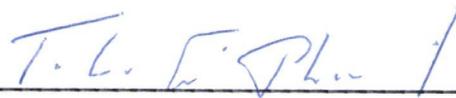
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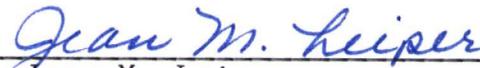
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THE UNIVERSITY OF CALGARY
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The undersigned certify that they have read, and recommend to the Faculty of Graduate Studies for acceptance, a thesis entitled, "Television and the Olympics: Nature of the Relationship" submitted by Richard K. Alaszkievicz in partial fulfillment of the requirements for the degree of Master of Arts.



Supervisor, Dr. Thomas L. McPhail,
Communications Studies Programme



Dr. Jean M. Leiper,
Faculty of Physical Education



Crosbie Cotton,
Calgary Herald



Dr. Edna F. Einsiedel,
Communications Studies Programme

DATE: JUNE 23, 1986

Abstract

This thesis examines the nature of the contemporary relationship between television and the modern Olympics. After reviewing the relevant literature, this thesis investigates the association as a case study.

Organizational theory, which emphasizes issues of dependency, power, influence and change, serves as a guiding theoretical perspective for the case study. This body of theory posits that a relationship between two entities is balanced if each actor requires the other's resource to the same degree and unbalanced if one actor needs the other's resource to a greater degree. Specifically then, this study focuses on resource exchange between television and the Olympics to determine the degree and direction, if any, of dependence within the association. If dependence is established, then links may be made to power, influence and change as each presupposes the other.

This thesis concludes that the Olympics are dependent on television for revenue and exposure to the point where alteration has occurred to traditional Olympic structure and function. This is evident in the transformation of the Games from an athletic competition to a global, mass-mediated (advertising) event.

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Table of Contents

Chapter	Page
I. Introduction	1
II. Theoretical Approach	18
III. The Modern Olympic Games	32
Origins	32
Philosophical Foundations	36
Internationalism	38
Amateurism	40
Physical and Character Development	42
Arts and Letters	43
Symbolic Aspects of Olympism	44
Guardians of Olympism -- The International Olympic Committee (IOC)	45
Olympic System	46
IV. The Role of Television	52
The Press	57
Radio	58
Television	61
ABC's "Wide World of Sports"	66
Television and the Olympics: Early Beginnings	69
The 1960 - 1968 Games	71
The 1972 - 1984 Games	73
V. Advertising and Marketing -- Commercial Forces within the Olympics	83
Network Logic	84
Function of Olympic Advertising and Marketing	85
Historic Overview of Commerce within the Olympic Games	87
The 1984 Los Angeles Games and Corporate Financing	89
The Olympic Programme (TOP)	92
Commercialism and the Olympic Athlete	94
Critical Concerns	97

Chapter	Page
VI. Olympic Television Rights	107
Historical Overview	107
Cost of Rights: A Geometric Progression	110
The Role of ABC	114
Impact of Television Revenue on the IOC and the Olympic System	117
The Position of NOCs	120
The Position of IFs	122
Calgary and Seoul: Impact of U.S. Rights	124
VII. Conclusions	138
Pfeffer and Salancik's Ten-Point Dependency Model	140
Summary	148
Bibliography	158

List of Tables

Table		Page
1.1.	Cost of U.S. Rights in U.S. Dollars and Broadcast Hours	3
4.1	Percentage Saying They Are Very Interested in a Sport	53
4.2	Percentage Desiring More Television Coverage of Specific Sports	54
4.3	Cost of World Series Broadcast Rights for Radio and Television	63
7.1	Pfeffer and Salancik's Ten-Point Dependency Model: Summary of Findings	147

List of Figures

Figure		Page
6.1	Cost of Exclusive U.S. Rights in U.S. Dollars Since 1960 for Winter and Summer Games	111
7.1	A Systems View of the Television- Olympic Relationship	139

Chapter One

Introduction

Based upon the ancient Greek Games plus the principles and ideals embodied in nineteenth century English sport, the modern Olympic Games were revived by Baron Pierre de Coubertin in 1894. Since then, de Coubertin's dream and life's work has caught the attention of many in twentieth century. Today, the Olympics are the single most popular global event held on a regular basis.¹ Intelsat reported that whereas 500 million people watched the historic Apollo 11 moonwalk in 1969, at least 600 million tuned in for the opening ceremonies of the 1984 Los Angeles Games.² As the Games proceeded, one-third or 80 million Americans watched every night³ and an unprecedented 2.5 billion people world-wide were estimated to have seen at least some of the televised coverage.⁴ Yet only twenty years earlier, NBC refused to preempt "The Tonight Show" for Olympic telecasts from Tokyo.⁵ In 1984, "The Merv Griffin Show" cancelled production during the Los Angeles Games because guests could not be booked.⁶ Today, it appears that the Olympics are ". . . 'the perfect match between television and spectacular event'."⁷

Besides lending the International Olympic Committee (IOC) and the rest of the Olympic system⁸ pervasive global exposure and influence, television has also had a critical financial impact on the Olympics vis-à-vis exclusive television rights payments. As evidenced in Table 1.1, this impact is mainly due to the three competitive American commercial networks which, since 1960, have contributed a notable U.S. \$1.1 billion to the Olympic system (hereinafter \$ refers to U.S. dollars). Today, U.S. rights amount to 90 per cent of world-wide payments (hereinafter television refers to U.S. television).

Initially, de Coubertin exhausted his family's fortune to support the IOC. By the 1950s and 1960s, the IOC was perpetually on the edge of bankruptcy, receiving only small cash payments from host cities upon their election. Even as late as the early 1970s, according to Crosbie Cotton, the IOC was forced to borrow money from the Munich organizing committee so it simply could meet its operating expenses.⁹ However, the 1972 Munich Games marked a financial turning point for the IOC as U.S. television rights skyrocketed from \$13.5 million to more than \$100 million for the 1980 Games within a decade. Crosbie Cotton states that the formerly "cash-strapped" IOC now has \$42 million in savings. Furthermore, the major media payments from the 1988 Calgary and Seoul television contracts are yet to come.¹⁰

Table 1.1

Cost of U.S. Rights in U.S. Dollars
and Broadcast Hours

Year/Location	Network	Cost in Millions	Hours of U.S. Coverage*
1960 Squaw Valley	CBS	.05	16
Rome	CBS	.394	31
1964 Innsbruck	ABC	.597	17.5
Tokyo	NBC	1.5	25
1968 Grenoble	ABC	2.5	27
Mexico	ABC	4.55	40
1972 Sapporo	NBC	6.4	40
Munich	ABC	13.5	64
1976 Innsbruck	ABC	10.0	43
Montreal	ABC	25.0	75
1980 Lake Placid	ABC	15.5	53.5
Moscow	NBC**	85.0	150 planned
1984 Sarajevo	ABC	91.5	63.5
Los Angeles	ABC	225.0	187.5
1988 Calgary	ABC	309.0	82 planned
Seoul	NBC	300.0***	180 planned

Source: Janet Brooks, "Olympics Back in Demand," Montreal Gazette, (11 May 1985), p. D1.

*Hours of coverage from multiple sources including: final reports of organizing committees, Advertising Age, Variety and Broadcasting.

**NBC did not broadcast due to American boycott.

***Also provided for up to 200 million in profit sharing after break-even point.

Given the magnitude and impact of the television-Olympic relationship, it is somewhat surprising to discover that to date, few studies have examined the nature of the association in terms of balance, dependency, power and influence; however, of notable exception is the recent work completed by Robert Lucas, Michael Real and Robert Mechikoff.¹¹

In their study, the authors apply a three-stage definition of symbiosis concerning the relationship between television and the Summer Olympic Games. Borrowed from earlier television-sport research completed in the United States by Donald Parente,¹² this definition of a symbiotic relationship involves: ". . . television's dependency on the sports event for programming, the sport's dependency on television money, and changes in the sport brought on by television."¹³

The researchers conclude as follows: first, U.S. television depends on the Olympics for critical programming; second, the Olympics are extremely dependent on U.S. television revenue; and third, U.S. television, however, has only had a minor impact on the Olympics in terms of change. Thus, whereas the first two findings meet Parente's definition of a symbiotic relationship, the third conclusion does not. More specifically, the authors write: "The dependency of the Olympics has not destroyed the

internal integrity or autonomy of the Games in decisive, measurable ways."¹⁴

This thesis will endeavor to further clarify and update the contemporary nature of the television-Olympic relationship. In so doing, this thesis will focus specific attention on Lucas, Real and Mechikoff's third issue of potential change to the Olympics due to the role of television as a major source of financing. This inquiry will be conducted by viewing the television-Olympic relationship in terms of power, influence, dependency and change.

Apart from the North American perspective adopted by Lucas, Real, and Mechikoff, other researchers have approached the television-Olympic relationship with a European or critical analysis perspective. For example, Gary Whannel explored the role of American television within the Olympics and discovered that "it is no longer possible to describe television as relaying the event. Rather, it is producing an elaborate entertaining show based upon the event."¹⁵ Pointing out that top Olympic athletes are now "de facto" professionals, Whannel continues:

The Olympic movement, economically dependent on television, needs to offer a good, star-laden show, and is not in a strong bargaining position. Ever since television began its global expansion, the IOC has been less and less able to define the nature of its own spectacle.¹⁶

Along similar lines, after studying the interdependencies between television and the Olympics, Heinz-Dietrich Fischer concludes that "the more the Olympic Games have been adapted for the purposes of television and the greater the spectacle, the more they have become part and parcel of the entertainment demanded by the medium. . . ."17

A third researcher, Horst Siefert, investigated the commercialization of the Olympics by U.S. media and came to the conclusion that "sport, which used to have a pedagogic and moral value, is now a dimension of business." Continuing Siefert writes: "Those with the media on their side have influence, can promote their image, can sell themselves."18

In sum, whereas Lucas, Real, and Mechikoff posit that the Olympics have not been greatly influenced in terms of change by television, Whannel, Fischer, and Siefert on the other hand argue that the traditional ideals and mores of the Olympics have been transformed as the Games have shifted from an athletic event to a big business and a major media (advertising) event.

In terms of the broader television-sport issue, a number of studies have been completed. For example, David Altheide and Robert Snow argue that ". . . the relationship

between media and sports serves to increase the power of the media and to change professional sport."¹⁹ As evidence, the authors cite financing, changes in rules and scheduling and player salaries among a host of other factors.

In a related study, Donald Parente argues that the television-sport association may be termed a symbiosis as each entity responds to the other's needs. However, Parente emphasizes the substantial structural changes made in sport for the benefit of the television viewer.²⁰

Finally, Susan Greendorfer presents a view of the media-sport relationship emphasizing that each entity has had a major impact on the other.²¹ Television, with its ties to the advertising industry, has made sport a marketable commodity in the video age. As entertainment then, sport has undergone fundamental structural changes to meet the needs of television. For instance, because the nature of television demands predictability, tennis instigated tie-bréakers to end long drawn out deuce games. Among many other examples, golf switched from medal play (number of holes won) to match play (number of strokes). However sport, in turn, has become a key component of television programming fare, especially in prime time.²²

Given the limited amount of research into the nature of the association between television and the Olympics along with the divergent findings presented by Lucas, Real and Mechikoff and those of Whannel, Fischer and Siefert, this thesis endeavours to further explore, examine and clarify the evolving nature of American commercial television and the Olympic system in terms of dependency, influence, power and change. As such, a guiding theoretical perspective which centers on the nature of relationships between organizations is derived from organizational theory. This theoretical perspective which may provide valuable insight into the television-Olympic relationship is summarized as follows.

Allied with a systems approach,²³ excellent insights into organizations have been provided by Richard Scott,²⁴ Peter Blau,²⁵ Richard Emerson,²⁶ along with Jeffrey Pfeffer and Gerald Salancik.²⁷ According to researchers, organizations functioning in an open system²⁸ have to exchange resources with their surrounding environment to survive and prosper. That is to say, successful organizations output and input resources to and from their environment in such a way as to maximize profits and minimize losses.

In addition, a symbiotic relationship occurs when two differentiated organizations exchange outputs with each

other. One's output is the other's input. Television's output is revenue along with highly valued exposure while the Olympic system's output is exclusive programming. However, contrary to what some researchers, such as Greendorfer suggest, a state of symbiosis does not necessarily imply mutual dependency and resulting mutual benefit. As Scott notes, one actor within the association may exhibit a greater degree of dependency on the other for his resource. This leads to an unbalanced symbiotic relationship.²⁹

Consequently, examining the process of resource exchange emerges as a critical factor in the determination of the degree of dependency between organizations. More specifically, Pfeffer and Salancik state that dependency

. . . results from exchange processes and from the requirements of organizations to acquire resources and engage in exchange with their environments. Dependence, then, measures the potency of the external organizations or groups in the given organization's environment. It is a measure of how much these organizations must be taken into account and, also, how likely it is that they will be perceived as important and considered in the organization's decision making.³⁰

In other words, Pfeffer and Salancik vis-à-vis a systems approach are illustrating the ability of the environment (other organizations) to influence to some degree, the decision-making process of the organization under investigation. Thus, it appears that this perspective is

applicable to the strong interconnection between television and the Olympics.

Several theoretical models dealing with organizational dependency have been developed. In a situation where dependence has been already established for example, Emerson puts forth four conditions, any one of which would restore balance to the relationship.³¹ Blau, improving on this schema, presents four conditions that establish "the imbalance of power itself".³² Pfeffer and Salancik recently developed a comprehensive ten-point dependency model that incorporates the work of Blau and Emerson among others.³³ As such, it is suggested that this theoretical model may provide valuable insight in terms of identifying issues of dependency, power, influence and change between television and the Olympics.

Since the theoretical literature tends to demonstrate the importance of resource exchange in any evaluation of dependency, this thesis, as a case study, includes an examination of American network Olympic television rights. Within this context, emphasis is placed on rights issues surrounding the 1988 Games.

By emphasizing resource exchange in its theoretical approach, this thesis attempts to delineate the exchange balance between television and the Olympics system. If,

for example, the exchange balance is skewed and television is the major trading partner for the Olympic system but not the other way round, then traditions, ideals and the mandate of the Olympics may be vulnerable to alteration in form and content to ensure a continued supply of input (revenue) from television. Continuing, television³⁴, if it has other significant trading partners, may be less likely to be influenced by the Olympics in terms of structure and function.

In sum, this thesis focuses on the television-Olympic relationship for two major reasons. First, the modern Olympics are a pivotal global social institution which regularly links at least half the world's population every four years; it is an institution which has disavowed any influence, commercial or political, because of the potentially negative impact on its philosophy. As a result, the ever increasing importance of television in popularizing the Games, while supplying the Olympic system with needed revenue, presents the possibility of an alteration of the historic ideals and principles of the modern Games.

Second, this study was selected for the noted weaknesses in the area. To date the investigations carried out are few and somewhat contradictory. This thesis then, in adopting a substantive theoretical base, should contribute

to, and also stimulate further research into the nature of the television-Olympic association.

In terms of primary sources, the research undertaken involved interviews with individuals representing major actors from the television-Olympic system. Secondary sources included an examination of Olympic documents and publications, newsletters, books, newspapers and journal articles.

This thesis has a number of limitations. First, in the way of its general orientation and its specific theoretical approach, this study embraces a primarily North American perspective. Second, unless noted, this study concerns itself chiefly with American commercial network television as it currently supplies 90 per cent of television revenues to the Olympic system. Third, this thesis is limited to an examination of mainly English language sources. Fourth, a time limit had to be established. While references are made to the pre-'60s, this study concentrates on the television-Olympic relationship from the first significant sale of rights in 1960 to May 1986. Consequently, this time frame includes the sale of rights and corresponding activities for the 1988 Winter and Summer Games.

The remainder of this thesis consists of six chapters. The second chapter details and elaborates upon the theoretical approach briefly described in this chapter.

Chapter Three examines the modern Olympic Games in terms of origins, philosophical foundations and present structure. Also, the role of Pierre de Coubertin as founder of the modern Olympics is detailed.

Chapter Four traces the role of television in the modern Games by first exploring the emergence of the more general mass media-sport relationship as a backdrop for the emerging television-Olympic association. The role of ABC's "Wide World of Sports" in popularizing Olympic sport is highlighted.

Chapter Five details the function of advertising and marketing within the television-Olympic relationship. This chapter discusses how audiences are packaged and sold -- although it is mostly a North American phenomenon -- to advertisers. It also examines the role of corporate sponsors in relation to the revenue supplied to the organizing committees of the Games and the IOC. This chapter concludes with a review of current concerns regarding the state of commercialization in the Olympic Games.

Chapter Six examines the issue of exclusive American television rights for the Olympics. The costs of rights since 1960 are presented as a geometric progression and documentation is provided concerning the impact of television revenue on the various bodies comprising the Olympic structure. Finally, the chapter concludes with an examination of the impact and evidence, to date, of the Calgary and Seoul television contracts.

The final chapter re-introduces the theoretical underpinnings presented in Chapter Two and relates these to the data discussed in Chapters Three to Six. Tentative conclusions are drawn and suggestions are made for future research and study.

End Notes

¹In terms of global popularity, soccer would likely rate a close second. However, in the U.S., soccer has a comparatively small following.

²"Olympic Ratings let ABC Breathe Easier," Broadcasting, (6 August 1984): 31.

³"The Second 50 Years of the Fifth Estate," Broadcasting, (31 December 1984): 100.

⁴"Gala Games Opening Gets Mixed Reviews," Calgary Herald (30 July 1984), p. B3.

⁵Robert Joseph Lucas, "A Descriptive History of the Interdependence of Television and Sports in the Summer Olympic Games 1956-1984," M.A. thesis, San Diego State Univ., 1984, p. 22.

⁶"Olympic Ratings," : 31.

⁷"The Second 50," : 100.

⁸The Olympic system consists of the IOC, National Olympic committees (NOCs), International Federations (IFs), and Organizing Committees of the Games (OCOGs). Olympic system is further discussed on p. 47.

⁹Personal interview with Crosbie Cotton, Senior Olympics Reporter, Calgary Herald, Calgary, Alberta, 2 April 1986.

¹⁰Cotton, interview. This sum is of June, 1985.

¹¹Robert Lucas, Michael Real, and Robert Mechikoff, "Television, Economics, and the Summer Olympics," in Global Ritual: Olympic Media Coverage and International Understanding, UNESCO Research Report, Paris, ed. Michael Real, July 1985, pp. 1-18.

¹²Donald E. Parente, "The Interdependence of Television and Sports," Journal of Communication 27 (1977): 128-132.

¹³Lucas, Real and Mechikoff, p. 3.

¹⁴Lucas, Real and Mechikoff, p. 11.

¹⁵Gary Whannel, "The Television Spectacular," in Five Ring Circus: Money, Power and Politics at the Olympic Games, eds. Alan Tomlinson and Gary Whannel, (London: Pluto Press, 1984), p. 35.

¹⁶Whannel, p. 42.

¹⁷Heinz Dietrich Fischer, "From Cooperation to Quasi-Congruency -- Interdependencies between the Olympic Games and Television," in Entertainment: A Cross Cultural Examination, eds., S.R. Melnick and H.D. Fischer, (New York: Hastings House, 1979), p. 227.

¹⁸Horst Siefert, "Sport and Economy: The Commercialization of Olympic Sport by the Media," International Review for the Sociology of Sport 19 (1984): 314.

¹⁹David L. Altheide and Robert P. Snow, "Sports Versus the Mass Media," Urban Life 7 (July 1978): 203.

²⁰Parente: 128-132.

²¹Susan L. Greendorfer, "Sport and the Mass Media: General Overview," Arena Review 7 (July 1983): 1-6.

²²Due to the presently depressed sports television market as a result of fragmentation (more viewing options, i.e. pay TV) and oversaturation, this point does not carry as much significance as it did at the time of Greendorfer's writing (1983).

²³The concept of a systems approach is further detailed in Chapter Two.

²⁴W. Richard Scott, Organizations: Rational, Natural, and Open Systems, (Englewood Cliffs, NJ: Prentice-Hall, 1981).

²⁵Peter M. Blau, Exchange and Power in Social Life, (London: John Wiley & Sons, 1964).

²⁶Richard M. Emerson, "Power-Dependence Relations," American Sociological Review 27 (1962): 31-41.

²⁷Jeffrey Pfeffer and Gerald R. Salancik, The External Control of Organizations: A Resource Dependence Perspective, (New York: Harper & Row, 1978).

28An open system is any system that is responsive to stimuli from the external environment. A closed system on the other hand may survive independently of its surrounding ecosystem.

29Scott, p. 193.

30Pfeffer and Salancik, p. 52.

31Emerson, p. 35.

32Blau, p. 118.

33Pfeffer and Salancik, p. 44.

34It is noted, however, that the \$309 million paid for Calgary followed by the less than expected \$300 million for Seoul may represent a historic levelling off or even decline in future Olympic television rights. ABC's new owners, Capital Cities Communications, are less than enthusiastic over the likely possibility of a \$50 million loss on the Calgary Games and NBC for its part is approaching the Seoul Games with similar concerns. These issues are examined in greater detail in Chapter Six.

Chapter Two

Theoretical Approach

The theoretical perspective adopted for this inquiry is social scientific in nature, emphasizing organizational research. A systems approach provides the general organizing framework within which systems based schemas are presented for specific inquiry. A systems approach may be defined as the study of

. . . a complex of elements or components directly or indirectly related in a causal network, such that each component is related to at least some others in a more or less stable way within any particular period of time.¹

Schemas generated within the systems approach address the kernel of the present investigation -- relative power balances between significant organizations. Once balance of power is ascertained, links may be established in respect to the degree of influence and domination, if any, between organizations which, in this study, are represented primarily by television and the Olympic system.

Increasing in prominence over the last quarter-century, the systems approach is now at the forefront of general inquiry into the social sciences. In contrast to closed systems which function in isolation from their environments -- the mind of an autistic child for example -- a

systems approach focuses on systems that are open and thus responsive to their environments or their organizational cultures. Furthermore, open systems actually depend on their environments for their success or survival.

Concerned with wholes, systems, and organizations, some examples of a systems approach include information theory, game theory, decision theory, cybernetics and general systems theory. Excellent examples of a systems approach may be found in the work of Ludwig von Bertalanffy² and Walter Buckley.³

Three factors are central to a systems approach. First, a systems approach deals with "sets of elements standing in interrelation."⁴ Second, as the transition is made from simple to complex systems, ". . . the relations of parts becomes more flexible and the 'structure' more fluid. . . ."⁵ Third, feedback is essential to the functioning of any open system. According to Buckley, feedback involves ". . . a full, two-way communication network extending throughout all parts of the system to provide adequate linkage of components . . . essential to effective goal obtainment. . . ."⁶ In short, a systems approach provides a basic outlook on the world incorporating ". . . notions like those of wholeness, growth, differentiation, hierarchical order, dominance, control, competition, etc."⁷

The rationale linking a systems approach and schemas examining issues of power, influence and domination becomes clear if the function of organizations (such as television and the Olympic system) is viewed as a product ". . . of the interrelations and interactions of the components of an ongoing systems process."⁸ These "interrelations and interactions" are cultivated by a process of exchange between differentiated organizations.⁹ As such, the survival of an organization rests on the acquisition of resources from its surrounding ecosystem. However, should the resources exchanged between organizations not be of equal value, then power differences may arise.¹⁰ The issue of dependency and power differences is what this present study examines with respect to television's expanding coverage of the Games.

The concept of resource exchange gives rise to the issue of organizational interdependence. Pfeffer and Salancik define two types of interdependence. First, behavior interdependence occurs when ". . . the activities are themselves dependent on the actions of another social actor."¹¹ For example, in order for one individual to play tennis, he or she must convince another individual to meet at a specific time and location. Without the cooperation of the second individual, the event cannot take place. The second type of interdependence, outcome interdependence,

arises when ". . . the outcomes achieved by A are interdependent with, or jointly determined with, the outcome achieved by B."¹² An example includes a market situation where there are only two actors, a buyer and a seller who determine profit together.¹³

Pfeffer and Salancik further subdivide outcome interdependence into competitive interdependence and symbiotic interdependence. In a competitive situation, ". . . the outcome achieved by one can only be higher if the outcome achieved by the other is lower."¹⁴ In the case of symbiotic interdependence, ". . . the output of one is input for the other."¹⁵ Continuing, the authors write: "It is possible for both to be better off or worse off simultaneously."¹⁶ However, symbiotic interdependence does not necessarily imply a state of mutual dependency. Scott expands on this point when he writes:

Such situations occur when two or more organizations that are differentiated from one another exchange resources. This is known as symbiotic interdependence and can give rise . . . to power differences if the resources exchanged are not of equal importance.¹⁷

A symbiotic relationship is balanced because both entities have no alternative sources of supply and/or markets.¹⁸ If one actor should have other trading partners then this effectively skews the balanced relationship to a

state of uni-directional dependency. More specifically, Pfeffer and Salancik state that

for the dependence between two organizations to provide one organization with power over the other, there must be asymmetry in the exchange relationship. If organization X sells to organization Y and is dependent on Y for absorbing its output, it is simultaneously true that Y purchases from X and is, therefore, dependent upon X for the provision of some required input. Asymmetry exists in the relationship when the exchange is not equally important to both organizations. This may occur because the organizations differ greatly in size, so that what is a large proportion of one's operations is a small proportion of the other's.¹⁹

As delineated by Pfeffer and Salancik, relative resource exchange between two organizations and their environment emerges as a critical factor in the investigation of dependency between television and the Olympics. Now that the groundwork for interdependence has been set out, attention is specifically focused on the notion of power within interdependent relationships.

A review of the literature reveals that power may be generally understood as the ability of one actor (A) to bring about a change, to some extent, in another (B). Amitai Etzioni states that ". . . power is an actor's ability to induce or influence another actor to carry out his directives or any other norms he supports."²⁰ Power arises in a relationship when A becomes dependent on B for some good or service that is usually not available or, at

the very least, difficult to obtain outside the relationship. Thus, as Emerson states: "The power of A over B is equal to, and based upon, the dependence of B upon A."²¹ However, even in a balanced or symmetric relationship, power can still exist as ". . . each party may continue to exert profound control over the other."²²

Researchers have proposed schemas designed to delineate the nature of power within a given relationship. John French and Bertram Raven distinguish between the following five bases of social power: reward power, coercive power, legitimate power, referent power, and expert power.²³ Etzioni views power as a function of the manner by which others are made to comply. Etzioni argues that all forms of power fall into the categories of coercive power, remunerative power and normative power.²⁴ According to Etzioni, the majority of organizations subscribe to all three categories, however in various degrees.²⁵

Given the situation where one actor (B) is dependent upon the other (A) and consequently subjected to the other's power, Emerson proposes four alterations, any one of which serves to negate the uni-directional dependency.

1. If B reduces motivational investment in goals mediated by A;
2. If B cultivates alternative sources for gratification of those goals;
3. If A increases motivational investment in goals mediated by B;
4. If A is denied alternative sources for achieving those goals.²⁶

Peter Blau reformulated Emerson's schema ". . . to specify the conditions that produce the imbalance of power itself."²⁷ Those in need of a service offered by someone else have the following options to select from.

First, they can supply him with a service. . . . Second, they may obtain the needed service elsewhere. . . . Third, they can coerce him to furnish the service. . . . Fourth, they may learn to resign themselves to do without the service. . . .²⁸

Should those in need of a service be unable to select one of these options, they are, as a result, dependent on the other for his given resource and subjected to the other's influence.

Pfeffer and Salancik offer a comprehensive framework mirroring the nature of Blau's and Emerson's schemas. Whereas Blau presents courses of action designed to achieve independence, Pfeffer and Salancik develop a typology based on conditions which underlie dependence. It is suggested that the following ten conditions of dependence as set out

by Pfeffer and Salancik are applicable in determining the degree of dependence, if any, between television and the Olympic system.

1. The focal organization is aware of the demands.
2. The focal organization obtains some resources from the social actor making the demands.
3. The resource is a critical or important part of the focal organization's operation.
4. The social actor controls the allocation, access, or use of the resource; alternative sources for the resource are not available to the focal organization.
5. The focal organization does not control the allocation, access, or use of other resources critical to the social actor's operation and survival.
6. The actions or outputs of the focal organization are visible and can be assessed by the social actor to judge whether the actions comply with its demands.
7. The focal organization's satisfaction of the social actor's requests are not in conflict with the satisfaction of demands from other components of the environment with which it is interdependent.
8. The focal organization does not control the determination, formulation, or expression of the social actor's demands.
9. The focal organization is capable of developing actions or outcomes that will satisfy the external demands.
10. The organization desires to survive.²⁹

According to the authors, not all conditions have to be present to substantiate dependence. However, as more of

the conditions are met, the greater is the likelihood that dependence is present in the relationship.

Three key issues emerge from the third and fourth conditions which are of critical importance in any investigation of dependence. Pfeffer and Salancik state:

First, there is the importance of the resource, the extent to which the organization requires it for continued operation and survival. The second is the extent to which the interest group has discretion over the resource allocation and use. And, third, the extent to which there are few alternatives, or the extent of control over the resource by the interest group, is an important factor determining the dependence of the organization.³⁰

The first issue, resource importance, is composed of the following two dimensions: magnitude of exchange and criticality of resource.³¹ These two dimensions are not necessarily mutually exclusive. In terms of exchange magnitude, those organizations supplying or receiving one output or input will, as a matter of necessity, be in a situation of high dependence. The second dimension, criticality of resource, revolves around the ability of organizations to continue operating without supplying or receiving critical outputs or inputs. If the survival of the organization is jeopardized due to the absence of critical inputs or markets for outputs, then they may be categorized as highly dependent. Central to the Olympic system -- in terms of the investigation under study -- is

the orchestration of the Olympic Games which occur every four years. A significant part of this presentation now takes place to a much expanded world-wide audience via television.

The second and third issues deal with the discretionary allocation and control of the resource, respectively. The ability to determine who receives a given resource is a fundamental source of power. Equally important, resource control involves ". . . the extent to which input or output transactions are made by a relatively few, or only one, significant organizations."³²

In terms of television and the Olympics a systems approach appears to be particularly well-suited for conceptualizing the contemporary relationship as one characterized by a dynamic set of interrelations (continual negotiation and evolution) within a larger supporting ecosystem. The ecosystem or environment in this case is the prevailing socio-cultural system which provides the fundamental inputs and outputs (advertising revenue, audience, consumers, athletes, etc.) and also the norms, values and expectations that shape the entire process. For example, in the U.S., an anti-trust law forbids any collusion of the three networks to jointly acquire Olympic telecast rights at a much lower price. Thus, the environment dictates the competitive nature of networks vying for exclusive rights.

However, should the anti-trust law be repealed and consequently permit the formation of a rights seeking consortium of American broadcasters, the impact upon the nature of the television-Olympic relationship would likely be profound.

A systems approach emphasizes the issue of interdependence between entities which is achieved through the process of resource exchange. Television exchanges great sums of money plus unparalleled media exposure with the Olympic system which, in return, exchanges highly popular programming fare. As such, the entities may be classified as interdependent or engaged in a symbiotic relationship. However, as ". . . interdependence varies with the availability of resources relative to the demands for them"³³ it is possible for one organization to exhibit a greater tendency to depend on another for a vital resource.

In summary, this chapter has examined, within the context of a systems approach, key issues revolving around organizational relationships. These issues include: nature of the relationship, degree of dependence, exchange of resources and power. Dependence is of critical importance for, as Emerson has suggested, the ". . . dependence of one party provides the basis of the power of the other. . . ." ³⁴ Accordingly, the dependence schema formulated by Pfeffer and Salancik appears to be well-suited as a theoretical model applicable to the examination

of the relationship between television and the Olympics. The theoretical model should help organize the welter of specific facts, opinions and details surrounding the television-Olympic relationship into a more coherent statement delineating with greater accuracy the degree and direction of dependence, if any, between the two entities.

The theory presented here will be applied to the television-Olympic relationship after the following case study which begins with a brief overview of the genesis of the modern Olympic Games.

End Notes

¹Walter Buckley, Sociology and Modern Systems Theory, (Englewood Cliffs, NJ: Prentice-Hall, 1967).

²Ludwig von Bertalanffy, General System Theory, (London: Allen Lane The Penguin Press, 1971).

³Buckley.

⁴Von Bertalanffy, p. 37.

⁵Buckley, p. 47.

⁶Buckley, p. 206.

⁷Von Bertalanffy, p. 46

⁸Buckley, p. 205.

⁹Scott, p. 193.

¹⁰Scott, p. 195.

¹¹Pfeffer and Salancik, p. 41.

¹²Pfeffer and Salancik, p. 41

¹³Pfeffer and Salancik, p. 41

¹⁴Pfeffer and Salancik, p. 41

¹⁵Pfeffer and Salancik, p. 41

¹⁶Pfeffer and Salancik, p. 41

¹⁷Scott, p. 193.

¹⁸This is further to the already stated condition where the input for one is the output for the other.

¹⁹Pfeffer and Salancik, p. 42.

²⁰Amitai Etzioni, A Sociological Reader on Complex Organizations, (New York: Holt, Rinehart and Winston, 1969), p. 60.

²¹Richard M. Emerson, "Power-Dependence Relations," American Sociological Review 27 (1962): 33.

²²Emerson, p. 34.

²³John French Jr. and Bertram Raven, "The Bases of Social Power" in Studies in Social Power, ed. Dorwin Cartwright (Ann Arbor, MI: The University of Michigan, 1959), pp. 155-156.

²⁴Etzioni, p. 61.

²⁵Etzioni, p. 62.

²⁶Emerson, p. 35.

²⁷Blau, p. 118.

²⁸Blau, pp. 118-119.

²⁹Pfeffer and Salancik, p. 44.

³⁰Pfeffer and Salancik, p. 46.

³¹Pfeffer and Salancik, p. 46.

³²Pfeffer and Salancik, p. 50.

³³Pfeffer and Salancik, p. 42.

³⁴Emerson, p. 32.

Chapter Three

The Modern Olympic Games

The important thing in the Olympic Games is not to win but to take part, the important thing in life is not the triumph but the struggle. The essential thing is not to have conquered but to have fought well. To spread these precepts is to build up a stronger and more valiant and, above all, a more scrupulous and more generous humanity.

De Coubertin¹

Origins

Initiated in 776 BC, the first recorded Olympic Games became the most important athletic and religious event in all of ancient Greece. Honouring the supreme god of Greek mythology, Zeus, the ancient Games were held every four years without interruption at least until 394 AD.² At this time, the Olympic Games were banned by Christian emperor Theodosius II as a pagan festival.³

Rooted in the ancient Games, the modern Olympic Games were born in 1894⁴ due almost single-handedly to the efforts of Baron Pierre de Coubertin (1863-1937).⁵ As the founder of the modern Olympics, de Coubertin entrenched the critical concepts of amateurism and internationalism which have comprised the guiding force for the Olympics through the twentieth century.

Born into a wealthy French family, de Coubertin was well educated. At the University of Paris, he achieved the degrees of bachelor of arts, bachelor of sciences and bachelor of laws.⁶ Afterwards, at the Free School of Political Science in Paris, de Coubertin studied French philosophy and English educational history at the post-graduate level.⁷

Besides his university studies, several other factors contributed to de Coubertin's early interest in educational reform and his ensuing interest in reviving the ancient Olympic Games. Olympic historian John Lucas states the most important influence on the young de Coubertin was that of Dr. Thomas Arnold, Headmaster of England's Rugby School from 1828-1842.⁸

De Coubertin, during a lecture delivered to the Parnassus Club in 1895, called Thomas Arnold ". . . the greatest educator of modern times, who more than any other is responsible for the present prosperity and the prodigious expansion of his country."⁹ De Coubertin believed firmly (but incorrectly) that Arnold's introduction of sports into the English school system provided ". . . the teacher with a very powerful and sensitive instrument of moral training."¹⁰ In de Coubertin's eyes, Arnold's emphasis on physical activity was primordial for the complete development of the individual. At a speech

made during the 1894 Paris Congress de Coubertin said: ". . . there are not two parts to a man -- body and soul: there are three -- body, mind and character; character is not formed by the mind, but primarily by the body."¹¹

De Coubertin felt that the inculcation of English sport ideals into the French educational system would produce men of solid character, strength and intelligence capable of leading the nation out of its collective post-war depression.¹² But the Baron had a difficult time implementing physical education reforms in France so he turned his efforts to an international sports celebration.¹³

Armed with the ideals of English sport and an extensive knowledge of Greek history, de Coubertin became obsessed with his idea of reviving the ancient Olympic Games. Recent archeological diggings at Olympia (1875-1881)¹⁴ prompted widespread interest surrounding the ancient Games and thus provided a favourable climate for de Coubertin's Olympic idea.

The first attempt to revive the Olympics was made in 1892 at the fifth anniversary celebration of the Union des Sociétés Françaises de Sports Athlétiques. A keynote speaker, de Coubertin waited for the climax of his speech to make his appeal.

Let us export rowers, runners and fencers; there is the free trade of the future, and on the day when it is introduced within the walls of old Europe the cause of peace will have received a new and mighty stay. This is enough to encourage your servant to dream . . . that with you he will be able to continue and complete, on a basis suited to the conditions of modern life, this grandiose and salutary task, the restoration of the Olympic Games.¹⁵

In his autobiography Olympic Memoirs, de Coubertin reflects upon the reaction to his Olympic proposal.

Naturally, I had foreseen every eventuality, except what actually happened. Opposition? Objections, irony? Or even indifference? Not at all. Everyone applauded, everyone approved, everyone wished me great success but no one had really understood. It was a period of total, absolute lack of comprehension that was about to start.¹⁶

Continuing, de Coubertin writes:

Full of good will -- but no understanding -- they were unable to comprehend my idea, to interpret this forgotten thing: Olympism, and to separate the soul, the essence, the principle . . . from the ancient forms that had enveloped it and which, during the last fifteen hundred years, had fallen into oblivion.¹⁷

De Coubertin's second attempt at reviving the ancient Olympic Games, made at the "Congress of Paris"¹⁸ during June of 1894, met with success. In his autobiography, de Coubertin continues: "As far as the Olympic Games were concerned, everyone accepted my proposals almost without discussion."¹⁹ The nature, format and control of the Games was also formalized during the 1894 Congress.

The meeting voted one after the other the various fundamental principles I had previously decided on in my own mind: the interval of four years, the exclusively modern character of the events, the exclusion of school sports . . . and finally the appointment of an International Committee -- permanent in its principle and stable in its composition -- whose members would be representatives of Olympism in their respective countries.²⁰

With the completion of the Paris Congress and subsequent formation of the International Olympic Committee (IOC) the modern Olympic era had begun. As in ancient Greece, it was decided that the Games would celebrate a four-year period known as an Olympiad. If for some reason the Games were cancelled, the consecutive numbering of the Olympiad would continue. The first Olympic Games were held in 1896, in Athens, and according to David Young, "were judged to be a success" as both attendance and hospitality were "excellent."²¹

Philosophical Foundations

Olympism may be described as

. . . a state of mind, a philosophy even, encompassing a particular conception of modern sport, according to which sport can, through an extension of its practice, play a part in the development of the individual and of human kind in general.²²

The philosophical tenets of this recent (1984) definition of Olympism by the IOC are grounded in de Coubertin's marriage of ". . . Anglo-Saxon sporting utilitarianism and

the lofty and resounding concepts bequeathed by ancient Greece."²³ De Coubertin admired nineteenth century English sport for its concept of fair play and sportsmanship which, the Baron believed, developed character (moral fibre). De Coubertin extolled also the ancient Greek athlete because "by chiselling his body with exercise as a sculptor chisels a statue the athlete of antiquity was 'honouring the Gods'."²⁴ In a 1908 address, de Coubertin summed up the Olympic idea as

. . . the conception of a strong physical culture based in part on the spirit of chivalry, which you so attractively call 'fair play', and in part on an athletic idea, the cult of beauty and grace.²⁵

In her dissertation titled "The International Olympic Committee: The Pursuit of Olympism 1894-1972," Jean Leiper states that there is "no specific definition" which identifies the "factors of Olympism".²⁶ According to Leiper, Rule 3 under 'Fundamental Principles' in Olympic Rules and Regulations (1967) was close but ". . . did not seem to cover the subject sufficiently."²⁷ Continuing, Leiper states that the sum of de Coubertin works

. . . suggested a grouping of the elements of amateurism, physical and character (moral) development, internationalism, and aesthetics and arts and letters, as being the factors which formed the philosophy of Olympism.²⁸

The first factor, amateurism, is the participation in sport for non-monetary rewards.²⁹ As previously discussed,³⁰ the second factor of physical and character development stems from nineteenth century English sport. Third, the factor of internationalism arises from the global participation and interest in the Olympic Games. Lastly, aesthetics, arts and letters was de Coubertin's plan for linking sport and art to achieve a state of beauty and harmony like that of the ancient games.

As evidenced in de Coubertin's autobiography, the mandate of the Olympics seems to have been identified at the time the modern Games were revived. De Coubertin writes: "Olympism was born this time fully-armed like MINERVA -- with its programme complete and its geography entire; the whole planet would be its domain."³¹ Next, the four factors of Olympism as identified by Leiper are explored in greater detail.

Internationalism

Internationalism was of paramount importance to de Coubertin from the very beginning of his Olympic revival. In a lecture delivered to the Parnassus Club in 1895, de Coubertin states:

Every four years the revived Olympic Games must give the youth of all the world the chance of a happy and brotherly encounter, which will gradually

efface the peoples' ignorance of things which concern them all, an ignorance which feeds hatreds, accumulates misunderstandings and hurtles events along a barbarous path towards a merciless conflict'.³²

De Coubertin believed that the modern Olympics would promote "social peace" -- the negation of racial, class and other social biases -- which, in turn, would set the stage for world peace. The individual athlete would be the starting point for social peace which would arise as a result of meeting competitors from various and diverse cultures. Ideally then, spectators, and even nations, would emulate the athletes and develop a deeper appreciation and understanding of each other's cultures.³³

However, in reality, internationalism as set out by de Coubertin, has often been jeopardized by nationalistic tendencies on the part of host cities and as well as visiting athletes. For example, Alan Tomlinson notes that during the first Games in Athens, the hosts played down de Coubertin's influence by attempting ". . . to make the Games into a statement of the distinctive national quality of the Greeks."³⁴ Later, in 1916, 1940 and 1944, the Olympics were cancelled due to war which is somewhat juxtaposed with ancient Greek policy that guaranteed safe passage through battle zones for those travelling to the Games. Throughout the post-war era, the international mandate of the modern Olympics continued to be marred by a

series of internal and external political intrusions including the murder of eight Israeli athletes by Arab terrorists at the 1972 Munich Games and various boycotts. In this respect, de Coubertin's vision of internationalism has remained more of a "lofty and resounding" ideal rather than actual reality.

Yet in the face of profound global political, social, cultural and technological change, the nineteenth century mandate of the IOC remains essentially unchanged today. According to Rule 1 under Fundamental Principles of the 1984 Olympic Charter the aims of the modern Olympic movement are:

- to promote the development of those physical and moral qualities which are the basis of sport,
- to educate young people through sport in a spirit of better understanding between each other and of friendship, thereby helping to build a better and more peaceful world,
- to spread the Olympic principles throughout the world, thereby creating international goodwill,
- to bring together the athletes of the world in the great four-yearly sport festival, the Olympic Games.³⁵

Amateurism

De Coubertin felt that to truly benefit from the Olympics the athlete had to participate for the intrinsic value found in sport itself. Accepting cash rewards for athletic performance was antithetical to Olympic principles. Yet today, huge sums of money from various

sponsors are paid to top athletes vis-à-vis trust fund accounts established with the athlete's International Federation (IF), National Olympic Committee (NOC) or the National Sport Governing Body (NSGB).

Although de Coubertin based athletic participation in the Games on amateurism he was not obsessed with the concept in its strictest sense as were many of his colleagues. Commenting in his memoirs on the polemics of amateurism, de Coubertin writes: "Personally, I wasn't particularly concerned. Today I can admit it, the question never really bothered me."³⁶ For example, de Coubertin was not adverse to have athletes receive small compensatory payments for travelling expenses.³⁷ However, de Coubertin was still concerned ". . . that an oath . . . detailed and signed" would discourage a "great many sham amateurs."³⁸

Throughout the history of the modern Olympics amateurism has remained a "hotly debated" issue. Several factors have figured prominently. Examples include the increasing commercialization of the athlete and the entry of the Soviet Union into the Olympics (1952) with "state athletes".

Because of the enormous pressures placed on the IOC to acknowledge and accept the role of commerce within Olympic sport, in 1981, the ruling body meeting in Baden-

Baden transferred full responsibility of defining eligibility requirements to the respective IFs. However, the amateur "ideal" is still of critical importance to the Olympics as it reminds athletes and spectators of the merit of physical and moral development gained from personal sacrifice and athletic competition.

Physical and Character (Moral) Development

The ideal of the athlete's physical development is rooted in the ancient Greeks' emphasis on muscular performance while moral or character development stems from the ideals of English sportsmanship (fair play). De Coubertin believed that strenuous physical training and competition would, in turn, bring about character development. This development of moral fibre was extremely important to de Coubertin who, as discussed earlier, desired to rejuvenate the collective spirits of French youth through athletics.

Yet today, contemporary pressures in the form of potentially lucrative corporate contracts for those who excel in competition are facing Olympic athletes. To gain any possible advantage, drugs of various types have been used by some competitors. Obviously then, this situation is at odds with the spirit of physical and character development as delineated by de Coubertin.

Arts and Letters

The Baron had always desired to link artistic and intellectual contests with athletic competition as in ancient Greece where ". . . writers and artists gathered together at Olympia to celebrate the Games, thus creating the inestimable prestige the Games have enjoyed for so long."³⁹ The first arts and letters competition was held at the 1912 Stockholm Games and de Coubertin himself, under the alias of G. Holrod and M. Eschbach, captured first place in the literature category for a poem titled "Ode to Sport." The second stanza reads:

O Sport, you are Beauty! You -- the architect of this house, the human body, which may become object or sublime according as to whether it is defiled by base passions or cherished with wholesome endeavour. There can be no beauty without poise and proportion, and you are the incomparable master of both, for you create harmony, you fill movement with rhythm, you make strength gracious, and you lend power to supple things.⁴⁰

Arts and letters medal competition within the Olympics was dropped after the 1948 London Games. Afterwards, art, literary and other cultural works, reflecting the character of the host nation, were exhibited, as required by the Olympic Charter, in conjunction with the Games but never accorded the prominent status and role of athletic competition.

Symbolic Aspects of Olympism

The symbols of Olympism are well-known around the world and include: the ceremonies of the Games, the Olympic village, the Olympic torch relay, the Olympic motto, the Olympic oath and the Olympic flag. The Olympic motto, oath and flag were introduced by de Coubertin who recognized the importance of symbols as vehicles to convey Olympism. Perhaps the most visible and international symbol of Olympism is the Olympic flag which was first presented by de Coubertin at the Congress of Paris in 1914. In his autobiography de Coubertin writes:

This was the first public appearance of the Olympic flag, . . . and it was a tremendous success. All white with the five interlaced rings: blue, yellow, black, green and red, it symbolised the five parts of the world united by Olympism and reproduced the colours of all countries.⁴¹

Today, these various symbols of Olympism earn hundreds of millions of dollars for the Olympic system from advertisers and marketers who endeavour to promote their product lines and enhance their images. For the most part, this is accomplished through official product categories which supposedly ensure sponsor exclusivity (discussed in Chapter 5).

Guardians of Olympism -- The International Olympic Committee (IOC)

The International Olympic Committee was formed in the weeks following the June 1894 Congress of Paris. The most distinguishing feature of the IOC then and now is that individual members are responsible to the IOC rather than to their respective domestic governments (reverse representation). IOC members are ambassadors of the Olympic movement in their home countries and not, as many believe, the other way around.

Lord Killanin, IOC President from 1972-1980 states in his autobiography that "the ultimate source of Olympic power" which "must not be conceded" is "the original concept of de Coubertin's trusteeship."⁴² Killanin writes:

The members are the trustees of a trust which was formed originally to ensure that others correctly carried out the work and arrangements needed to stage the Games and who, in so doing, maintained the principles and rules of the Olympic Movement.⁴³

Continuing, Killanin states:

In spite of criticism that the IOC consists of arrogant old aristocrats, I am convinced that Baron Pierre de Coubertin was far-seeing when he decided that the Olympic Movement should be run by Trustees and not by a so-called democratic body, subject to all the problems that nowadays face the United Nations and UNESCO.⁴⁴

The concept of trusteeship then, is linked to the non-political, self-determining nature of the IOC as originally set out by de Coubertin. Theoretically, it is within this environment that Olympic ideals and goals can best be pursued.

The IOC is a self-electing and self-perpetuating body that has one or two members in somewhat less than half of the world's nations.⁴⁵ Members are required to speak either English or French and must also be a resident of a country with a National Olympic Committee (NOC) that is recognized by the IOC.

The President of the IOC is initially elected for an eight-year term and then may be re-elected for successive terms of four years. The President occupies a powerful position as he carries out "much of the day-to-day implementation of policy."⁴⁶ Three Vice-Presidents serve concurrently and, along with the President and seven IOC members, they comprise the Executive Board. Their responsibilities include the administration of the Olympic movement.

Olympic System

The Olympic system is composed of the International Olympic Committee (IOC), the International Federations

(IF), the National Olympic Committees (NOC) and the Organizing Committees of the Olympic Games (OCOG).

The IOC has supreme jurisdiction over the entire Olympic system. The IFs administer their respective sports on a world-wide basis. IFs today play a central role in the Olympic system as they set and approve eligibility rules and timetables for Olympic competition and also approve facilities for the Games. Without their cooperation, OCOGs may encounter difficulties in scheduling events. In 1984, the IOC recognized 28 IFs which participate in the Olympics.⁴⁷ The NOCs, which numbered 158 in 1984, represent and administer Olympic sport in their respective countries. For example, the Canadian Olympic Association (COA) oversees all aspects of Olympic sport in Canada. NOCs control the use of Olympic trademarks such as the Olympic rings for commercial purposes within their sphere of influence. Under Charter rules, NOCs may appropriate a percentage of revenue derived from the commercial use of any Olympic trademark. Lastly, the OCOGs are responsible for organizing and administering the Games should they be awarded to their NOC and their bidding city.⁴⁸ An example is OCO'88 (hereinafter OCO) which is charged with the planning and presentation of the 1988 Calgary Winter Olympic Games.

In conclusion, this chapter has briefly chronicled the emergence, philosophy and structure of the modern Olympic Games and system. The Games, a vehicle to celebrate the spirit of Olympism, were originally founded by Pierre de Coubertin on the pillars of amateurism, internationalism, arts and letters, and physical and character development. Today, the historic fundamental aims and mandate of the Olympics in terms of global goodwill and social peace remain essentially unaltered even in the face of tremendous social, cultural, political and technological change.

The following chapter examines the role of television within the Olympics as an evolution of the more historic mass media-sport association.

End Notes

¹Bill Henry, An Approved History of the Olympic Games, (Los Angeles: The Southern Californian Committee for the Olympic Games), 1981, p. 1.

²Henry, p. 12.

³Henry, p. 12.

⁴The inception of the modern Olympics is said to coincide with the formation of the IOC rather than the first Olympic Games held in Athens, in 1896. According to de Coubertin's autobiography, the IOC was formed a few days after the conclusion of the June 1894 Sorbonne Congress.

⁵Pierre de Coubertin's Olympic Games were not the first to be revived since the ancient games. Redmond chronicles a series of attempts, mostly during the nineteenth century, to reinstate the games. See: G. Redmond, "Prologue and Transition: The 'Pseudo-Olympics' of the Nineteenth Century," eds. Jeffrey Segrave and Donald Chu, in Olympism, (Champaign, IL: Human Kinetics Publishers, 1981), pp. 7-21.

⁶John Lucas, The Modern Olympic Games, (Cranbury, NJ: A.S. Barnes and Co., 1981), p. 15.

⁷Lucas, p. 15.

⁸Lucas, pp. 15-16.

⁹Pierre de Coubertin, The Olympic Idea: Discourses and Essays, rev. ed., eds. L. Diem and O. Anderson; trans. J.G. Dixon, (Stuttgart, W.Ger.: Verlag Karl Hofmann, 1967), p. 8.

¹⁰De Coubertin, p. 8.

¹¹De Coubertin, p. 6.

¹²Following their humiliating defeat at the hands of the Prussians in 1871, the French nation began to question the state of their culture and society.

¹³Lucas, p. 25.

¹⁴John J. MacAloon, This Great Symbol, (Chicago: The University of Chicago Press Ltd., 1981), p. 140.

- ¹⁵De Coubertin, p. 1.
- ¹⁶Pierre de Coubertin, Olympic Memoirs, (Lausanne, Switz: International Olympic Committee, 1979), p. 6.
- ¹⁷De Coubertin, Memoirs, p. 6.
- ¹⁸"Congress of Paris" represents "Congress for the Re-establishment of the Olympic Games."
- ¹⁹De Coubertin, Memoirs, p. 12.
- ²⁰De Coubertin, Memoirs, p. 12.
- ²¹David C. Young, The Olympic Myth of Greek Amateur Athletics, (Chicago: Ares, 1984), p. 72.
- ²²International Olympic Committee, The Olympic Movement, (Lausanne, Switz.: International Olympic Committee, 1984), p. 9.
- ²³De Coubertin, Idea, p. 74.
- ²⁴De Coubertin, Idea, p. 131.
- ²⁵De Coubertin, Idea, p. 19.
- ²⁶Jean Marion Leiper, "The International Olympic Committee: The Pursuit of Olympism 1894-1970," Ph.D dissertation, Univ. of Alberta 1976, p. 33.
- ²⁷Leiper, p. 33.
- ²⁸Leiper, p. 33.
- ²⁹For a more extensive discussion on contemporary problems dealing with amateurism, see Chapter Five, page 94.
- ³⁰Physical and character development, as a function of nineteenth century English sport, is discussed on page 40.
- ³¹De Coubertin, Idea, p. 127.
- ³²De Coubertin, Idea, p. 9.
- ³³Leiper, p. 42.

³⁴Alan Tomlinson, "De Coubertin and the Modern Olympics," in Five Ring Circus: Money, Power and Politics at the Olympic Games, eds. Alan Tomlinson and Gary Whannel, (London: Pluto Press, 1984), p. 88.

³⁵International Olympic Committee, Olympic Charter, 1984, Lausanne, Switz., (Mimeographed.) p. 6.

³⁶De Coubertin, Memoirs, p. 65.

³⁷De Coubertin, Memoirs, p. 68.

³⁸De Coubertin, Memoirs, p. 68

³⁹De Coubertin, Memoirs, p. 49

⁴⁰De Coubertin, Idea, p. 40

⁴¹De Coubertin, Memoirs, pp. 91-92.

⁴²Lord Killanin, My Olympic Years, (London: Secker and Warburg, 1983), p. 13.

⁴³Killanin, p. 11.

⁴⁴Killanin, p. 20.

⁴⁵Killanin, p. 20.

⁴⁶Killanin, p. 14.

⁴⁷The Olympic Movement, p. 45.

⁴⁸It is noted, however, that in the case of the 1984 Los Angeles Games, the organizing committee (LAOOC) and the United States Olympic Committee (USOC) shared responsibility.

Chapter Four

The Role of Television

According to former IOC Director, Monique Berlioux, the Olympic Games are ". . . the main example of a particular conception of sport."¹ This "particular conception of sport" is set apart from other athletic events as it is richly steeped in the lofty and resounding ideals pronounced by de Coubertin almost a century ago.

Founded upon the dual concepts of amateurism and internationalism, the modern Olympic Games are immensely popular around the world for two major reasons. First, the IOC has taken care to cultivate a very positive image of the Olympics which it disseminates as widely as possible by fully cooperating with, and even catering to, the international mass media. Second, of the mass media, television with its ability to replace the "spoken or written word" with that of the "pictorial symbol," is ideally suited to convey the "body language of sport" with all its attendant "rites and rules known all over the world."²

Evidence supporting Olympic popularity is presented in Table 4.1 which indicates that the broadest interest in sport programming among a majority of both male and female viewers is in the Games. Furthermore, Table 4.2

Table 4.1

Percentage Saying They AreVery Interested in a Sport

SPORT	% of MEN n = 1080	SPORT	% of WOMEN n = 634
1. NFL Football	55	1. Olympics	52
2. Olympics	53	2. Figure Skating	34
3. College Football	34	3. Gymnastics	30
4. Major League Baseball	34	4. NFL Football	24
5. Boxing	25	5. Major League Baseball	23
6. College Basketball	22	6. Skiing	19
7. NBA Basketball	18	7. College Football	17

Source: "Sports on Television: The Viewer Speaks Out , An American Consensus Report," (New York: Benton & Bowles Inc., November 1982, Mimeographed.) p. 36. Note: emphasis added.

Table 4.2

Percentage Desiring More TelevisionCoverage of Specific Sports

SPORT	% of MEN n = 1080	% of WOMEN n = 634
Olympics	39	37
College Football	25	11
NFL Football	24	16
Gymnastics	21	29
College Basketball	21	10
Boxing	21	6
Major League Baseball	21	15
Track and Field	20	14
Skiing	18	24
Car Racing	17	11
Figure Skating	15	35

Source: "Sports on Television: The Viewer Speaks Out, An American Consensus Report," (New York: Benton & Bowles Inc., November 1982, Mimeographed.) p. 30. Note: emphasis added.

demonstrates that, of available sport programming, viewers would prefer more television coverage of the Olympics. However, the appeal of the Games extends beyond those who are regular consumers of sport to include those who do not normally watch televised sports. In this case, the packaging of the Games by television as live dramatic entertainment which is then extensively promoted by other mass media appears to pique the interests of a broad range of viewers.

Generally, the role of television within the Olympics varies with the source. For the IOC and the rest of the Olympic system, television is a primary and lucrative supplier of income. Berlioux states that

. . . television rights currently constitute the major part of the financial resources of the International Olympic Committee and are one of the main revenues of the International Federations and of the organizers of sports events.³

Equally important however, is the huge number of world-wide viewers (2.5 billion for Los Angeles) who are exposed to the Olympic Games. From the networks' perspective on the other hand, the Olympics represent excellent quadrennial programming that accomplishes several objectives. First, Olympic programming may, but not always, provide the network with short-term profit. For example, although ABC made a pre-tax profit of \$36.7 million on Los Angeles,⁴ some experts expect it to lose in the range of \$50 million

on the Calgary Games.⁵ Second, within the framework of the Games, the network promotes current and upcoming programming which usually has a positive effect on ratings and helps to enhance its position vis-à-vis the competition in the coming season.

Third, the Games heighten network prestige and credibility both in the eyes of the public and industry. In short, higher ratings and increased public and industry profile means more revenue from advertisers. Thus, the common denominator and motivating factor for association between both television and the Olympic system appears to be primarily of a monetary nature.

The following section demonstrates that the modern relationship between television and the Olympics may simply be understood as a continuation of the more general and historic forces between all the mass media and sport. As each major communication technology -- press, radio and television -- diffused throughout society, media and sport became increasingly intertwined. First, the press-sport relationship beginning in the mid-nineteenth century is traced. This is followed by radio and television. The remainder of this chapter deals with the relevance of ABC's "Wide World of Sports" to the Games and the emergence and growth of television within the Olympics.

The Press

Before 1850, the American press devoted scant attention to the coverage of sport and what existed took the form mainly of reporting score results⁶ Reporting of "play-by-play" action became popular only after 1850.⁷ During the late 1860s, James Gordon Bennett's Herald (New York) gave considerable coverage to baseball, prize fighting and horse racing.⁸ By the 1890s, sport sections became a regular part of the newspaper with better papers in larger cities employing sports editors and trained staffs. During the ensuing period of "yellow journalism"⁹ (1890-1910), publishers started to accept the idea that extensive coverage of the sports scene would increase circulation and thus generate more revenue. Hence, sport essentially received valuable advertising at no cost. James Michener points out that baseball's success at the turn of the century was a direct result of its extensive newspaper publicity.¹⁰ In turn, sports popularity impacted on the newspaper as John Betts notes: "There was no department in the daily press which was changing and expanding as rapidly as that of sports in the 1890s."¹¹ Thus, at the beginning of the twentieth century, the press and sport were engaged in a relationship of mutual dependency where each supported and popularized the other.

In the following decades, life in North America involved great social transition. The newspaper, in conjunction with the new technologies of telephone, telegraph and wireless helped the individual keep abreast of the latest social development. The first major breakthrough in terms of sports coverage occurred in 1916 when a live play-by-play account of the World Series was delivered by the Associated Press to all points on the existing lease-wire system.¹² However, as extraordinary as this accomplishment was, it was only a foreshadow of the next major communications revolution -- radio.

Radio

Launched in the United States in November of 1920 and in Canada a month later¹³, radio rapidly diffused through North American society. Like the telegraph which was allowed to be controlled by private interests, the American government permitted the medium of radio to "... fall into the hands of private persons."¹⁴ In order to stimulate public demand for radio receiving sets, Westinghouse Electric and Manufacturing company constructed and operated a transmitting station in Pittsburgh.¹⁵ Soon other transmitting stations were built in the wake of Station KOKA's success. The radio listener was captivated by "... dramatic stories of rescues at sea of daring

flights over wild terrain with radio telephones. . . ."16

Melvin De Fleur and Sandra Ball-Rokeach write:

By 1922 the manufacture of home receivers was lagging hopelessly behind the receipt of orders. New stations were being built at a staggering pace. In the last half of 1921, licenses were issued for 32 new stations, but in the first half of 1922 this number had risen to 254!¹⁷

As with their American counterpart, the Canadian government "adopted a laissez-faire attitude" towards the regulation of the new medium of radio.¹⁸ Paul Rutherford writes: "Politicians, apparently, thought radio a mere toy, unworthy of a detailed policy."¹⁹

The first Canadian station to go on the air was Montreal's station XWA operated by the Marconi Company of Canada.²⁰ Like Westinghouse's Station KOKA, Station XWA was conceived to spark a demand for radio listening sets produced by Marconi.²¹ Radio diffused quickly with sixty-two commercial stations broadcasting by March of 1923²² and by 1931, approximately one-third of all Canadian households owned a radio set.²³

From its inception, radio was expected to play a central role in sport broadcasting.²⁴ According to Greendorfer, "despite such expectations, during the late 1920s sport owners paid radio networks and stations to broadcast games."²⁵ This situation seems to indicate that

sport promoters linked increased publicity and interest for their respective organization to the widespread reach of radio. It was during the early part of the radio era that the public first demonstrated a preference for special sporting events as compared to regularly scheduled events.²⁶ This is not unlike the contemporary situation in which the public shows the greatest interest in special televised events such as Wimbledon, the Superbowl and the quadrennial Olympic Games.

By the 1930s, radio was paying large sums of money for broadcast rights with profits first realized in 1938.²⁷ Baseball and boxing were the most popular broadcasting fare during this period. In fact, the popularity of boxing on radio had significant economic implications for radio manufacturers. For instance, Leonard writes that in 1927 ". . . one department store sold \$90,000 worth of radio equipment in the two weeks prior to the Dempsey/Gene Tuney championship bout."²⁸ When the scheduled fight began, millions of listeners tuned in.²⁹ Thus, during the radio era, the interdependent relationship between the mass media and sport was solidified. Radio promoted sport and sport in turn sold the radio.³⁰

Of further significance is the rise of advertising as a key economic component influencing the radio-sport relationship. Although Ford sponsored the 1936 World

Series -- with negligible effect on car sales -- it was Gillette's sponsorship of the 1939 World Series for the sum of \$203,000³¹ that cemented the role of advertising within the media-sport relationship.

Initially, it seemed that the New York Yankees' four-game sweep of the Cincinnati Reds would drastically reduce the effectiveness of Gillette's planned seven-game advertising campaign. However, Powers writes:

Something awesome had happened on the American airwaves on those four broadcast days in 1939. American men had done as they were told by the World Series announcers: they went out and bought Gillette razor blades. Some sixty-four minutes of commercial announcements on Mutual Radio had generated sales . . . of . . . nearly four million World Series Special razor sets. Gillette's survival worries were over. And the age of broadcasting sports had truly begun.³²

Thus advertising became firmly entrenched in the media-sport association. However, with the proliferation of consumer goods, disposable income, leisure time and the dawn of television, advertising became even more of an influential force within the media-sport relationship.

Television

The first televised sports event was a baseball game between Columbia and Princeton in 1939.³³ The Second World War suppressed any further development and growth of the new electronic medium. In the years following the War,

television diffused rapidly into North American society largely as a result of the popularity of televised boxing.³⁴ Like early radio then, sport supported the growth of television and television, in turn, promoted sport. By 1963, more than 90 per cent of all Canadian households had television sets.³⁵

During the formative years of televised sports, broadcasters paid nothing or very little for television rights. Sport organizations, at this point in time, felt that promotion through the medium of television would have the effect of increasing live attendance.³⁶ By 1949 (see Table 4.3), the cost of World Series rights for television had eclipsed radio rights. Television network executives were beginning to realize that the combination of a large heterogeneous audience and relatively low production costs made televised sport an extremely profitable proposition.

After 1950, sport increasingly reflected the needs of television rather than those of the live spectator. The traditional nature of sport altered as it began to align itself with powerful entertainment and advertising interests. As packaged programming, sport reversed the normally low weekend Nielsen ratings into exceptionally high ratings and also, almost accidentally, delivered a very desirable demographic profile to advertisers tending to consist of more males than regular programming.

Table 4.3

Cost of World Series Broadcast Rights
for Radio and Television

1947 - 1953

Year	Radio	Television
1947	175,000	65,000
1949	154,000	200,000
1950	175,000	800,000
1953	200,000	925,000

Source: Leo Bogart, "Television's Effect on Spectator Sports," in Sport in the Socio-Cultural Process, ed. M. Marie Hart, (Dubuque, IA: Wm. C. Brown Co., 1972), p. 396.

As additional millions of rights dollars continued to be injected, television's impact on sport clearly became extensive. Sport entrepreneurs only invested in a franchise or participated in an event if they had the economic support of television. Only certain cities -- those deemed suitable by television -- were capable of landing a major professional team. Besides playing a pivotal role in the allocation of sport franchises, television also increasingly manipulated rules and scheduling. Examples abound. Because television abhors unpredictability, golf altered its format from match play (number of holes won) to medal play (total number of strokes).³⁷ Tennis instigated the tie-breaker to close-out unpredictable deuce games. NHL hockey replaced its solid red center line with a broken line for better reproduction on television. Major league baseball rescheduled its World Series from afternoons to prime time evenings even though the ball is considerably harder to follow for the players under artificial lights. NFL football reduced half-time intermission from 20 to 15 minutes permitting the telecast to be placed in a two-and-a-half hour segment because, as Donald Parente states, ". . . networks like neat time packages to increase a program's saleability to prospective sponsors."³⁸ As NFL rights continued to spiral, networks were forced to expand coverage to three hours so that the requisite number of revenue-generating commercials could be

aired. To accomplish this task, networks positioned a man on the sideline to instruct the referees when to call a time-out.

Although it is apparent that television has profoundly affected the allocation of franchises, rules and scheduling, sport has also had a major impact on television. Sport provides television with superb programming that contains action, drama, suspense and immediacy, attributes otherwise difficult to program. Sport delivers a desirable demographic profile to advertisers and also has been relatively inexpensive to produce (however, cost of future rights would erode this advantage). In retrospect then, the television-sport relationship represents a further progression and economic intensification of the earlier press-sport and radio-sport associations. Just as each new medium served to promote sport, sport similarly helped to initially popularize and encourage the diffusion of the various media into society. Thus, the historic media-sport relationship may be viewed as one of increasing mutual dependency since both actors strengthened and consolidated the other's role. The following section traces the emergence and subsequent impact of ABC's "Wide World of Sports" on televised sport and the Olympic Games.

ABC's "Wide World of Sports"

An innovation in sports programming due to its mandate, technical style and international scope, (and some "luck"), ABC's "Wide World of Sports" was developed by Roone Arledge in 1960 and first aired in 1961. The program represented a significant departure from the traditional network sport programming philosophy of the 1950s. Instead of broadcasting sporting events which already had a known audience, Arledge reversed the formula by using television to create an audience for an array of somewhat esoteric events. In so doing, ABC changed the relative meaning of sport for millions of North Americans from baseball and boxing to events like cliff-diving, surfing, figure skating, skiing, track meets and gymnastics. Soon the program commanded a broad appeal that held interest among a large and regular weekend audience. And because "Wide World" reached an unproportionately higher number of males³⁹ (contrary to other weekend programming), marketers grasped the opportunity to tout their product lines in hope of increased sales.

"Wide World" also deviated from other network sport programming in terms of style. The diverse, frequently international events, were presented within a flexible news magazine framework. Also, Arledge strove to involve the viewer as much as possible through the innovative use of

portable cameras, close-ups of spectators, ultra-sensitive microphones to capture the sound of speeding bobsledders and colour commentators such as Jim McKay to explain the behind the scenes stories as well as the complexities of the event. In short, the approach of "Wide World", combined with some luck, served to transpose sport from its traditional image into television entertainment which could be vicariously enjoyed by a vast North American audience.

Since Arledge's philosophy was to present somewhat obscure and international sports on "Wide World" it seems only logical that he would harbour intense interest in broadcasting the most global of all sporting events -- the Olympic Games. The first two Games of the modern television era in 1960 eluded Arledge and ABC but, of the next fourteen Games leading to and including the 1988 Games, ABC would acquire the rights to broadcast all but four and in the process establish itself as the "Network of the Olympics."

The role of "Wide World" is central to both ABC's presentation of the Olympics and the growth in the Games' popularity for at least four reasons. First, the early success of "Wide World" cultivated a strong interest among television viewers for the varied international array of Olympic sports. Second, ABC's strong ratings from "Wide World" caused NBC and CBS to acknowledge the ratings

potential of sport programming, especially the prestigious Olympic Games. In this respect, the combined competitive interest of the three major commercial U.S. networks resulted in a greater than exponential increase in the cost of successive Olympic broadcast rights.

The third reason why ABC's "Wide World" is important to the televised Olympics is that the weekly schedule of "Wide World of Sports" permitted host Jim McKay to gain a great deal of Olympic-related experience and to eventually become, as William Taaffe notes, ". . . the very image and voice of the Games -- Mr. Olympics."⁴⁰ "Wide World" also provided a regular and demanding proving ground for a number of new technologies such as split-screen and underwater cameras that were later employed to convey an "inside" perspective of Olympic sport.

Fourth and last, Arledge himself emerged as a key individual within the television-Olympic relationship. For example, no one else approached his resourcefulness and expertise in acquiring Olympic telecast rights. He established close and enduring contact with important Olympic officials who were duly impressed with his accomplishments vis-à-vis "Wide World". Also, Arledge was especially responsible for the geometric-like progression in the cost of Olympic broadcast rights as his unabated desire to land the Games for ABC resulted in an "open-wallet" approach

during rights bidding wars. Finally, Arledge's innovative production skills and singular vision derived from "Wide World" sports" enabled him to transform the Games from an athletic event to spell-binding entertainment.

To recapitulate, the uncovered link between "Wide World of Sports" and the Olympics is of central importance. Utilizing the three important breakthroughs of the 1960s -- commercial jet travel, videotape and communication satellites -- "Wide World of Sports" cultivated North American audience interest in unfamiliar international sports and, in so doing, created the backdrop and technical finesse that eventually popularized televised Olympic sport. The emergence and subsequent role of television within the Olympics is addressed in the following section.

Television and the Olympics: Early Beginnings

Electronic media reporting of the Olympics first began with Radio Bern's live coverage of the 1928 St. Moritz opening ceremonies.⁴¹ Complete radio coverage of the Olympics occurred with the 1936 Winter Games in Garmisch-Partenkirchen.⁴²

Television made its initial foray into Olympic coverage at the 1936 Berlin Games. According to Heinz-Dietrich Fischer, the infant technology of television joined "a whole range of other media" for a "gigantic

propaganda effort."⁴³ Approximately 150,000 people were exposed to the live television coverage of the Games at the "twenty-five television halls in Berlin."⁴⁴ However, at this stage, television coverage of the Olympics is still considered to be experimental.⁴⁵

The Games were not held in 1940 and 1944 due to the Second World War. The 1948 London Games received limited television exposure in the immediate London area. International television coverage was achieved at both the 1952 Winter and Summer Games by sending film-recordings to the participating countries. Technological advances permitted for "a limited live international linkup" at the 1956 Cortina d'Ampezzo Winter Games.⁴⁶ The 1956 Melbourne Games were not transmitted live due to the logistical implications inherent in producing an inter-continental relay.⁴⁷ The major North American networks boycotted the Games when the Melbourne organizing committee demanded a fee be paid for broadcast rights. The networks countered that the Olympics were news and not entertainment and therefore the committee should provide free and universal access. The networks lost their appeal as the Melbourne committee sold coverage to a limited number of independent American stations.

The 1960 - 1968 Games

The modern television-Olympic relationship first begins to take rudimentary shape with the 1960 Rome Games. The emergence of television is highlighted in the Final Report of the Rome Games.

On the eve of the Rome Games the eyes of the whole world were focussed above all on television, the use of which constituted the main new feature of the Olympiad.⁴⁸

CBS, which paid \$.44 million, modest by today's standards for the U.S. rights, employed the new technologies of jet aircraft and videotape recordings to realize same-day coverage in North America. In the U.S., CBS offered twenty-five hours of Olympic programming. According to some critics, CBS fared relatively poorly with its coverage of the Games.⁴⁹ As a result it was not until the 1964 Innsbruck Winter Games, the first televised by ABC, that the pictorial power of television was harnessed to convey the beauty and drama of the Games. The combination of ABC's extensive coverage and solid production skills acquired from "Wide World of Sports", plus its image as a sports network "created the TV Olympics."⁵⁰

Major technological achievements of the early 1960s served to rapidly intertwine television with the Olympics. Of critical significance due to the global character of the

Games was the development of satellite technology. The use of the Syncom III satellite during the 1964 Tokyo Olympics permitted the first intercontinental live link from Japan to North America and 21 European nations. The Tokyo Games also heralded the first extended use of color transmission. The opening ceremonies and at least eight of the twenty events were broadcast in color.⁵¹ Another notable first for the time was the live relay of the entire marathon. In Japan, reaction to the televised Games was phenomenal. The Japanese National Television Company (NHK) conducted a large-scale television survey and discovered that "life was centered on the Olympics" during the two weeks of the Games. In television terms, an astonishing 99 per cent of the Tokyo respondents said they had seen some of the Olympic telecasts.⁵²

Television's role within the Olympics continued to heighten during the 1968 Games. Five hundred million viewers in Europe alone witnessed at least some of the Grenoble Olympics.⁵³ The Games were becoming very popular with advertisers who began to pay significant amounts for the right to associate themselves with the Olympics. Coca-Cola and Ford Motor Company paid ABC \$5 million a piece and four other U.S. companies contributed \$2.5 million each to be the network's sponsors for both the Grenoble and Mexico Games.⁵⁴

In summary, the 1960, 1964 and 1968 Games mark the first major phase of the television-Olympic association. Technological developments such as videotape and jet aircraft expanded the world-wide reach of the Games. Next, the dual innovations of live satellite transmission and color broadcasting permitted the games a sense of immediacy, realism and potential for large transnational audiences. In this way, television transformed the Olympics from an ethereal and limited event to a mass mediated experience for millions world-wide. The Olympics, with its own "body language of sport"⁵⁵ complemented the rich pictorial power of television. In turn, television with its universal appeal became the ideal functionary to fulfill Rule 3 of the Olympic Charter which states that "The International Olympic Committee (IOC) shall secure the widest possible audience for the Olympic Games."⁵⁶

The 1972 - 1984 Games

With key technologies such as communication satellites in place, the 1970s was a decade of refinement for Olympic broadcasters. The 1972 Sapporo Winter Games achieved the "first all-color telecast"⁵⁷ and also "highly improved satellite relay techniques."⁵⁸ For the 1972 Summer Games in Munich, the main stadium was fitted with a costly tent-like translucent roof which allowed for excellent television pictures.⁵⁹ Also, the Munich Games

represent the first time an event was rescheduled to fit into the critically important U.S. prime time slot. ABC convinced the organizing committee and the International Amateur Basketball Federation (FIGA) to schedule the final match between the USSR and the USA at 11:30 p.m. Munich time which corresponds to 6:30 p.m. on the U.S. eastern seaboard. Although the American team lost to the Soviets, ABC still did well with a prime time average rating⁶⁰ of 24.4 for its two weeks of coverage.⁶¹ On a global scale, an unprecedented 1 billion viewers were expected to have seen at least some of the televised Games.⁶² The Olympics had become a regular international happening of truly enormous and unequalled proportions.⁶³

With the 1976 Montreal Games, the Olympics continued to become more and more of a "media event". Some 10,000 representatives of the media, 3,000 more than the total number of participating athletes, were on hand.⁶⁴ Over one billion viewers world-wide participated in the Montreal experience.⁶⁵ In terms of coverage, Robert McCollum and David McCollum carried out a content analysis of ABC's 64 hours of telecasts and discovered that only 24 per cent involved first-time sport coverage while 15 per cent represented commercials and network promotion which left 61 per cent for non-sport features including interviews and reruns. As such, the researchers concluded that

the televised network coverage objective appears no longer to be that of reporting a fortnight of major international sports competition. Rather, sports television coverage in the United States is a 'happening'. . . . The Olympics is a festival designed to evoke spontaneous and vicarious sensory, emotional and spiritual thrills.⁶⁶

This aspect of sports television is especially apparent in ABC's coverage of the 1984 Los Angeles Games.

Held in what some have termed "the biggest television studio yet discovered,"⁶⁷ the Los Angeles Games, to date, represent the zenith of television's steadily expanding presentation of the Olympics over the course of the last several decades. The sheer size and dispersion of these Games -- 23 venues contained within the 4,500 square mile area of greater Los Angeles -- demanded a Herculean effort from television which responded with ". . . 208 cameras, 600 miles of television cable, 2,500 production, engineering and support personnel, nine TV and 12 radio stations."⁶⁸ The world-wide television audience reportedly reached an unprecedented 2.5 billion,⁶⁹ more than all the people alive during the 1932 Los Angeles Games. ABC contributed \$225 million to the Olympic system in return for exclusive U.S. television rights and spent close to \$100 million on production costs. By selling all 3,749 30-second commercials interspersed within the 183 hours of

programming, the network generated \$437.3 million in advertising revenue for a final pre-tax profit of \$36.7 million.⁷⁰

Although those with commercial interests in the Los Angeles Games were pleased with the final outcome, others expressed dissatisfaction with television's role. In "A Critical Retrospective of Live Versus Televised Olympic Games," Myrna Frommer argues that the intended meaning of the Games -- internationalism and diversity of events -- was lost in ABC's domestic television coverage.⁷¹ Those sports popular with the U.S. viewing audience and also those sports which lent themselves to telecasting -- swimming, boxing, and gymnastics for example -- were over-emphasized. Other sports such as archery and field-hockey consequently received little exposure. The end result, according to Frommer, was that the U.S. television audience was not exposed to the true international atmosphere of the Games that awaited the live spectator.

In the end, television's role in the Los Angeles Games demonstrates the overriding importance of economic considerations. Jingoistic coverage brings high ratings at the expense of promoting internationalism. Thus, the IOC appears to be at cross-purposes. They endeavour to promote global goodwill, yet it is the nationalistic U.S. coverage

which helps to attract lucrative advertising dollars and ultimately finances almost the entire Olympic system.

In overview, the contemporary role of television represents a continuing intensification of the more general media-sport association. As with the various media-sport relationships since the mid-nineteenth century press, the present television-Olympic association is couched in economic factors. However in popularizing the Olympics, television has presented the Games as entertainment which seems to be juxtaposed with the fundamental and historic Olympic ideals of amateurism and internationalism.

In the next chapter, the critical function of advertising and marketing within the television-Olympic relationship is examined.

End Notes

¹Monique Berlioux, "Income: - Television Rights," in Symposium International Sport Medias Olympisme, SISMO 84, Official Report, (Lausanne, Switz.: International Olympic Committee, 23-26 November 1984), p. 89, hereinafter referred to as SISMO.

²Willi Daume, "General Orientation," SISMO, p. 211.

³Berlioux, SISMO, p. 89.

⁴David Bergman, "Gold, Goodwill ... and Money: ABC-TV, O & O's Load Up on Olympic Blurbs," Variety (22 August 1984): 89.

⁵Personal Interview with Ralph Mellanby, Executive Producer, CTV Host Broadcaster Unit for the 1988 Calgary Olympic Games, Calgary, Alberta, 29 April 1986.

⁶Susan L. Greendorfer, "Sport and the Mass Media," in Handbook of Social Science of Sport, ed. G. Lüschen and G. Sage, (Champaign, IL: Stipes Publishing, 1981), p. 165.

⁷Greendorfer, 1983, p. 2.

⁸John Richards Betts, America's Sporting Heritage: 1850-1950, ed. John Loy (Reading, MA: Addison-Wesley, 1974), p. 52.

⁹A twenty year period of sensationalized journalism.

¹⁰James A. Michener, Sports in America, (New York: Random House, 1976), p. 285.

¹¹Betts, p. 67.

¹²Frederick W. Cozens and Florence S. Stumpf, Sports in American Life, (Chicago: The University of Chicago Press), 1953, p. 117.

¹³Garth S. Jowett, "The Growth of the Mass Media in Canada," in Communications in Canadian Society, ed. Benjamin D. Singer (Don Mills, Ont.: Addison-Wesley, 1983), p. 165.

¹⁴Melvin L. De Fleur and Sandra Ball-Rokeach, Theories of Mass Communication, (New York: Longman, 1983), p. 80.

- 15De Fleur and Ball-Rokeach, p. 80.
- 16De Fleur and Ball-Rokeach, p. 82.
- 17De Fleur and Ball-Rokeach, p. 82.
- 18Paul Rutherford, The Making of the Canadian Media, (Toronto: McGraw-Hill Ryerson, 1978), p. 79.
- 19Rutherford, p. 79. For contemporary discussion see: Mark Starowicz, "Slow Dissolve, How Canada Will Loose its Broadcasting Sovereignty," Address to the Graduate Programme in Communications Studies of The University of Calgary, Calgary, Alberta, 27 November 1984, pp. 1-36.
- 20Jowett, p. 165.
- 21Jowett, p. 165.
- 22Jowett, p. 165.
- 23Rutherford, p. 80.
- 24Greendorfer, 1983, p. 166.
- 25Greendorfer, 1983, p. 166.
- 26Greendorfer, 1983, p. 166.
- 27Greendorfer, 1981, p. 3.
- 28Wilbert Marcelleus Leonard II, A Sociological Perspective of Sport, (Minneapolis, MN: Stipes Publishing, 1980), p. 265.
- 29Betts, p. 272.
- 30Eldon E. Snyder and Elmer Spreitzer, Social Aspects of Sport, (Englewood Cliffs, NJ: Prentice-Hall Inc., 1978), p. 153.
- 31Ron Powers, Supertube: The Rise of Television Sports, (New York: Coward-McCann: 1984), p. 24.
- 32Powers, p. 28. Emphasis in original.
- 33Greendorfer, 1981, p. 168.
- 34Stan Opotowsky, T.V.: The Big Picture, (New York: E. P. Dutton, 1961), p. 279.

35Jowett, p. 169.

36This situation did not exist for long. Soon sport organizations felt that television was responsible for large decreases in live attendance. Although television may have played a minor role in lowering spectator attendance, it was more likely due to a combination of societal factors. For example, increase in both free time and post-war disposable income created a variety of leisure and recreational opportunities for the individual. For the interested reader, see Leo Bogart, "Television's Effects on Spectator Sports," in Sport in the Socio-Cultural Process, ed. M. Marie Hart, (Dubuque, IA: Wm. C. Brown, 1972, First Edition), pp. 386-396.

37Match play was unpredictable because if one player won more than half of the holes then the game would conclude regardless of whether the golfers were on the tenth or eighteenth hole.

38Parente, p. 129.

39During the sixties and early seventies, males, as a group, tended to first, have a higher education than females and second, be the household's only wage earner. Thus, many advertisers desired to reach males, especially in marketing expensive non-essential products.

40William Taaffe, "You Can't Keep Him Down on the Farm," Sports Illustrated (18 July 1984): 286.

41Fischer, p. 209.

42Fischer, p. 210.

43Fischer, p. 210.

44Fischer, p. 211.

45Fischer, p. 211.

46Fischer, p. 211.

47Fischer, p. 211.

48The Games of the XVII Olympiad, Rome 1960, The Official Report of the Organizing Committee, (Mimeographed.) p. 398.

49Powers, p. 205.

50 Ann Finlayson, "The Wide World of Olympic Television," Macleans (21 May 1984): 46.

51 The Games of the XVIII Olympiad, Tokyo 1964, The Official Report of the Olympic Committee, (Mimeographed.) pp. 389-390,

52 Fischer, pp. 212-213.

53 Xes Jeux Olympiques d'Hiver, Grenoble 1968, Official Report, (Mimeographed.) p. 149.

54 "ABC Signs 6 Corporations as Sponsors," New York Times (15 June 1967), p. 95.

55 Daume, SISMO, p. 211.

56 Olympic Charter, 1984, p. 6.

57 Official Report, The Olympic Committee for the XIth Olympic Winter Games, Sapporo 1972, (Mimeographed.) p. 326.

58 Sapporo Final Report, p. 328.

59 Killanin, p. 145.

60 Rating equals the number of program viewers divided by the total number of television households and then multiplied by one hundred. Share equals the total number of program viewers divided by households using television who are tuned to the program. This result is multiplied by one hundred. Both rating and share are expressed as percentages. Currently, one rating point is equivalent to 838,000 U.S. television households.

61 "ABC's Countdown for Los Angeles Games," Broadcasting (9 July 1984): 46.

62 "Olympics May Draw Biggest Worldwide Audience Ever," Broadcasting (21 August 1972): 29.

63 Robert H. McCollum and David F. McCollum, "Analysis of ABC-TV Coverage of the 21st Olympiad Games, Montreal," Journal of Sport and Social Issues 1:4 (1980): 25.

64 McCollum and McCollum, p. 25.

65 McCollum and McCollum, p. 25.

66 McCollum and McCollum, p. 27.

67 Larry Wood, "It's the Best Games of Them All," Calgary Herald (26 July 1984), p. C1.

68 "Being There: The Games on TV," Official Olympic Guide to Los Angeles (Los Angeles: ABC Publishing, 1984), pp. 37-42, cited in Myrna Frommer, "A Critical Retrospective of Live Versus Televised Olympic Games," in Global Ritual: Olympic Media Coverage and International Understanding, ed. Michael Real, UNESCO Research Report, Paris, 1985, p. 5.

69 "ABC's Countdown for Los Angeles Games," Broadcasting (9 July 1984): 39.

70 Bergman, p. 89.

71 Myrna Frommer, "A Critical Retrospective of Live Versus Televised Olympic Games," in Global Ritual: Olympic Media Coverage and International Understanding, ed. Michael Real, UNESCO Research Report, Paris, 1985, pp. 1-7.

Chapter Five

Advertising and Marketing -- Commercial Forces within the Olympics

Jeffrey Pope states that marketing includes ". . . all the functions involved in getting goods and services from the producer to the user."¹ The components of the marketing process are usually referred to as the four P's and include: product, price, place and promotion.² In terms of the present study, the marketing process not only refers to the promotional campaigns of corporations sponsoring the Games, but also to the approach adopted by the IOC and OCOGs in attracting corporate sponsors, and to some extent, the implications of these evolving commercial forces.

Crucial to the successful promotion of a good or service, advertising is defined by Charles Dirksen and Arthur Kroeger as ". . . any paid form of non personal presentation and promotion of goods or services by an identified sponsor. It is a form of selling and it urges people to buy goods or services, or to accept a point of view."³ Transmitted by the mass media, advertising has the potential to reach a vast and differentiated audience with

a standardized message. Of the mass media, network television has intimately involved itself with advertising. This is evident in the way of "network logic".

Network Logic

In North America, the advertising industry is absolutely essential to network television as the latter is totally dependent on advertising revenue. To obtain advertising dollars, television sells audiences and not programs to advertisers. In this respect, noted media authority Les Brown states: "Programs come into being to attract an audience. Not to feed their minds, or to elevate them morally or spiritually, but to deliver them to an advertiser."⁴ Continuing, Brown states: "The viewer is not the customer but only the consumer of television. He is what the advertiser buys like herds of cattle. . . ."⁵

Whereas advertisers were once concerned strictly with audience share (until late sixties) the development of more sophisticated audience measurement techniques has resulted in much greater emphasis being placed on quality (ie. disposable income) rather than quantity of viewers. For example, during the late sixties, CBC cancelled several programs such as "Andy Griffith," "Ed Sullivan," "Gomer Pyle" and "Red Skelton" even though they enjoyed a large following. Newer ways of sampling viewers revealed that

these four programs regularly attracted "elderly, lower-income" and "rural audiences"⁶ which, for advertisers, represented an undesirable demographic profile.

Composed of the variables of age, gender, education, marital status and income, a demographic profile helps the advertiser match his product to a group of likely consumers. For instance, televised golf does not have a large following in sheer numbers, but its demographic profile tends to consist of better educated male professionals. Because this group has a higher level of disposable income than the norm, advertisements for the most part are for expensive luxury items.

In short, American network logic dictates that its primary function is to sell groups of packaged audiences to the advertising industry. Rather than being accountable to viewers in terms of programming fare, television structure and content is ". . . ruled by a consensus of the advertising community."⁷

Function of Olympic Advertising and Marketing

Advertising and marketing function as critical economic links within the system enveloping television and the Olympics. The revenue generated from advertising enables U.S. network television to compete aggressively for exclusive Olympic broadcast rights culminating, since 1984,

in payments of several hundred million dollars to the Olympic system. In turn, the high profile accorded the Games by television encourages corporations to part with millions of dollars to become "official" sponsors of the organizing committee and then millions more for network advertising time to promote their Olympic affiliation on a world-wide basis. However, this growing corporate interest in employing the Games as a transnational vehicle for promotional interests appears to contradict Instruction II of the Olympic Charter which states: "No one is permitted to profit from the Olympic Games."⁸

Klaus Hempel of International Sports Leisure Agency (ISL) addresses the extremely high interest that some corporations hold for the quadrennial Games. According to Hempel, the world is not only moving towards a "Global Village" but also a "Global Village Store" featuring of course, a "Global Brand."⁹ Since traditional television programming "cannot entirely bridge" existing cultural and language differences, marketers and advertisers utilize the international language of sport. Hempel states:

Right around the world, the rules are the same. And right around the world, the aim is the same, to compete to the best of one's ability and to win. It is a language that people everywhere can understand and identify with. And it happens to make very good television.¹⁰

Commercialization in the Olympic Games is usually regarded as a contemporary phenomenon, but in reality traces of commercial forces are evident as far back as the first recorded ancient Games in 776 B.C.

Historic Overview of Commerce within the Olympic Games

The concept of amateurism is often thought to be derived from the ancient Olympic Games.¹¹ However, in his excellent account on Greek athletics, David Young states:

Ancient amateurism is a myth. No victor in the Olympic Games of classical Greece would even be eligible for their modern counterpart. Ancient athletes regularly competed for valuable prizes in other games before they reached the Olympics, and they openly profited from athletics whenever they could.¹²

Certainly, winning the ancient Olympic crown provided the athlete with widespread fame and respect. For example, if captured in battle, an Olympic victor would immediately be released and, if killed, enemies would erect a statue to honour him.¹³ Besides receiving adulation and "sums of money" Olympic winners were supported by the state in other ways such as dining "for life at public expense."¹⁴

Even when de Coubertin first revived the Olympics there was a foreshadowing of impending commercialization and gigantism.¹⁵ According to Young, the cost of the 1896 Athens Games were understated by tenfold and only

proceeded due to the donation of one million drachmas by George Averoff, an Alexandrian Greek philanthropist.¹⁶ During these same Games, winners were well-rewarded. Bill Henry comments on the victory of Greek peasant Spiridon Loues in the marathon when he writes:

Receiving the congratulations of his ruler, he was literally swamped with gifts from his wildly excited countrymen. Women showered him with jewels, and the presents ranged from those of fabulous value to the offer of a street gamin to shine his shoes free of charge for life.¹⁷

The following three Olympic Games, Paris 1900, St. Louis 1904 and London 1908, were held much to the dismay of de Coubertin alongside fairs and exhibitions which added an air of industry and commerce to the proceedings. As the Olympics grew in international popularity, host cities began to view the Games as a marketing tool. Rick Gruneau writes:

By the Los Angeles Olympics of 1932, it had become widely recognized by state and civic officials in Western nations that the Games had considerable utility for the promotion of national prestige, civic pride, tourism, urban development and commercial growth.¹⁸

However, capturing the attention of the world was becoming increasingly expensive. The 1936 Berlin Games, a "showcase" for purported Aryan racial supremacy, cost over \$30 million.¹⁹ With the advent of international television coverage in 1960, the Olympics reached unprecedented

heights of popularity and expense. Each new host seemed determined to outdo the former. The 1972 Munich Games cost \$1 billion and the 1976 Montreal Games totalled almost \$1.5 billion²⁰ leaving the city with a gigantic debt. Reports of the cost of the 1980 Moscow Games range from \$3 billion²¹ to \$9 billion.²² Clearly, the scale of the Games and revenue sources have become paramount issues for both the IOC and potential host cities. Yet, despite the staggering costs, several cities are still very anxious to bid for future Games.

The 1984 Los Angeles Games and Corporate Financing

The cost overruns of the 1970s led to a situation where only two cities, Teheran and Los Angeles, expressed interest in staging the 1984 Summer Games. Briefly, after political turmoil negated Teheran's bid, the citizens of Los Angeles voted not to finance the Games from municipal sources. The IOC was forced to accept the schema proposed by the Los Angeles organizers and award the Games to a private corporation, the Los Angeles Olympic Organizing committee (LAOOC). LAOOC shared joint financial responsibility with the United States Olympic Committee (USOC). Without any city, state or federal funding, LAOOC developed a modest Games budget of \$500 million and then turned to commercial television and private corporations for financing. In this manner, a new era in Olympic history

was inaugurated, as the LAOOC melded together Olympics and corporate objectives as never before and achieved a phenomenal surplus revenue of \$215 million. The ensuing ramifications have been enormous for the Olympic family. Various IFs and NOCs are demanding a larger share of the new found Olympic wealth.²³

After television income, marketing programmes represented the next largest source of revenue for OCOGs. Corporate sponsorships were first sold at the 1976 Montreal Games.²⁴ Four years later at Lake Placid, the organizers signed 381 sponsors but raised only \$9 million.²⁵ Realizing that over exposure ultimately brings in less revenue, LAOOC decided to significantly limit the number of sponsors and in doing so, ensure exclusivity in a sponsor's given category. Thus, the 35 sponsors of the Los Angeles Games contributed more than \$96 million²⁶ or approximately 20 per cent of LAOOC's entire budget. Suppliers and licensees added a further \$26.5 million.²⁷

After paying anywhere between \$4 million and \$14 million in cash, goods and services, sponsors were granted the right to use LAOOC's Olympic trademarks in their advertising and marketing strategies. According to the LAOOC, potential sponsors would receive the following benefits: "An improved public image; increased product name recognition; improved employee morale; and the exclusion of

competitors from similarly associating themselves with the Games."²⁸ Whereas the first three benefits cited by LAOOC may have been valid, the fourth benefit of exclusivity proved difficult to enforce. For example, Fuji paid \$5.6 million in cash, goods and services to become the official photographic sponsor of the Games and the entire American Olympic team.²⁹ Left out of the sponsorship picture, Kodak signed on with the USOC as a sponsor of the American Olympic team in a last-minute specially created category called "disc and instant cameras". Next, Kodak became the official film sponsor of ABC's Olympic broadcasts which effectively blocked Fuji from any network television advertising and consequently left the public believing that Kodak was actually the film sponsor of the Games.³⁰ This kind of confusion prompted Daniel Greenwood of LAOOC to comment:

'We need to tie everything together, neater, in a package -- so that when a Kodak or a Fuji or whoever becomes a sponsor, they sponsor the Games, and the . . . individual teams. Then we'll have the most valuable marketing tool in the world.'³¹

Greenwood's concerns, also echoed by other Olympic officials and corporate managers, is at least one reason why the IOC has developed a coordinated world-wide marketing strategy for the Olympic Games.

The Olympic Programme (TOP)

In the past, corporations who desired to market and advertise their products on a global scale were forced to approach each NOC individually for the right to use the Olympic Games emblem. This very time consuming and laborious task was necessary as, under the Olympic Charter, NOCs are responsible for protecting all Olympic trademarks within their territory.³² Thus, to meet the needs of international corporations, the IOC has entered into an agreement (May, 1985) with International Sport Leisure Agency (ISL) owned by Dentsu of Japan and Adidas of West Germany, and together, they have developed a marketing strategy labelled "The Olympic Programme" (TOP). Richard Pound, IOC administrator for TOP, describes it as follows:

The TOP Programme is centered around 44 international product or service categories. These are categories which are susceptible of sponsorship on an international basis, whether by reason of the nature of the product or service or of the size and international scope of the corporations dealing therein.³³

After paying a minimum of \$4 million or more depending on the category, a corporation is granted the exclusive sponsorship rights for both the Olympic Summer and Winter Games which includes the prerogative to market in any number of the participating countries.³⁴ Perhaps more importantly however, is the fact that a TOP participant has

first opportunity to sponsor network television coverage and consequently, prevent competing firms from any television exposure during the Games.

In addressing the needs of NOCs, OCOGs and corporate sponsors, the IOC simultaneously fulfills another function -- they lessen their ". . . dependence on government support and on revenues from television rights."³⁵ Roger Jackson states that there is "no question" that TOP is a vehicle for the IOC to move away from American television as its total source of revenue.³⁶ According to Jackson, although the President of the IOC, Juan Antonio Samaranch, set the stage for TOP when he created a special commission to explore alternative revenue sources, it was actually Canadian IOC Executive Board member Richard Pound who suggested that the IOC should instigate an international marketing programme.³⁷

Since TOP is operating on an experimental basis for the duration of the 1988 Winter and Summer Games, the ability of IOC to raise enormous sums of money necessary to offset revenues from television rights is in question. For example, many previous Olympic sponsors have expressed reluctance to pay the \$4 million minimum required to participate in TOP.³⁸

As OCO's General Manager for Corporate Relations, David Shanks, states, the IOC and ISL are discovering that ". . . there are a limited number of categories and a limited number of companies that the programme attracts."³⁹ Since its inception, TOP has relinquished a number of "hard to fill" categories back to the organizing committees who now solicit their own sponsors. Thus, instead of 44 categories, the IOC is pursuing less than half.⁴⁰ In terms of TOP's present success, Shanks feels that the programme has been equitable in that it has helped OCO's marketing efforts as much as it has detracted from them.⁴¹

To sum up, there are three major factors which prompted IOC to develop TOP. First, the programme may provide sufficient revenue to offset dependence on U.S. television rights. Second, the marketing needs of multi-nationals will be simplified. Third, TOP provides full exclusivity for sponsors -- a significant problem at the Los Angeles Games -- including first chance at becoming the sole sponsor of television network coverage.

Commercialism and the Olympic Athlete

Olympic competitors are often selected to endorse products because of their credibility and the high ideals that they represent. Bernard Mullin is specific in addressing reasons why athletes are chosen as endorsers.⁴²

First, is the consumer's favorable attitude held towards the athlete. Second, the product's "position"⁴³ in the marketplace is likely to improve due to the athlete's well-defined public image. Third, athletes are generally less expensive to employ than professional actors.⁴⁴

One of the first athletes to capitalize on his Olympic fame was Johnny Weismuller who promoted Wheaties in the early 1930s. In the following decades, the increased frequency of Olympic athletes acting as spokespersons paralleled the rise of television. Television made some athletes as popular as movie stars. Today, Olympic athletes have become synonymous with various products: Nancy Greene and Mars bars, Jean Claude Killy and Rolex, and Bruce Jenner and Wheaties.

The combination of telegenic good looks and a gold medal(s) in a popular Olympic sport may be lucrative. For example, 1976 decathlon winner Bruce Jenner has earned more than \$7 million with his endorsements.⁴⁵ More recently, gold medalist at the Los Angeles Games, Edwin Moses, signed a \$2.5 million deal with just one sponsor -- Adidas.⁴⁶ Gymnast Mary-Lou Retton, one of the most popular athletes to emerge from the 1984 Games, has signed contracts with Vidal Sassoon, McDonald's, Wheaties and two clothing manufacturers, Renown and Cluett Peabody.⁴⁷ Sebastian Coe, competitor in two Olympic Games, argues that the scope and

immediacy of television is responsible for these various examples of athlete commercialization. Coe states that

. . . the very technology that carries athletics and Olympism to the corners of the globe bestows a potency and currency on the Games that opportunists, political and commercial, never afford to miss. Top sportsmen have faces as popularly recognisable as heads of state. This phenomenon owes much to the close scrutiny and attention from the media of the individual performer.⁴⁸

As the forces of commercialization, fostered by television and the advertising industry continued to build through the 1970s,⁴⁹ the IOC reacted with a landmark decision at the 1981 Baden-Baden Olympic Congress. At this time, it was decided that each IF would be responsible for determining its own eligibility code.⁵⁰ Previously, the IOC administered the same code for all IFs. The Baden-Baden decision effectively opened the doors for athletes to accept money for endorsements which would be held in trust by their respective IF.

With commercialism unabated in the 1980s, the IOC is contemplating opening the Games to all competitors. Eastern Bloc NOCs have voiced great displeasure as such a development would likely reduce the number of medals won by state-funded athletes. However, concerns have also been raised in the West. Jean Leiper, for example, is apprehensive that the longevity and experience of professional athletes will impede the chances of younger less-seasoned

amateur athletes attempting to gain a berth on national Olympic teams.⁵¹ The following section examines some of the central arguments put forth by critics regarding the present state of commercialism in the Olympic Games.

Critical Concerns

Objections have been raised over the continuing commercialization of the Olympics, especially as exemplified by the Los Angeles Games. These concerns largely reflect differences in broadcasting environments between North America and Europe. Whereas television is commercial and competitive in North America, most European broadcasters on the other hand, function in a non-commercial, non-competitive market.⁵² In economic terms, the disparity between the two environments is significant. While ABC paid \$225 million for the Los Angeles rights and charged \$260,000 per half-minute for prime time advertising, the European Broadcasting Union (EBU) obtained their rights for \$19.8 million and collected from \$10,000 to \$20,000⁵³ of advertising revenue for each 30-second commercial. Consequently, a number of critics have come to regard American network television as the "driving force" behind the commercialization of the Olympics.⁵⁴

In the eyes of Horst Siefert, American broadcasters adhere to the "McDonald's Principle" as a formula guiding

the nature of Olympic coverage. Siefert explains when he writes:

The respective products are unsophisticated broadcasts of mass culture via the media. The production process is standardized, highly qualified experts being superfluous. The products are to the taste of the majority and guarantee rapid sales, a factor of particular significance for the electronic media. . . .⁵⁵

As such, the Olympic Games ". . . unites all concerned, increasing their popularity or their commercial exploitability respectively."⁵⁶ According to Siefert the following six organization have a vested interest in the commercialization of the Olympic Games.

1. Sport as an 'entrepreneur', as a 'producer'.
2. Broadcasting companies and the press as communication media and partially as co-organizers. . . .
3. Industry as a manufacturer of sports equipment in the broadest sense. . . .
4. The media and satellite industry due to large sales of electronic appliances -- not only TV sets -- and to high licence fees for the rental of satellite and terrestrial transmission lines throughout the world.
5. The organizers of the events as, for example, the IOC, FIFA, FIS, etc.
6. Finally the advertising branch, the people who are concerned with 'public relations' of the 'commodity' sport and with the advertising potential of its associated areas. . . .⁵⁷

In terms of a systems approach, these six organizations may be seen as actors in the environment enveloping television and the Olympics.

Gruneau argues that the commercialization of the Los Angeles Games has resulted in "highly specialized, elite sport". The author finds the corporate involvement in the Los Angeles Games overwhelming and concludes that

throughout this century sport has become progressively more commodified - to the point where, at its highest levels, it now stands before us as a simple division of the entertainment and light consumer-goods industries.⁵⁸

Like Siefert then, Gruneau is critical of the commercialization of the Games.

Specific attention has also been directed towards the commercialization of the Olympic athlete. As with Siefert and Gruneau, Heinz-Dietrich Fischer views the Olympics less as an athletic event and more of a commercial spectacle orchestrated by television which gives the athlete ". . . greater opportunities of creating an image for himself, even of marketing himself. . . ."59 Advertising Age reports that this has, in some circumstances, created an ethical dilemma for the athlete. The article points to javelin thrower Tom Petranoff who feels uneasy about promoting products he does not use.⁶⁰ Like Fischer, Gary Whannel argues that ". . . from the time

television began to transform Olympic economics, the resultant contradictions have posed a threat. In making top athletes stars, it greatly increased their commercial potential."⁶¹

To recapitulate, critics put forth that television is uniquely responsible for the commercialization of the Olympic Games. But several other organizations as delineated by Siefert also have a vested economic interest in the present television-Olympic relationship. These groups, taken together, form a system with common goals and objectives.

This system represents chiefly North American interests. For example, from the first modern Games in 1896 to the 1972 Games, only four Olympics occurred in North America. However, from 1976 to 1988, four Games were awarded to North America which mirrors the growing financial role of U.S. advertising and television. This movement towards North America has not been totally by "accident." Among such factors as fewer problems in terms of terrorism, the IOC sees North American involvement as crucial to financial support and exposure for the Olympics. In much the same way, U.S. advertising and television employs North American Olympics as the centerpiece of marketing/advertising campaigns and television programming

which results in increased exposure for various product lines and ultimately, more profits.

In sum, the advertising industry, which buys highly desirable Olympic audiences from television, is especially critical to the continued perpetuation of the relationship between television and the Olympics as it provides television with the huge capital necessary to engage in competitive bidding wars for exclusive U.S. broadcast rights. In this respect, television acts as a conduit for revenue between the advertising industry and the Olympic system. Financed by U.S. advertisers, television rights are discussed in the following chapter.

End Notes

¹Jeffrey L. Pope, Practical Marketing Research, (New York: Amacom, 1981), p. 8.

²According to Pope (1981:8) ". . . marketing is getting the right product to the right place at the right price -- and letting someone know about it through promotion." Note: emphasis in original.

³Charles J. Dirksen and Arthur Kroeger, Advertising Principles and Problems, (Homewood, IL: Richard D. Irwin, 1973), p. 4.

⁴Les Brown, "Televisi $\text{\$}$ ion: The Business Behind the Box," in The TV Establishment: Programming for Power and Profit, ed. Gaye Tuchman, (Englewood Cliffs, N.J.: Prentice-Hall, 1974), p. 94.

⁵Brown, p. 96.

⁶Parente, p. 130.

⁷Brown, p. 96.

⁸Olympic Charter, 1984, p. 72.

⁹Happening at the same time, is the phenomenon of "mergermania" among advertising and marketing agencies. Endeavouring to meet the increasingly global needs of multinationals, agencies such as London-based Saatchi & Saatchi Co., are buying out other agencies to achieve a greater international presence and reach. Thus, the growing internationalization of the marketing and advertising industries mirrors and assists in the world-wide promotion of the Olympics through product association.

¹⁰Klaus Hempel, "--Advertising, Sponsors and Commercialisation," SISMO, p. 99.

¹¹Rather, as David Young (1984:15) argues in The Olympic Myth of Greek Amateur Athletics, amateurism is a product of late nineteenth century English athletics. Amateurism was utilized by the elite to block members of the working class from athletic contests. In this manner, amateurism actually began to replace professionalism, not vice-versa.

¹²Young, p. 7.

¹³David G. Kanin, A Political History of the Olympic Games, (Boulder, CO: Westview Press, 1981), p. 10.

¹⁴Judith Swaddling, The Ancient Olympic Games, (London: British Museum Publications, 1980), p. 77.

¹⁵The term gigantism refers to the unchecked growth of each Games as organizing committees endeavor to outdo previous presentations.

¹⁶Young, p. 70. Cited from footnote.

¹⁷Henry, p. 37.

¹⁸Rick Gruneau, "Commercialism and the Modern Olympics," in Five Ring Circus: Money Power and Politics at the Olympic Games, eds. Alan Tomlinson and Gary Whannel, (London: Pluto Press, 1984), p. 5.

¹⁹Bob Case, "Hosting the Olympic Games: An Economic Dilemma," The Physical Educator 39:4, (1982): 208.

²⁰Case, p. 209.

²¹Case, p. 209.

²²Henry Eason, "The Unstated Message of the 1984 Olympics," Nation's Business (March 1984): 53.

²³This issue is discussed in greater detail in Chapter Six.

²⁴Crosbie Cotton, "Olympic Sponsors Learning New Game," Calgary Herald (11 February 1986), p. C1.

²⁵Patricia Hluchy, "The First Corporate Olympic Games," Macleans (21 May 1984): 45.

²⁶In addition to the \$96.7 million raised in cash, sponsors also contributed \$35.8 million worth of goods and services. For detailed breakdown see Los Angeles Final Report, p. 233-237.

²⁷Suppliers provided equipment and services necessary for the presentation of the Games. Since their minimum contribution was significantly less than sponsors, suppliers had only limited access to LAOOC trademarks for promotional purposes. Licensees were granted the right to use LAOOC trademarks on souvenir merchandise in exchange for a ten per cent royalty fee. The sum of \$26.5 million was arrived at by subtracting the revenue generated from

sponsorships (\$96.7 million) from LAOOC's third quarter financial statement figure of \$123.2 million which is the final total for sponsorships, suppliers and licensees combined. Confusion may arise as these three sources of income are included together under sponsorships in the financial statement.

²⁸Official Report of the Games of the XXIIIrd Olympiad, Los Angeles 1984, Los Angeles Organizing Committee, Vol. Organization and Planning, 1984, p. 233.

²⁹James Braham, "Fuji, Kodak and the MCLympics: Sponsor Mania Spreads Corporate Confusion and Controversy," Industry Week (23 July 1984): 15.

³⁰Cotton, "Olympic Sponsors," p. C2.

³¹Braham, p. 16.

³²According to Rule 53 of the 1984 Olympic Charter, the OCOG "... cannot authorise the use of the emblem of the Olympic Games for publicity or commercial purposes in the countries or territories of any other NOC without the permission of that NOC and the approval of the IOC."

³³Richard W. Pound, "The International Olympic Marketing Programme," Olympic Review (February 1986): 85.

³⁴By February of 1986, over 100 NOC's had signed on with TOP.

³⁵Eric Schmitt, "Revamping the Olympic Franchise," The New York Times (16 February 1986), p. C3.

³⁶Personal interview with Roger Jackson, President, Canadian Olympic Association, Calgary, Alberta, 15 April 1986.

³⁷Jackson, interview.

³⁸Cotton, "Olympic Sponsors," p. C2.

³⁹Personal interview with David Shanks, General Manager, Corporate Relations, OCO '88, 7 May 1986.

⁴⁰Telephone interview with Richard Pound, IOC Executive Board Member in charge of television rights negotiations, Calgary, Alberta, 9 May 1986.

⁴¹Shanks, interview.

⁴²Bernard J. Mullin, "The Use of Athlete Endorsements in Consumer Product Advertising," in Critical Issues in Professional Sports, ed. Michael E. Jones (Durham, NH: Whittemore School of Business and Economics, 1980), pp. 83-84.

⁴³Pope (1981:179) defines a product's position as ". . . the mental space a product occupies in the consumers' minds." Important factors that formulate a product's position are description and differentiation.

⁴⁴The situation seems to be changing as some athletes are now commanding extremely high prices for endorsements. For example, Edwin Moses recently signed a \$2.5 million deal with Adidas.

⁴⁵Susan Dentzer and Kerry De Rochi, "A Medal's Real Value," Newsweek (30 July 1984): 69.

⁴⁶Jerry Adler et al., "After the Games, the Cash," Newsweek (20 August 1984): 26.

⁴⁷Betty Goodwin, "Golden Girl Retton Fluffed and Buffed for a Product Promotion" Los Angeles Times (21 December 1984), sec. V: 1.

⁴⁸Sebastian Coe, "'Future Prospects: -- Sports Aspect, Athletes'," SISMO, p. 142.

⁴⁹Some early evidence of commercialism being acknowledged by the IOC occurred in the mid-1970s when the term amateur was dropped from the Charter.

⁵⁰"To Rule 26", as of the 1982 Charter, reads: "Each IF is responsible for the wording of the eligibility code relating to its sport, which must be approved by the Executive Board in the name of the IOC."

⁵¹Personal interview with Jean Leiper, Professor of Physical Education, The University of Calgary, Calgary, Alberta, 21 March 1986.

⁵²This situation is beginning to change as private broadcasters continue to increase in numbers across Western Europe. For the reader with an interest in future prospects for the European Broadcasting Union (EBU) as well as the International Radio and Television Organization (OIRT) see: Ernest Eugster, Television Programming Across National Boundaries: The EBU and OIRT Experience, (Artech House: Deedham, Mass., 1983), pp. 204-208.

53Horst Dassler, "-- Official Suppliers," SISMO, p. 96. Note: the precise rate varied with the country and broadcasting system.

54Horst Siefert, "Sport and Economy: The Commercialization of Olympic Sport by the Media," International Review of Sociology of Sport 19:3/4 (1984): 308.

55Siefert, p. 308.

56Siefert, p. 309.

57Siefert, p. 306.

58Gruneau, p. 12.

59Fischer, p. 222.

60Jennifer Pendelton, "For Athletes, Medals Could Translate to 'Real' Gold," Advertising Age (17 May 1984): M-7.

61Whannel, p. 42.

Chapter Six

Olympic Television Rights

The one specific area in which the IOC always seemed one or even two steps behind was television. No one really grasped quickly enough the value, or the danger, which this medium held for the Games and its development.

Lord Killanin¹

Historical Overview

The 1948 London Games marked the first sale of television rights with BBC paying £1500 for a facility fee. Apparently, the organizing committee was confused as to whether or not they should receive any payment whatsoever.² The next sale of rights occurred with the 1956 Melbourne Games. Since the Games were perceived as news, not entertainment, North American networks refused to carry any paid coverage. As a result the Melbourne committee sold the rights to only a limited number of U.S. independents. In short, the Melbourne Games represent the key turning point from news to entertainment for both television and the Olympics.

Television rights were mentioned initially in the 1958 Charter which specifically addresses the critical distinction between the Games as news and as entertainment. As entertainment, Rule 49 states:

The direct or what is commonly called Live Television Rights to report the Games, shall be sold by the Organizing Committee, subject to the approval of the International Olympic Committee and the proceeds from this sale shall be distributed according to its instructions.³

As news, Rule 49 reads:

Newsreel showing, whether cinema or television, shall be limited to regularly scheduled shows where news is the essence of the program, either of networks or individual stations. No individual program may use more than 3 minutes of Olympic footage a day. No network, television station or cinema may use more than three sections of three minutes of Olympic footage in all news programs combined within twenty-four hours, and there shall be at least four hours between each showing.⁴

Rule 49 suggests that almost accidentally and, as early as 1958, the IOC prepared the way for high future rights payments. This monopolization, or exclusivity of rights, would bring in considerable revenues for the Olympic system in the course of the following three decades.

The first significant sale of rights went to CBS. The network paid the respective OCOGs \$50,000 for the 1960 Squaw Valley Winter Games and \$394,000 for the 1960 Rome Summer Games. At this time, SF100,000⁵ was received from host cities upon their election and thus the IOC was not a party to any of the television revenue. The same situation held for the 1964 Olympics which saw television rights increase fourfold for the Tokyo Summer Games and twelvefold for the Innsbruck Winter Games. It was not until 1966,

when the Mexican organizing committee signed a \$4.55 million contract with ABC -- of which the IOC received only \$150,000⁶ -- that a schema for sharing television revenue between the organizing committee and the IOC was finally delineated. The IOC would receive the first million dollars, two-thirds of the second million and one-third of the third million (and any additional millions).⁷

In line with Lord Killanin's proverbial remark that ". . . the IOC always seemed one or even two steps behind" television, the ruling body of the Olympic system found that they were again missing out on the "lion's share" of the Munich television contract.⁸ On their own accord, the Munich organizing committee entered into a two-part agreement with ABC which split the revenue into \$7.5 million and \$6 million for the rights and technical costs respectively. This meant that the IOC could only apply the sharing formula to the \$7.5 million paid for rights while the latter \$6 million remained entirely with the OCOG.⁹

Since the Munich controversy, television rights have been divided into cost of actual rights and expenses for the broadcasting center along with the basic unilateral feed. The IOC claims one-third of the rights only revenue leaving the rest to the OCOG. Of its share, the IOC divides the revenue into three portions: one-third for itself, one-third for the NOCs (Olympic Solidarity Fund)

and one-third for the IFs.¹⁰ For the 1988 Games, the formula is slightly different:

- 20% will be remitted to the OCOG to ensure optimal technical requirements for the transmission by all mass media;
- the remaining amount will be divided between the OCOG, to whom two-thirds will be due, and the IOC, who will also share its third with the three constituent bodies of the Olympic Movement, after having deducted, as in 1984:
- 10% which will cover the expenses of all referees and judges officiating at the Games, and
- 10% that will be used to pay the travel and sojourn expenses of a certain number of athletes.¹¹

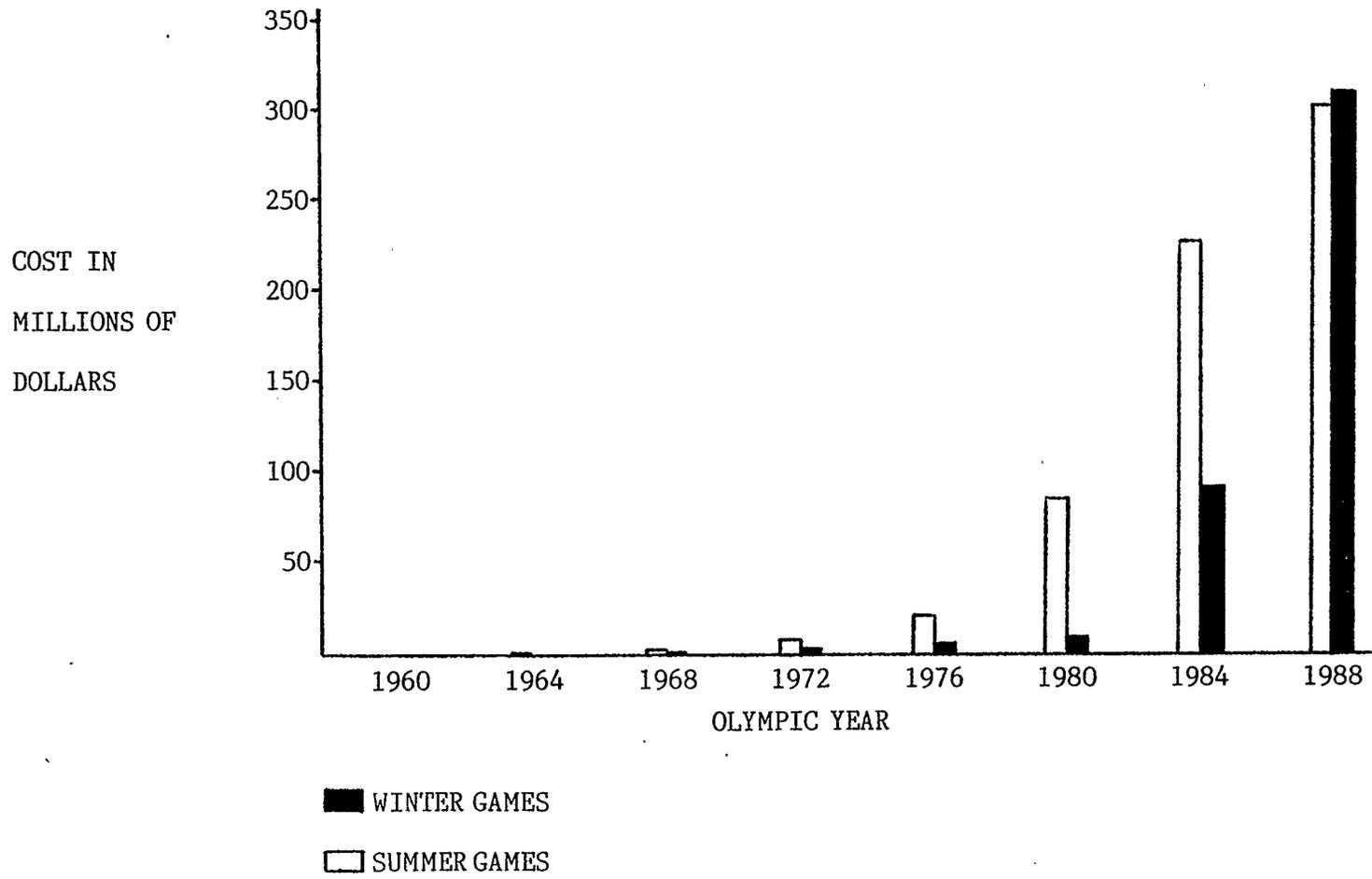
Thus, of the \$309 million that ABC paid for the Calgary rights, 20 per cent, or \$61.8 million, is earmarked for OCO to cover the cost of the broadcasting center and related technical requirements for all media. Of the original amount, OCO will receive a further \$164.8 million leaving the IOC with \$82.4 which it then divides into three equal shares for itself, the winter IFs and the NOCs. This is after having deducted \$16.4 million for both the subsidization of athletes and judges as well as referees.

Cost of Rights: A Geometric Progression

The rise in the price of exclusive U.S. television rights since 1960 closely resembles that of a geometric progression (see Figure 6.1). Whereas the combined rights

Figure 6.1

Cost of Exclusive U.S. Rights in U.S. Dollars
Since 1960 for Winter and Summer Games



for both the 1960 Winter and Summer Games¹² totalled \$440,000, the rights for the 1988 Calgary and Seoul Games amount to a notable \$609 million representing an increase of 8,500 per cent over the past three decades.

This dramatic upsurge in rights may be attributed to two primary factors: first, the commercial and highly competitive nature of the three U.S. television networks and second, the relative ease with which Olympic programming has traditionally attracted advertisers willing to spend large sums for commercial time. In terms of the first factor, U.S. network television is fiercely competitive, as historically, it has evolved into a commercial enterprise with minimal political intervention. Also, present U.S. antitrust laws prohibit any collusion among ABC, NBC and CBS to jointly acquire and share the rights. Thus, they must outbid each other to secure the rights. In terms of the second factor, network logic seeks to provide advertisers with large audiences which have high levels of disposable income. Olympic programming almost consistently delivers these types of audiences to advertisers. Consequently, network television traditionally has assumed that all commercial time during the Games would be sold. In other words, in bidding ever higher and higher sums for rights, networks pre-figured immense financial support from the advertising community.

Just how unique is Olympic programming to advertisers in comparison to other programming? ABC, which sold all their 3,729 Los Angeles commercials, charged \$260,000 for 30 prime time seconds whereas the average price for a half-minute prime time spot for all three networks was \$104,000.¹³ However, in relation to other championship sporting events, the Olympic Games may even seem "inexpensive." For example, the 1983 Superbowl commanded \$345,000 per 30-second commercial.¹⁴ Two years later, the 1985 championship reached \$500,000 for 30 seconds of advertising.¹⁵ Even non-sport programs can draw considerable revenue. NBC's "Cosby Show" and "Family Ties" earned \$270,000 and \$220,000 respectively for half-minute spots during the 1985-86 season.¹⁶

Besides enormous advertising revenues, there are at least five other reasons for the rise in rights over the last 30 years. First, as a public relations device, the Games afford a great deal of prestige to the network. Second, the "carry-over" effect, as reported by Advertising Age, states that during the Los Angeles Games, there were a ". . . high number of viewers who sampled non-Olympic programming on ABC." Continuing, the article mentions that this gave ABC the highest ratings in ". . . weekday morning and evening news and in daytime soap operas. . . ." ¹⁷ Third, a network uses the Games to promote current and

upcoming programming which usually has a considerably positive impact on ratings. Ralph Mellanby, CTV Executive-Producer for the 1988 Calgary Host Broadcaster Unit, emphasizes this point when he states that the real "pay-off" of televising the Olympics materializes the following season.¹⁸ Fourth, the Olympic system generally, and the OCOGs specifically, have recently played an active role in driving up rights revenue. OCOGs view U.S. television as a major and therefore critical source of budget revenue and accordingly have a vested interest in increasing the networks' offers during bidding sessions. Fifth and last, the networks, over the course of the last 30 years, have progressively packaged the Games more and more as entertainment thus ensuring a broad appeal among all segments of North American society ranging from those who regularly watch and participate in sport to those who seldom watch and never participate in sport.

The Role of ABC

An examination of Table 1.1 reveals that since 1964, ABC has covered ten of the past fourteen Games including the upcoming 1988 Olympics. This fact lends credence to ABC's claim that it is the "Network of the Olympics." However, it also singles ABC out as being uniquely responsible for the exponential escalation in rights. Ever since the development of "Wide World of

Sports" in the early 1960s, sport programming has been ABC's "corporate soul" and to risk losing an event like the prestigious Olympic Games would be a violation of its fundamental mandate. As an example, during the January 1984 bidding session for the Calgary rights, both CBS and NBC ". . . came to the conclusion that ABC might never concede."¹⁹ In short, by injecting a remarkable \$730 million into the Olympic system, ABC may be regarded as the key force behind the geometric expansion in rights fees.

ABC's leading role in the television-Olympic relationship however, is presently in serious jeopardy. Acquired by the media conglomerate Capital Cities Communications in March of 1985 for \$3.5 billion, ABC has undergone dramatic changes, especially in the area of sports. Pivotal figures in ABC's relationship with the IOC, such as Roone Arledge, have been relieved of their positions in the Sports Division.²⁰ Perhaps more importantly, the new owners' bottom-line "ultra"-conservative management philosophy means ABC will no longer be pursuing an "open-wallet" policy when bidding for rights to sports events including the Olympics.²¹ For example, before being released, Senior Vice-President of Sports, Jim Spence, negotiated a four-year contract with the NBA in December of 1984 for \$44 million. Although Spence argued ABC could make a profit from the deal the new network

managers adamantly refused to endorse the contract.²² Currently, ABC views the \$309 million contract with OCO (signed in January of 1984) as "horrendous" and, as a result, adopted a low-profile position in the Seoul negotiations offering only \$250 million.²³ And in terms of its future role in pursuing Olympic television rights, Dennis Swanson, ABC's new Sports Division President, states that the network ". . . will not enter into an agreement unless we can come out whole."²⁴ Clearly then, ABC's days of overbidding Olympic rights for the sake of tradition and prestige have come to an end.

To restate, since 1960, the growth of U.S. television rights for the Olympics Games is best represented as a geometric progression. The ramifications for the IOC and the rest of the Olympic system have been enormous. For an organization that was nearly bankrupt in the 1950s, television money has been a financial windfall. In 1960, the entire budget for IOC expenses amounted to less than \$10,000. In 1980, IOC executive director Monique Berlioux alone earned \$100,000.²⁵ In 1972, the IOC had to borrow money from the Munich organizing committee just to meet its routine expenses. According to Crosbie Cotton, the ruling Olympic body now has \$42 million in surplus revenue with the major portion of the Calgary and Seoul contracts yet to come.²⁶ The situation facing the IOC today, so radically

different than it was a decade ago, is described by Roger Jackson, president of the Canadian Olympic Association (COA) when he states:

The IOC is receiving so much money and looking for ways to spend it and being criticized that they are becoming horrendously rich and not spending it. This inheritance of the IOC has been a bigger problem than not having enough resources and having to live frugally and wisely.²⁷

In the following section, some of the more profound ways in which the millions from television have affected the IOC and the rest of the Olympic system is further examined.

Impact of Television Revenue on the IOC and the Olympic System

One of the first issues to emerge in the early 1970s involved universality. Besides indicating complete access to the Games for all competitors, universality is also defined as the securing of ". . . the widest possible audience for the Olympic Games."²⁸ The issue first arose when the IOC sanctioned the aggressive demands of the Munich organizing committee for maximum television rights fees from the world broadcasting community. In several cases, universality was threatened as broadcasters decided they would forego transmission of the Games rather than meet the Munich committee's demands. However, in the end, the organizing committee relinquished their bargaining

pressure and preserved the universality of the Munich Olympics.²⁹

A more recent and potentially explosive case of limiting universality occurred during LAOOC's negotiations with EBU for the rights to the 1984 Games. EBU, a non-commercial consortium of 31 European broadcasters relies almost completely on state funding as opportunities to generate advertising revenue are severely restricted. Hence, EBU's rights payments, always a fraction of U.S. payments in the past, continued to be modest with an offer of \$19.2 million for the Los Angeles rights. While considering the bid which it thought was too low, LAOOC was approached by an independent European station, Italy's Channel 5. The station offered an impressive \$8.5 million for the Italian rights alone which LAOOC promptly accepted pending IOC approval as stipulated by the Olympic Charter. However, the IOC "intervened at the highest level"³⁰ to block the Italian deal for at least two reasons: first, the powerful nature of the EBU which deals directly with IOC president Samaranch instead of Richard Pound, IOC Executive Board member in charge of television rights,³¹ and second, the fact that any agreement between LAOOC and Channel 5 would have likely threatened the universality of the Games in Western Europe by virtue of some networks not

telecasting the Games as a protest measure. Had the LAOOC-Channel 5 deal transpired, at the very least it would have been a major step in breaking what many North American broadcasters perceive as a monopoly bargaining situation for EBU. Without a long-term solution that satisfies the EBU as well as the growing number of private broadcasters like Italy's Channel 5, there will likely be similar conflicts when OCO and SLOOC sell the European television rights.³² SLOOC may especially be aggressive in their demands with EBU or with the IOC -- in terms of accepting independent offers -- as the organizing committee attempts to recoup its huge shortfall from expected U.S. rights.

The continually increasing dollars from U.S. television have endowed the IOC with huge financial resources. Besides the IOC, the benefactors of rights dollars include the 158 NOCs and the 23 summer and 6 winter IFs. However, rather than encourage unity among the three constituent bodies of the Olympic system the new wealth has "created enormous problems."³³ COA President Jackson states: "The IFs themselves continually squabble over which sports are more important in the Olympic movement and therefore should receive more than other sports." According to Jackson, the NOC share, distributed through the Solidarity scheme, is also "quite controversial at this point in time."³⁴ Both

NOC and IF issues are now examined beginning with problems surrounding NOCs and television money.

The Position of NOCs

The Solidarity programme was instigated by Lord Killanin shortly after the IOC received its share of television revenue from the 1972 Munich Games. Translated into French, Solidarité ". . . conveys friendship and brotherhood and is exactly right to describe the kind of international scheme, involving coaching courses and the stretching forth of the hand of cooperation between the nations. . . ."35 The IOC administers the Solidarity fund by dividing the world into five continents with each receiving \$.5 million. The Americas (North and South America including the Caribbean) is composed of 37 NOCs which each receive a payment of approximately \$10,000. The remaining \$130,000 is used for special projects and conferences.³⁶ Beyond this scheme, the IOC also assists a number of Third World NOCs and "needy" athletes who cannot afford travel expenses to the Games. Although it would appear that the IOC is putting this portion of television revenue to good use, many NOCs have expressed dissatisfaction with the method of distribution arguing they feel patronized and would rather handle their own revenue as do the IFs.³⁷ However, since the IOC fears that some NOCs may abuse any free spending privilege by not concentrating the revenue

where it is needed most, it appears unlikely that NOCs will be granted financial autonomy (in respect to Solidarity dollars) in the near future.

Further NOC controversy surrounds the position recently adopted by the USOC. Following the Los Angeles Games, the American NOC began to rapidly alienate itself from the rest of the Olympic family by pressing a claim for ten per cent of American television rights contracts. Also, the USOC is demanding a larger proportion of TOP contracts negotiated with U.S. firms. Evidence of USOC's new "hard-nosed" attitude materialized in the early part of 1986 when the NOC, for the first time in Olympic history, demanded and received a \$5 million payment which simply gives ABC the right to use the Olympic rings in their American coverage.³⁸ Due to the nature of OCO's contract with ABC, the organizing committee was actually responsible for the settlement which, if pressed by the USOC, could have reached \$30.9 million (ten per cent of \$309 million). Although the USOC has, as of late, caused a great deal of unrest within the Olympic system, most officials in the end agree that the American NOC under Charter rules has the right to control revenue within its sphere of influence.³⁹ Also, others point out that the only reason U.S. networks pay so much for rights in the first place is because of USOC's athletes and therefore, the American NOC, which does

not receive any government support to begin with, should receive a larger share of U.S. television and TOP dollars.

The Position of IFs

Even though IFs are not accountable to the IOC in terms of how their portion of television money is spent, there still remains a great deal of dissatisfaction among the various sports federations and with the IOC. IFs are divided according to summer and winter sports. A total of twenty-three federations share revenue from summer rights and only six share revenue from winter rights. As a result, winter federations have encountered a huge financial windfall. But still, some winter IFs have demanded and recently received a larger allocation. Whereas at one time all six federations received identical shares, the "big three" -- hockey, skiing and figure skating -- were recently awarded shares of 23.3 per cent of their total allocation.⁴⁰ In respect to summer federations, the winter IFs have been getting rich with each of hockey, skiing and figure skating receiving \$5.1 million from the IOC's one-third portion of the Calgary rights. The International Ice Hockey Federation (IIHF) has even been holding out for more money (discussed under Calgary and Seoul section).

Summer federations are also intensely involved in the "squabbling" over the division of television rights. Currently, the 23 summer federations evenly share their one-third portion of the IOC's one-third portion. But with the huge Los Angeles and Seoul television contracts, federations have become engaged in heated debates surrounding the importance of their sports in the Games and consequently the extra revenue they should be entitled to receive.

The influx of television revenue has also caused federations to make "unreasonable technical demands." For example, Lord Killanin in his autobiography recalls" . . . the late Mrs. Ingrid Frith, the President of the International Archery Federation, who wanted 'lawns like Wimbledon tennis courts' over which the arrows were to fly in Moscow."⁴¹

Other federations have exhibited a more realistic and pragmatic attitude towards their role in the Games. For instance, the International Hockey Federation (FIH) which represents the summer sport of field hockey realizes that ". . . in the face of the constraints of the electronic press, certain sports may be obliged to adapt their rules to the reality of broadcasting to larger audiences."⁴²

In short, television revenue in the seventies and the first half of the eighties, impacted on the Olympic system in numerous ways. While more than solving the IOC's financial problems, the lure of television millions caused NOCs and IFs to "squabble" over the division of revenues. However, most would agree that the Solidarity programme has indeed assisted the promotion of Olympic ideals especially in the Third World. Certainly, both NOCs and IFs are in a far better financial position now than in the pre-television revenue era. For the IOC, television money may help retain or even increase leverage as the IFs and NOCs have a great financial stake to remain within the Olympic family. In the following section, issues dealing with the relationship between organizing committees and television money are discussed.

Calgary and Seoul: Impact of U.S. Rights

Over \$.6 billion will flow into the Olympic system once the last payments are collected from the sale of the Calgary and Seoul U.S. television rights. This substantial amount represents more than has been paid for all other modern Games combined and the international television rights are still to be negotiated. The impact of these sums have, to date, been dramatic.

During the preparations to sell the rights, OCO as well as the Seoul Olympic Organizing Committee (SLOOC) realized the tremendous importance that U.S. network executives attach to scheduling and ratings. Both organizing committees hired consultant Barry Frank of Trans World International to make the Games package as attractive as possible to American networks.⁴³ In Calgary's case, the schedule of the Games was shifted and also extended.⁴⁴ Instead of running into March, the entire duration of the Games was moved ahead to completely fall into February which happens to be one of three critical "sweeps" months in the U.S. Ratings produced during this period determine advertising rates for the following months. Obviously, from a network's point of view, an Olympics occurring at the same time as "sweeps" month is very desirable as it should provide high ratings for non-Olympic programming in the months following the Games.

OCO also increased the value of the Calgary rights considerably by convincing the IOC to modify the Olympic Charter and, for the first time in modern Olympic history, allow for 16 days versus the normal 12 days of winter competition.⁴⁵ As a result, ABC now has an extra weekend of programming and the concomitant opportunity to generate lucrative advertising revenue. Furthermore, the extra four days means several key schedule modifications. For

example, instead of falling on the traditional Wednesday, the popular opening ceremonies now take place on Saturday afternoon which guarantees much higher ratings. Also, starting the Calgary Games on a Saturday results in the downhill event shifting from the usual first Thursday of the Winter Olympics to the first Sunday which again should draw stronger ratings for ABC. David Shanks summarized OCO's marketing approach in preparing and packaging the Calgary Games for sale to the American networks thus:

What you get is very simply going to be a factor of how you structure and package the opportunity that allows the networks to see how they can maximize their revenue. . . . We can schedule, and will structure our schedule, to satisfy the greatest possibility of ABC getting the maximum revenue. We want nothing more for them than to blow all their numbers out of the water. That's important to us -- that they have a good show. . . . We did a lot of re-packaging to make it attractive for them to get higher numbers.⁴⁶

Although Summer Games have always been far more popular in terms of U.S. television rights (see Table 1.1), Calgary received \$309 million while Seoul obtained only \$300 million plus profit sharing. There exists at least four major reasons for this historic break of tradition.

First, under the guidance of Barry Frank, OCO produced a very desirable television package in terms of scheduling. Calgary's two hours behind and one hour in front of the U.S. east and west coasts permits for crucial

live telecasting during U.S. prime time. The Sarajevo Games clearly demonstrated that tape-delay broadcasts which lack immediacy and drama simply cannot attract the huge audiences necessary to produce profitable ratings.

The second reason is that Calgary is a modern metropolis located in a politically stable and industrialized nation alongside the U.S. Thus, the Americans virtually view Calgary as a home Olympics. Seoul, on the other hand, is part of a potentially politically unstable and developing state. Should one of the 1988 Games be boycotted or marred in some way it would tend to be Seoul.

Third, unlike Calgary, Seoul's scheduling presents a number of problems for U.S. broadcasters. Besides the 14 hour time difference with the eastern U.S. seaboard, SLOOC has been forced to hold their Games later than usual (September 17 to October 2) to avoid possibly disrupting monsoon summer rains. This altered schedule seriously conflicts with the start of the American football season, baseball playoffs and the slate of new fall network programming. The upshot of all of Seoul's scheduling problems is evident in the bidding strategy employed by the networks. For Calgary's rights, NBC, CBS and ABC had signed and notarized contracts with only the final figure to be filled in. For Seoul's rights on the other hand, the networks not only delayed bidding for two years while SLOOC

attempted to switch as many finals as possible to mornings (which translates to U.S. prime time), but the three networks, according to Crosbie Cotton, also entered bidding negotiations without signed contracts.⁴⁷

The fourth and perhaps most important reason why Seoul commanded much less than its expected \$750 million to \$1 billion -- which was based on Calgary's contract, geometric inflation and the historically higher economic value of Summer Games -- is due to the collapse of the television sports market in 1985. During that year, the three U.S. networks reported their sports divisions lost a combined total of \$50 million.⁴⁸ Of this amount, ABC itself lost a staggering \$40 million⁴⁹ which is especially significant since sports programming vis-à-vis "Wide World of Sports" had always been a profit-making and prestigious venture for the network. Bearing in mind ABC's record profit of \$70 million during the previous 1984 Olympic year,⁵⁰ the network actually encountered a net difference of \$110 million in earnings between 1984 and 1985.

The decline in the televised sports market is evidenced by a general diminution in rights fees and, in some cases, a cancellation of long-running programming. In 1985, ABC deleted "American Sportsman" and Howard Cosell's award-winning "Sports Beat." Early in 1986, the network decided against continuing with the Gator Bowl while the

Sugar Bowl may be subjected to the same fate in 1987. CBS, for its part, has cancelled the Belmont Stakes, horse-racing's third leg of the Triple Crown.⁵¹

The erosion of networks sports programming is due to the interaction of two related factors. First, with the proliferation of network sport and specialty pay sport channels (ESPN, TSN) over the last decade, television sports has become fragmented and oversaturated. Network sports programming alone has increased from 1,175 hours per year in 1977 to 1500 hours per year for 1986.⁵² The second associated factor is that the advertising community has, in the face of ever-rising commercial fees for sports programming, discovered that specialized target audiences can be reached just as effectively and usually less expensively by using non-sport programming such as, for example, MTV and David Letterman.⁵³ Due to the state of televised sports then, it came as no surprise to those in the industry when newly acquired ABC submitted a bid of only \$250 million⁵⁴ for Seoul which, after much negotiation, eventually went to NBC for only slightly more -- \$300 million plus profit sharing.

Confident of at least \$500 million from U.S. television, SLOOC budgeted for a minimum of \$462 million compromising 51.3 per cent of the \$930 million budget.⁵⁵ Shocked by the revenue shortfall, SLOOC top managers were

fired by government officials and the organizing committee has set out to try and recover the missing American television dollars.

SLOOC will likely pursue three courses of action. First, they may try to convince those IFs that have not yet switched finals to mornings to do so. Seoul will have to draw tremendous ratings if they are to generate any additional revenue vis-à-vis the NBC profit sharing plan. For example, in order to obtain the full \$200 million of extra profit-based earnings which would bring the total NBC payment to \$500 million, the network must sell at least \$876.5 million worth of advertising time which is double the amount raised by ABC for the extremely successful Los Angeles Games. Advertising sales of \$800 million will bring in \$460 million altogether and sales of \$460 million give SLOOC \$380 million.⁵⁶ In the end, any profit-sharing will ultimately depend on the various IFs and the amount of their financial compensation for schedule changes as well as the state of the U.S. advertising industry in 1988.

The second manner in which Seoul may attempt to make up the revenue difference is by demanding higher payments from the international broadcasting community. Third and last, the Seoul organizing committee will no doubt be far more aggressive in the marketing and sponsorship area. For example, SLOOC has already overstepped the

TOP programme and signed on its own sponsors including IBM.⁵⁷

Although OCO is not expecting any revenue shortfalls, they are, however, experiencing scheduling and associated problems with some of the winter IFs, most notably the IIHF which is demanding \$1.2 million in compensation for playing the longer 16 day schedule.⁵⁸ For its part, OCO is demanding complete control over the format and schedule of the hockey tournament. Historically, Olympic hockey has been divided into two pools of six teams each which play on alternating days. Also, scheduling was decided by luck of the draw. But because the Winter Games feature only six federations, filling an expanded sixteen day schedule for television purposes has proven difficult. As a result, OCO, counting on hockey to take up a good part of the programming slack, is making several requests of the IIHF.⁵⁹ These include: 1) hockey played every day of the Games;⁶⁰ 2) full jurisdiction over time and location -- OCO is using two hockey venues -- of match; and 3) changing the format so that the top three teams, not the traditional top two teams, advance to the medal round. Besides filling vital prime time U.S. programming with games featuring the American team, expanding the number of teams advancing to the medal round from two to three greatly increases the chances of the U.S. team reaching the medal round of play.

In this manner, OCO can help ABC avoid a repeat of the Sarajevo ratings disaster set off when the U.S. hockey team lost its initial match to Canada on the first day of the Games. Without any hope for a hockey medal, the Sarajevo Games plus tape-delayed broadcasts produced some of the lowest ratings to date for ABC's Olympic coverage.

To summarize, OCOGs have sought higher and higher payments from U.S. television to the point where American broadcasters underwrite almost half of the total cost of the Games. However, as IOC member Willi Daume states:

When somebody makes such a crucial contribution to financing the Olympic Games and the Olympic Movement as well as nearly all International Sports Federations, one cannot deny him the right to demand something in return.⁶¹

"In return," the Calgary organizers have delivered a Games package tailored for television as never before. Similarly, SLOOC has over the past two years persuaded some IFs to alter their schedules to match U.S. prime time and will likely continue to apply pressure to other IFs in hopes of more revenue from NBC's profit sharing plan.

In overview, the increased level of rights payments since 1960 generally mirrors the attendant pressures brought to bear upon the Olympics to accommodate the steadily growing needs of American television. The lure of millions from the sale of exclusive U.S. rights may be

understood by the following simple example. In 1981, only five cities expressed interest in hosting the 1988 Games. After OCO signed a \$309 million contract with ABC, the number of candidates for the 1992 Olympics increased from a few to fourteen. Clearly, these cities believed that growing television revenue would finance the major portion of the Games and perhaps even provide a profit as Los Angeles did. But as organizing committees have become too aggressive in their negotiations with television over the years -- exemplified by Seoul's defiant bidding stance against the IOC and the U.S. networks⁶² -- the IOC has, under a recent policy amendment effective for the 1992 Games, absolved organizing committees from taking any active role whatsoever in acquiring television rights.⁶³

The following chapter applies the theoretical model presented in Chapter Two to determine the nature of the television-Olympic relationship in terms of dependence, power and change.

End Notes

- 1Killanin, p. 20.
- 2Whannel, p. 32.
- 3International Olympic Committee, "The Olympic Games," 1958, p. 30.
- 4"The Olympic Games," 1958, p. 29.
- 5Berlioux, SISMO, p. 90.
- 6Killanin, pp. 20-21.
- 7Berlioux, SISMO, p. 90.
- 8The IOC was broke prior to the Munich Games.
- 9For the interested reader, details may be found in the official report of the organizing committee for the 1972 Munich Games, vol. 1, p. 59.
- 10Berlioux, SISMO, p. 90.
- 11Berlioux, SISMO, p. 90.
- 12Historically, television rights for the Summer Games had always been worth approximately twice as much as those for the Winter Games. Several reasons exist for this. First, the Summer Games occur during U.S. television summer reruns whereas Winter Games are held during what are normally considered peak viewing months for first run programming (February and March). Second, Summer Games offer twenty-three sports compared to only six for Winter which means Summer Games have a great deal of action to draw programming from. Third, the U.S. is a summer sports-minded nation. Thus, the Calgary Games represent a significant departure from past rights payments.
- 13Verne Gay and Craig Reiss, "Average Prime Time 30: 118,840," Advertising Age (16 September 1985): 1.
- 14Berlioux, SISMO, p. 91.
- 15"New Spots Spice Up Bowl Watching," Advertising Age (14 January 1985): 2.
- 16Gay and Reiss, p. 124.

¹⁷Diane Mermigas, "No Olympic Make-Goods, A Relieved ABC Declares," Advertising Age (13 August 1984): 66.

¹⁸Personal interview with Ralph Mellanby, Executive Producer, CTV Host Broadcaster Unit, 1988 Calgary Games, Calgary, Alberta, 29 April 1986.

¹⁹Bill Abrams, "ABC Could Rue the Day it Won '88 Rights," Calgary Herald (28 February 1984), p. A5.

²⁰Taffe, p. 21.

²¹Taffe, p. 21.

²²William Taaffe, "TV to Sports: The Bucks Stop Here," Sports Illustrated (24 February 1986): 22.

²³William Taaffe, "Seoul Pins its Hopes on NBC," Sports Illustrated (14 October 1985): 96.

²⁴Telephone interview with Dennis Swanson, President, ABC Sports, 8 May 1986.

²⁵Benjamin G. Rader, In Its Own Image: How Television Has Transformed Sports, (New York: Free Press, 1984), p. 161.

²⁶Cotton, interview.

²⁷Jackson, interview.

²⁸Olympic Charter, 1984, p. 6.

²⁹For the reader interested in this issue, see the official report of the organizing committee for the 1972 Munich Games, vol. 1, pp. 59-61.

³⁰Ken Reich, "Written Press:" SISMO, p. 137.

³¹Jackson, interview.

³²In an interview with this author, David Shanks stated that several European independents have expressed interest in negotiating their own television rights.

³³Jackson, interview.

³⁴Jackson, interview.

³⁵Goeffrey Miller, Behind the Olympic Rings, (Lynn, MA: H.O. Zimman, 1979), p. 151.

- 36 Jackson, interview.
- 37 Karl-Heinz Huba, ed., Sport Intern 6:20/21 (31 October 1985): 3. Note: not for public use.
- 38 Crosbie Cotton, "Payoff May Save Millions for OCO," Calgary Herald (26 February 1986), p. B1.
- 39 Jackson, interview.
- 40 Pound, interview.
- 41 Killanin, p. 21.
- 42 Andres Merce Varela, "Hockey and Television," Olympic Review 213 (July 1985): 48.
- 43 Frank Beermann, "ABC Bids Now, Worries Later; Record \$309-Mil Olympic Price Was a Deal Web Had to Make," Variety (1 February 1984): 1-10.
- 44 Crosbie Cotton, "Bidding for Gold: TV Rights for '88 Games Will Cost a Pretty Penny," Calgary Herald (7 November 1983), p. A5.
- 45 Bill Musselwhite, "TV Is Extra Gravy in City's Pot," Calgary Herald (4 November 1985), p. C2.
- 46 Shanks, interview.
- 47 Cotton, interview.
- 48 Karl-Heinz Huba, ed., Sport Intern 7:2/3 (22 February 1986): 2-3. Note: not for public use.
- 49 Huba, (22 February 1986): 3.
- 50 Taaffe, "TV to Sports," : 20.
- 51 Taaffe, "TV to Sports," : 21.
- 52 Taaffe, "TV to Sports," : 26.
- 53 Taaffe, "TV to Sports," : 22.
- 54 Taaffe, "Seoul Pins," : 96.
- 55 Huba, (15 October 1985): 1.
- 56 Huba, (15 October 1985): 2.

57Cotton, interview.

58Crosbie Cotton, "OCO Chief Puts His Cards on the Table," Calgary Herald (14 February 1986), p. E3.

59Cotton, interview.

60Except Day 11 (February 23, 1988).

61Daume, SISMO, p. 22.

62Whereas OCO closed a deal with ABC shortly before the 1984 Sarajevo Games, SLOOC refused all network offers until the fall of 1985 because they were too low. According to Crosbie Cotton (interview) SLOOC felt that they were forced by the IOC to accept NBC's \$300 million bid. Continuing, SLOOC thought that they should have been supported by the IOC in their attempt for a \$500 million minimum.

63Pound, interview.

Chapter Seven

Conclusions

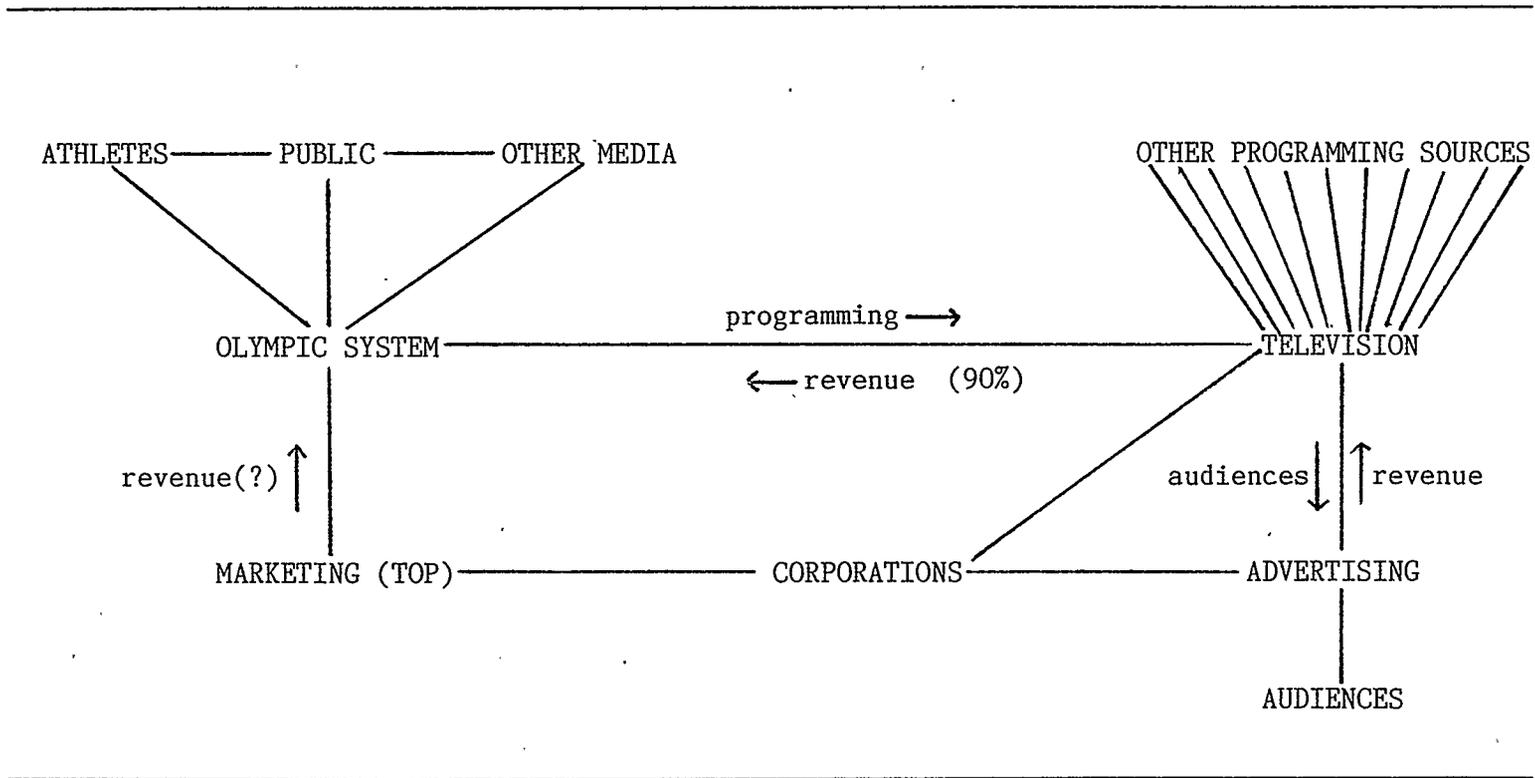
As discussed in Chapter Two, a symbiotic relationship occurs when two differentiated organizations exchange resources where the output of one is input for the other. This symbiotic relationship is said to be balanced if each supplies the other with its major resource, and unbalanced if one of the organizations has alternative sources (other primary trading/bargaining partners).

In an unbalanced symbiotic relationship, power differences arise as one organization is more dependent on the other for its needed resource. These power differences or imbalances cause the dependent organization to alter its structure and function in response to the "directives or other norms"¹ of the non-dependent organization. In short, dependency leads to power imbalances which in turn result in organizational change or modification of structure and function.

A systems view of television and the Olympic system is presented in Figure 7.1. It is apparent from the model that although television is the major trading partner for the IOC and the rest of the Olympic family, the Olympic system is only one of many trading partners for television. In this light, Pfeffer and Salancik's ten-point dependency

Figure 7.1

A Systems View of the Television-Olympic Relationship



schema presented in Chapter Two is now re-introduced as the theoretical model to determine the degree of dependency of the Olympics on television revenue.

Except for "focal organization" which is replaced with "Olympic system" and "social actor" which is interchanged with "television" (U.S.), the theoretical model remains unchanged. The model will examine contemporary resource exchange in terms of television rights, concentrating on the 1988 Games. As Pfeffer and Salancik state, not all ten conditions must be met to substantiate dependence but as more are verified, then the greater the likelihood of an unbalanced relationship. Also, the authors single out the third and fourth conditions which focus on resource exchange as critical indicators.

Pfeffer and Salancik's Ten-Point Dependency Model

1. The Olympic system is aware of the demands.

The IOC, along with the rest of the Olympic family, is fully cognizant of television's special needs. For example, both OCO and SLOOC hired a television rights consultant, Barry Frank, to determine the nature of the network's requirements and how they could be met.

2. The Olympic system obtains some resources from television.

Almost all Olympic financing comes from television. For the 1988 Winter and Summer Games, at least \$609 million will be divided among the three constituent bodies of the Olympic system plus the OCOGs. The largest share of the revenue -- 20 per cent of the entire contract and two-thirds of the remainder -- is reserved for the organizing committees. OCO's allotment from television represents approximately one-half of its total budget while SLOOC's portion is closer to one-third. Thus, it is clear that the Olympic system obtains some resources from television.

3. The resource is a critical or important part of the Olympic system's operation.

One of the key indicators of dependence, this condition involves magnitude of exchange and criticality of resource. A resource is deemed critical if an organization cannot sustain operation without it. Magnitude of exchange involves the number of outputs and inputs that an organization gives and receives respectively. If an organization supplies only one output and/or receives only one input, then it may be assumed to be in a position of "high dependence."

The second condition established that television comprises the principal source of financing for the Olympic system. In terms of importance, however, television

revenue now appears to be most critical to the organizing committees as it accounts for approximately half of the Games budget (one-third for Seoul). For the 1988 Games, it is principally the OCOGs which have adopted a revenue maximization attitude towards the television networks. Next in terms of importance, IFs and NOCs are continually "squabbling" over division of revenue. Finally, as the administrative arm of the Olympic system and the Games, the IOC, with \$42 million in savings and the major part of the 1988 television contract to come, appears to be financially secure. Thus, in terms of financing, the IOC itself is not directly dependent on television at least in the short-term.

With respect to magnitude of exchange, the Olympic system supplies one major output, the spectacle of the Olympic Games, and requires one crucial input -- financing. The overwhelming majority of this input is supplied by television in return for the sole output of the Games. As Figure 7.1 demonstrated, television also has many other organizations with which it exchanges resources. Therefore, whereas the magnitude of exchange in the television-Olympic relationship is significant for the Olympic system, it only comprises a small part of television's overall exchange of resources.

In short, it appears that OCOGs are most dependent on television revenue while the IOC itself is least dependent and the IFs and NOCs are somewhere in between. The magnitude of exchange is one-sided comprising the bulk of the Olympic system's revenue and output with its environment. Taken as a totality, television revenue is a critical and important part of the Olympic system's operation.

4. Television controls the allocation, access, or use of the resource; alternative sources for the resource are not available to the Olympic system.

Another key condition in determining dependence, controlling the allocation of a resource is a fundamental source of power.² By and large, television controls the allocation of revenue. However, the OCOGs also finance the Games with corporate sponsorships, licensees, ticket sales, Olympic coin revenues and some governmental assistance. Yet, television revenue remains crucial to OCOGs as it provides for the single largest source of financing.

In terms of alternative sources, the TOP marketing programme may provide substantial revenue for the IOC and USOC (most sponsors are based in the U.S.) but as the scheme is new, its impact as a major alternative source of revenue is difficult to ascertain at this point in time.

Presently then, television controls the allocation of revenue for the Olympic system and other similar sources are not available.

5. The Olympic system does not control the allocation, access, or use of other resources critical to the social actor's operation and survival.

The televised Olympics, although extremely important as prestigious and popular programming, represent only one of many possible programming options for television. It is also programming that occurs infrequently -- twice every four years -- and for only one of the three networks. Therefore, the televised Games may not be considered as critical programming for television's short or long-term survival.

6. The actions or outputs of the Olympic system are visible and can be assessed by television to judge whether the actions comply with its demands.

Before entering into bidding negotiations, network executives are presented with a draft timetable for the Games by the organizing committee. In OCO's case, the schedule met with television's scheduling and prime time needs and negotiations were soon completed. However, in SLOOC's case, television delayed signing a contract for two years while the organizing committee attempted to modify

the timetable. Because network executives pay close attention to the Games schedule, television may judge whether the organizing committee has met its demands.

7. The Olympic system's satisfaction of television's requests are not in conflict with the satisfaction of demands from other components of the environment with which it is interdependent.

In meeting the needs of television, the Olympic system enters into conflict with several actors. First, within the Olympic family some IFs claim that shifting the time of events is detrimental to the athlete and thus may not acquiesce to television vis-à-vis the OCOG unless financial compensation is provided. Second, many athletes themselves are absolutely against scheduling Olympic competition around the demands of television. For example, Sebastian Coe states that Olympic ". . . events should never be staged and designed, simply to attract 'Media' interest and coverage." Continuing, ". . . the wishes and requirements of the competitor should always be of paramount importance."³ Third, meeting the demands of U.S. prime time also causes friction between the IOC and other broadcasters most notably, the EBU. Events scheduled for prime time in the United States happen live for the EBU between one a.m. and five a.m. Thus, there are at least three areas of conflict between the Olympic system and

other actors in the environment when television's needs are met.

8. The Olympic system does not control the determination, formulation, or expression of television's demands.

The nature of television's scheduling demands is a product of its links with audiences (consumers) and the advertising industry which endeavours to promote and sell various product lines to the attending viewers. Accordingly, the Olympic system does not play a role in the expression of television's demands.

9. The Olympic system is capable of developing actions or outcomes that will satisfy the external demands.

By adjusting schedules and timetables to fit the requirements of television as in the case of the 1988 Calgary Games, the Olympic system is capable of satisfying external demands.

10. The Olympic system desires to survive.

The Olympic system exhibits an extremely strong will to survive. As overseers of the entire family, the IOC, since its inception in 1894, has been a self-governing, self-perpetuating and completely autonomous body. The IOC believes that only in this manner will outside forces keep from destroying the Olympics.

Table 7.1

Pfeffer and Salancik's Ten-Point Dependency Model:Summary of Findings

CONDITION	SUPPORTED	MAJOR ACTORS
1. O.S. aware of demands	Yes	IOC, OCOGs, IFs
2. O.S. obtains resources	Yes	IOC, OCOGs, IFs, NOCs
3. Resource is critical for O.S.	Yes	OCOGs, IFs, NOCs, IOC
4. TV controls resource access	Yes	ABC, NBC, CBS
5. O.S. does not control critical television resources	Yes	Multiple Programming Sources
6. Actions of O.S. are visible to TV	Yes	OCOGs, IFs, IOC
7. O.S. not in conflict by meeting TV demands	No	IFs, Athletes, Other Broadcasters
8. O.S. does not control expression of TV demands	Yes	Advertisers, Audiences
9. O.S. can satisfy TV demands	Yes	OCOGs, IFs, IOC
10. O.S. desires to survive	Yes	IOC

Summary

To recapitulate, of the ten conditions formulating Pfeffer and Salancik's theoretical dependency model, the Olympic system has met nine, including the key third and fourth conditions based on resource exchange. The seventh condition dealing with a lack of conflict within the Olympic system's environment in meeting television's demands was not met. Several actors have expressed concern over fulfilling television's demands. However, except for IFs, these actors are not directly involved in the final decision making process in terms of meeting television's demands. Therefore, according to the theoretical model and based on the evidence presented in the case study, the Olympic system is significantly dependent on American network television.

Power, influence, change and dependence are inextricably bound to each other. One presupposes the other. Etzioni writes: "Power is an actor's ability to induce or influence another actor to carry out his directives or any other norms he supports."⁴ Emerson points to the mirror relationship between power and dependence when he writes: "The power of A over B is equal to, and based upon, the dependence of B upon A."⁵ In light of the present findings, the degree of television's power over the Olympic system is a reciprocal function of the Olympic system's

dependence on television's resources. The relationship remains symbiotic as the output for one is the input for the other but is is an unbalanced symbiotic association.

Blau states that "regular rewards make recipients dependent on the supplier and subject to his power. . . ."6 Since 1960, U.S. television rights payments have constituted regular and geometrically increasing rewards to the Olympic system. Concomitant with this linear progression in revenue is the evolution of the IOC from a nearly bankrupt organization to one with more than \$42 million in savings. The IOC's success as an autonomous organization and its work in promoting the Olympics, especially in the Third World, is directly correlated with the vast amount of revenue at its disposal. However, with the \$609 million minimum for both 1988 Games, the IOC, already financially secure, is not dependent on revenue from television in the same sense as its affiliated bodies and especially the OCOGs.

Organizing committees have come to regard the Games as "self-financing" because of television. This factor alone led a record fourteen cities to apply as candidates for the 1992 Games. In every case, television revenue plays a critical part in the total budget. For example, in Barcelona's proposed budget, "foreseen TV rights represent 40% of the total expected income. . . ."7 Similarly,

Birmingham is expected to generate £355 million from television which is more than half of its tentative £689 million budget.⁸ The Birmingham organizers justify this huge expenditure for rights when they state:

Birmingham has an advantage over Seoul in that the primary television market in America is such that much more prime time live coverage will be possible. This will tend to increase media revenue. Predictable changes in technology in the next seven years are likely to extend the potential television audience for the Games, again tending to increase revenue.⁹

However, the Birmingham organizing committee fails to acknowledge a crucial factor in their optimistic projection -- the state of the present "soft" television sports market and that of the U.S. advertising industry. If current trends continue, the networks, which begin bidding as early as 1988, will likely approach the 1992 Games with great trepidation. The former days of "open-wallet" offers and pre-signed contracts appear to be over. For example, in an interview with this author, Dennis Swanson, President of ABC's Sports Division, was very clear and direct that his network would not engage in any future Olympic telecast unless it could turn a profit. The current \$309 million ABC contract with OCO, negotiated when Arledge was still running ABC Sports, will likely result in a \$50 million loss for the network according to some industry experts.¹⁰ In short, the upshot of the contemporary situation is that

the 1992 candidate cities remain unwittingly tied to U.S. television as a critical source of budget revenue.

Besides its financial contribution, television has also altered the nature of the Olympics vis-à-vis sheer exposure. The Games have become a mass mediated event which is experienced by more than half of the world's population. With television as the conduit of communication, the Olympics represent an extremely desirable association for major corporate sponsors and advertisers seeking wide exposure for their respective product lines. The entire Olympic system now markets itself to the corporate community in the way of exclusive sponsorships. This, however, is not in line with the Olympic Charter which states that "no one is permitted to profit from the Olympic Games."¹¹

Television and associated commercial forces have had a profound impact on Olympic traditional philosophy which, as detailed in Chapter Three, is represented by Olympism. Leiper identified internationalism, amateurism, aesthetics and arts and letters, and physical and character (moral) development as the four pillars of Olympism.¹² Arts and letters, the Olympic cultural competition fell into disuse long ago even before the emergence of televised Games.¹³ The remaining factors, however, have been greatly influenced by the televised Games.

Internationalism, as set out by de Coubertin, has not achieved its historic objective. Instead of depicting the Games as a true meeting of all nations and competitors, television, because it receives considerably higher ratings, adopts a very nationalistic perspective concentrating on the exploits of its own nation's competitors. Consequently, the television viewer is not afforded the opportunity, as de Coubertin stated,

. . . of a happy and brotherly encounter, which will gradually efface the peoples' ignorance of things which concern them all, an ignorance which feeds hatreds, accumulates misunderstandings and hustles events along a barbarous path towards a merciless conflict.¹⁴

Amateurism, always under commercial pressures since the early days of the modern Olympics, has been transformed by television's extensive transmission of the Games. Corporations, including sporting goods manufacturers, find the successful athlete to be effective as a spokesperson for their products. By the mid-1970s, this pressure forced the IOC to strike the word "amateur" from Olympic vocabulary. By 1981, it allowed athletes to accept payments directed through their respective IFs. Presently, the IOC is contemplating opening the Games to all competitors.

The same commercial pressure, generated from pervasive television exposure, that has eroded any remaining vestige of amateurism has also had a negative impact on the

final factor of physical and character development. Steroids, other drugs and more recently with the Los Angeles Games, blood doping,¹⁵ are seen by some athletes as necessary if they are to be the best in their Olympic sport and thereby qualify for potentially lucrative endorsements.

In terms of Olympism then, television, by serving as a conduit for commercial forces, has eroded the aspects of internationalism, amateurism and physical and character development. By at least acknowledging the inevitability of a completely "open" Games, the IOC appears to be embracing a revised concept of Olympic philosophy from what de Coubertin originally set out almost a century ago.

In summary, contrary to the findings of Real and Lucas, this study has demonstrated that television has had an impact on the modern Olympics in terms of fundamental change. This conclusion is drawn as the result of the case study which examined Olympic philosophy, the role of television, advertising and marketing and television rights against the backdrop of organizational theory. More specifically by relating the case study to theoretical issues such as resource exchange, dependence, power and change between differentiated organizations, this thesis has concluded that television and the Olympic system are engaged in an unbalanced symbiotic relationship -- as one's output is the other's input -- which involves extensive

unilateral dependence of the Olympic system on television's financial resources. The theory discussed suggested that dependence, power, influence and change are interdependent. This was confirmed by the case study.

Two important findings have emerged from this study. First, the IOC itself, for the short-term, is no longer dependent on television revenue as it once was. Recent television contracts have provided significant surplus revenues which more than cover IOC expenses. However, the rest of the Olympic system, and especially OCOGs, are inextricably tied to television revenues as a major source of financing. In this sense then, it remains in the IOC's best interests and overall objectives that television continues to cover the operational costs of staging the Games.

The second key finding is based on North American television in that it essentially functions to serve the needs of the advertising industry. Television's needs are actually advertising's needs. Organizing committees today -- as evidenced by OCO -- are completely cognizant of this relationship. In this respect then, the Olympic system is not meeting the demands of television in the fullest sense of the expression but rather, is providing the type of event (product) that best suits the requirements of the advertising industry. In other words, OCO realized that if

it re-scheduled the Games and the events, it would receive considerably more from television because television would receive more from advertising. It is this reality then, which constitutes Olympic dependency on television and television's influence and power over the Olympic system as suggested by this study's findings.

The Olympic Games over the last thirty years have become an American television entertainment spectacular. The role of television itself is emerging to be as, or even more, important than the actual Games. Potential host cities have shown considerable interest in staging the Games now that they may rely on financial support from television. However, given the IOC's recent ruling disbarring future OCOGs from an active role in television rights negotiations, the historic geometric progression in rights fees may be over.

Given the nature of the findings of this study, further inquiry into the relationship between television and the Olympics is suggested. Several potential areas of investigation exist. For example, research into the Minutes of IOC meetings could be carried out in Lausanne to determine the scope of television's impact on the IOC. Also, a quantitative study could be developed to gauge the public's perception of television's role and concomitant commercialism in the Games. Continuing, other studies

might investigate the consequences, in terms of Olympic credibility and resulting marketing interests, of completely open Games.

End Notes

- 1Etzioni, p. 60.
- 2Pfeffer and Salancik, p. 50.
- 3Coe, SISMO, p. 141.
- 4Etzioni, p. 60.
- 5Emerson, p. 33.
- 6Blau, p. 116.
- 7Jordi Serra, Managing Director, Barcelona '92 Organizing Committee, personal letter, 25 April, 1986.
- 8Birmingham Organizing Committee, "Heart of Gold," p. 18. [Birmingham's bid book for the 1992 Summer Games.]
- 9"Heart of Gold," p. 17.
- 10Mellanby, interview.
- 11Olympic Charter, 1984, p. 72.
- 12Leiper, p. 33.
- 13Although awards were discontinued after 1948, organizing committees are still required to provide cultural and artistic displays alongside the Games.
- 14De Coubertin, Idea, p. 9.
- 15"Blood doping is a technique whereby an athlete's own blood is drawn in small doses over time, frozen, and then thawed and reinjected 6 to 10 days before the competition to boost the count of oxygen-carrying cells and thereby increase performance." Cited in Harry Edwards, "The Free Enterprise Olympics," Journal of Sport and Social Issues 8:2 (1984): iv.

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