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Forecast for 2016 Olympics vote: Dollars vs. development

RICK BURTON & NORM O'REILLY

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BURTON**

Like everyone associated with Olympic sport, Friday's vote in Copenhagen, Denmark, to determine who will host the 2016 Summer Olympic Games is top of mind, particularly with American sports marketers watching Chicago's candidacy and status as the supposed front-runner. To that end, we decided to undertake a bit of student forecasting to see what might happen.



**NORM
O'REILLY**

The assignment to the Syracuse students taking the advanced International Sports Relations class was relatively simple: With an eye toward reading international media summaries, assess the four candidate cities (Chicago, Madrid, Rio de Janeiro and Tokyo) bidding to host the 2016 Olympics and predict the winner. To better understand the International Olympic Committee's dynamics and famed secret ballot process, use as a key resource the 2006 book "Inside the Olympics," (a required course text) written by Dick Pound, IOC member and former director of marketing.

Some of you may remember that Pound once wrote of the IOC's voters as "a membership that can be likened to the standard bell curve used in statistical analysis. At one extreme of the curve [are] sport technocrats, who base their decision almost entirely on the technical components of the bid. At the other extreme are members who have little, if any technical qualifications and who are likely to decide almost entirely on geopolitical considerations. In between are the great majority of members, who consider a broad range of criteria, from technical to geopolitical."

There were numerous important points for the students to consider. They had to factor in concepts such as the upcoming lucrative bidding war for the U.S. broadcast rights (this selection provides the IOC with its single largest guaranteed quadrennial cash flow); read the commentary provided by the IOC in its Evaluation Commission report (released Sept. 2); sprinkle in the Sept. 11 announcement by the White House that first lady Michelle Obama was likely to represent the U.S. (with President Obama keeping his options open about making a personal appearance) when the IOC's eligible members vote; and attempt to understand the dynamics of the IOC's "electoral college," where each voter is anonymous, can change his or her vote with each round and, as cities are eliminated, is free to select a new "favorite" city in the next round. In short, IOC voters are not bound to any government, alliance or pledge.

Easy assignment, right?

Not by a long shot. But it has provided great classroom discussion, because right in front of their collective eyes, students have been forced to defend their intuition at evaluating the IOC's corporate mind. True, they have had access to public materials only, but they have feasted on most of the issues and drivers affecting the decision.

Many of you will remember that in Singapore on July 6, 2005, Madrid was the second-round leader (see chart) but after New York departed, votes moved to London and Paris. Suddenly, Madrid was out and, in the final showdown, with Tony Blair attending the festivities, the English emerged victorious.

We should expect the same shifting sands in Denmark, although the dynamics for 2016 are notably different than the conditions found prior to the 2012 vote. This time, there are only four cities in the finals instead of five, and all four are reportedly closer in overall quality. Plus, only one entrant is from Europe.

That European bias is worth noting. Of the IOC's 100-plus members, the majority reside in Europe. Thus, in 2005, allegiances were strained as four of the five bid cities split up the European vote. More importantly, with each passing vote, significant numbers of voters had to make a new choice. In 2009, there is only Madrid (also the only city returning for a second consecutive run), both arguably advantages for that Spanish city.

We also must look at the various media angles that always crop up going into a vote. They are generally negative sound bites that run along the following lines:

- It can't be Tokyo because that would mean the Summer Games went to Asia two out of the last three times (Beijing 2008, Tokyo 2016).
- Can't be Madrid because that would mean the Olympics went to Europe five of the last seven times (Athens 2004, Torino 2006, London 2012, Sochi 2014 and Madrid 2016) and for three consecutive Games (2012-14-16).
- Can't be Rio because security might be an issue. (Although, that city did put on the 2007 Pan American Games where, by most accounts, everyone arrived and departed safely).
- Can't be Chicago because America isn't popular at the moment. That is, unless the very popular President Obama shows up in Denmark.

And yet, it could be any of those four because of the following positives:

- Tokyo has hosted the games before (1964) and is a world-class city capable of putting on a world-class Games, comparable to those of Beijing 2008.
- Madrid might draw the supposed "European vote" and offers a great sports history in a contemporary European city.



GETTY IMAGES
IOC President Jacques Rogge (left) congratulates London 2012's Sebastian Coe.

■ **Voting by IOC members for 2012 Summer Olympic Games**

(Meeting was held in Singapore, 2005).

Cities	Rounds			
	1	2	3	4
London	22	27	39	54
Paris	21	25	33	50
Madrid	20	32	31	--
New York	19	16	--	--
Moscow	15	--	--	--

Round leader listed in bold

Source: BBC

- Rio would represent South America's first hosting of the Games.

- Chicago's cultural/ethnic diversity, environmentalism and international reputation increases daily.

So, where did our students end up? They believe it will be a Rio-Chicago showdown with the winner benefiting most from whichever city (Tokyo or Madrid) is eliminated first. One of our students suggested the IOC's voters will be faced with "choosing dollars (Chicago's absolute ability to deliver the highest quality Games) versus development (the benefit the Games will provide to Rio)."

Interestingly, Pound, who will visit our class just days after the winner is announced, left us this note: "Hosting the Olympic Games provides a country with an unparalleled opportunity to improve infrastructure, unite the community, showcase domestic businesses and generate legacies which will last for generations."

On Friday, one country will have realized that opportunity, and our students, like many in our business, will debate their personal prognostication skills and the appropriateness of the winner.

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