

## MARKETING

### 18.2.1 *Are there any sponsorship product categories where you would find it difficult to participate in the national and TOP programs?*

There are no product categories in which BASOC or the future OCOG could not participate with the national or TOP programs.

### 18.2.2 *Please provide a list of national (or international) corporations in your area that you would expect to participate in the national program. Describe their product categories. Please list separately any major corporate headquarters located in your community.*

As a primary gateway to Asia and the Pacific Rim, the San Francisco Bay Area is home to many prominent national and international corporate headquarters and major offices. The Bay Area Sports Organizing Committee (BASOC) firmly believes that many of the companies listed in Table 18.2.2 will seek to participate as sponsors and suppliers in the 2012 Olympic Games and to utilize this high-profile opportunity to enhance their international visibility and business relationships.

**Table 18.2.2 Top 50 Private Companies**

	COMPANY	TYPE	LOCATION
1	Bechtel Group Inc.	Engineering, construction, development/management	San Francisco
2	Levi Strauss & Co.	Blue jeans and apparel	San Francisco
3	New United Motor Manufacturing Inc.	Manufacturer of passenger cars and trucks	Fremont
4	Visa International	Consumer and commercial payments	Foster City
5	Core-Mark International	Wholesale, distribution	South San Francisco
6	Knowledge Universe Inc.	Educational services, consulting, training	Menlo Park
7	DPR Construction	Contractor specializing in technically demanding projects	Redwood City
8	DHL Worldwide Express	International air express carrier	Redwood City
9	S&P Co.	Brewery, real estate development	Mill Valley
10	Crowley Maritime Corp.	Marine towing, tugboat, marine cargo handling	Oakland
11	Dillingham Construction Corp.	Commercial, industrial, heavy & marine construction	Pleasanton
12	Wilbur-Ellis Co.	Distribution	San Francisco
13	Pacer International	Integrated international freight, transportation & logistics	Walnut Creek
14	Swinerton & Walberg Builders	General contractor, commercial builder	San Francisco
15	Tri Valley Growers	Food marketing, processing and growing	San Ramon
16	The Shorenstein Co.	Commercial real estate management, development	San Francisco
17	USS-POSCO Industries	Flat-rolled steel processing	Pittsburg
18	Fitness Holdings Worldwide	Fitness club chain	San Francisco
19	ASI Corp.	Distribution of computer systems and peripherals	Fremont
20	Webcor Builders	Commercial general contractor	San Mateo
21	Fisher Development Inc.	Retail construction	San Francisco
22	Rudolph & Sletten Inc.	General and engineering contractor	Foster City
23	Chemoil	Supplier of marine bunker fuels to shipping firms	San Francisco
24	Round Table Franchise Corp.	Franchising of pizza restaurants	Walnut Creek
25	Basic American	Manufacturing of dehydrated vegetables, canned chiles	Walnut Creek
26	California Casualty Group	Property and casualty insurance	San Mateo
27	Hathaway-Dinwiddie Construction	Construction	San Francisco
28	Pegasus Aviation	Commercial aircraft leasing company	San Francisco
29	iLogistix	Consulting for computing, electronics & medical industries	Fremont
30	Unigen Corp.	Computer memory	Fremont
31	Esprit de Corp.	Clothing, footwear, accessories	San Francisco

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**Table 18.2.2 Top 50 Private Companies** *continued from previous page*

	COMPANY	TYPE	LOCATION
32	Norcal Waste Systems Inc	Solid waste collection, recycling and landfill operations	San Francisco
33	Anderson Dealership Group	Automobile dealerships	Palo Alto
34	Morrison & Foerster LLP	Law firm	San Francisco
35	Kelly-Moore Paint Co. Inc.	Retail paint manufacturing	San Carlos
36	Genencor International Ltd.	Genetically modified proteins for use in consumer products	Palo Alto
37	L.E. Wentz Co.	General contractor	San Francisco
38	Brobeck, Pleger & Harrison	Law firm	San Francisco
39	Century Theatres	Motion picture exhibitor	San Rafael
40	Stead Motor Group	Automobile dealerships	Walnut Creek
41	The Wine Group	Franzia and other wines	San Francisco
42	U-tron Technologies	Computer manufacturing and wholesale	Fremont
43	Wilson Sonsini Goodrich & Rosati	Law firm	Palo Alto
44	K Systems	Aerospace holding company, government contractor	Foster City
45	Sydran Services Inc.	Fast-food franchise management	San Ramon
46	Orrick, Herrington & Sutcliffe	Law firm	San Francisco
47	Lloyd A. Wise Cos.	Automobile dealerships	Oakland
48	S. J. Amoroso Construction Co.	General contractor	Foster City
49	Pillsbury Madison & Sutro	Law firm	San Francisco
50	S & C Motors	New and used automobiles	San Francisco

**Top 100 Public Companies**

	COMPANY	TYPE	LOCATION
1	Hewlett-Packard Inc.	Computer manufacturer	Palo Alto
2	Chevron Corp.	Oil and gas	San Francisco
3	McKesson HBOC Inc.	Medical, wholesale drug	San Francisco
4	Intel Corp.	Electronic semiconductor manufacturers	Santa Clara
5	Safeway Inc.	Retail, supermarkets, mini-markets	Pleasanton
6	PG&E Corp.	Utility, electric power	San Francisco
7	Cisco Systems Inc.	Computer, local networks	San Jose
8	Sun Microsystems Inc.	Computer manufacturers	Palo Alto
9	Gap Inc.	Retail, apparel, shoes	San Francisco
10	Oracle Corp.	Computer software	Redwood City
11	Solelectron Corp.	Electronics, miscellaneous components	Milpitas
12	Agilent Technologies Inc.	Electronics and communications	Palo Alto
13	Seagate Technology	Computer memory devices	Scotts Valley
14	Apple Computer Inc.	Computer manufacturers	Cupertino
15	Applied Materials Inc.	Electronic semiconductor equipment	Santa Clara
16	3Com Corp.	Computer, local networks	Santa Clara
17	CNF Transportation Inc.	Trucking transportation	Palo Alto
18	Golden State Bancorp Inc.	Finance, savings and loan	San Francisco
19	Providian Financial Corp.	Financial services	San Francisco
20	Clorox Co.	Household products and cleaning preparations	Oakland
21	Charles Schwab Corp.	Financial services	San Francisco
22	Longs Drug Stores Inc.	Retail drug stores	Walnut Creek
23	Quantum Hard Disk Drive	Hard-disk-drive production	Milpitas
24	Knight Ridder	Newspapers	San Jose
25	Golden West Financial Corp.	Finance, savings and loan	Oakland
26	Advanced Micro Devices	Electronic semiconductor manufacturer	Sunnyvale
27	Unionbanca Corp.	Banking	San Francisco
28	Silicon Graphics Inc.	Computer graphics	Mountain View

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**Table 18.2.2 Top 100 Public Companies** *continued from previous page*

COMPANY	TYPE	LOCATION
29 Maxtor Corp.	Computer memory devices	Milpitas
30 Ross Stores Inc.	Retail, apparel, shoes	Newark
31 Consolidated Freightways CP	Trucking transportation	Menlo Park
32 Franklin Resources Inc.	Finance, investment management	San Mateo
33 LSI Logic Corp.	Electronic semiconductor manufacturer	Milpitas
34 Robert Half International Inc.	Commercial staffing services	Menlo Park
35 National Semiconductor	Electronic semiconductor manufacturers	Santa Clara
36 ABM Industries Inc.	Building maintenance and services	San Francisco
37 Del Monte Foods Co.	Manufacturing, distribution of food products	San Francisco
38 Central Garden & Pet Co.	Lawn, garden and pet supply products	Lafayette
39 Fritz Companies Inc.	Transportation services	San Francisco
40 Quantum DLT & Storage	Development and manufacturing of data storage devices	Milpitas
41 PeopleSoft Inc.	Computer software	Pleasanton
42 Genentech Inc.	Biomedicine and genetics	San Francisco
43 URS Corp.	Engineering services	San Francisco
44 Electronic Arts Inc.	Education and entertainment computer software	Redwood City
45 Sanmina Corp.	Electronic products	San Jose
46 ATMEL Corp.	Electronic semiconductor manufacturers	San Jose
47 Granite Construction Inc.	Heavy construction	Watsonville
48 Williams-Sonoma Inc.	Retail, mail order and direct mail	San Francisco
49 Dreyer's Grand Ice Cream	Ice cream	Oakland
50 Cadence Design Systems	Computer graphics	San Jose
51 Bell Microproducts Inc.	Electronic parts distributors	San Jose
52 Adobe Systems Inc.	Computer software	San Jose
53 Building Materials Holding Co.	Retail, wholesale building products	San Francisco
54 Aurora Foods Inc.	Food products	San Francisco
55 Xilinx Inc.	Integrated circuits	San Jose
56 Intuit Inc.	Financial software	Mountain View
57 Lam Research Corp.	Electronic semiconductor equipment	Fremont
58 Good Guys Inc.	Retail, consumer electronic products	Brisbane
59 Sybase Inc.	Software	Emeryville
60 Informix Corp.	Database software	Menlo Park
61 Calpine Corp.	Utilities, power	San Jose
62 KLA Tencor Corp.	Monitoring systems for semiconductor industries	San Jose
63 Synopsys Inc.	Electronic design automation software	Mountain View
64 Altera Corp.	Logic devices	San Jose
65 Circle International Group Inc.	Transportation, logistics	San Francisco
66 Alza Corp.	Pharmaceutical, drug-delivery technologies	Palo Alto
67 Siebel Systems Inc.	Computer software	San Mateo
68 Autodesk Inc.	Design and drafting software, multimedia tools	San Rafael
69 Adaptec Inc.	Peripheral computer equipment	Milpitas
70 Savior Technology Group	Computer and cellular retail wholesale	Campbell
71 Chiron Corp.	Biomedicine and genetics	Emeryville
72 Homestake Mining Co.	Gold and silver metal ores	San Francisco
73 Palm Inc.	Handheld computing devices	Santa Clara
74 Symantec Corp.	Desktop computer software	Cupertino
75 Cypress Semiconductor	Electronic semiconductor manufacturers	San Jose
76 Maxim Integrated Products	Electronic semiconductor manufacturers	Sunnyvale
77 Network Associates Inc.	Internet networking	Santa Clara
78 JDS Uniphase Corp.	Fiber optics	San Jose

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**Table 18.2.2 Top 100 Public Companies** *continued from previous page*

COMPANY	TYPE	LOCATION
79 PMI Group Inc.	Property casualty and title insurance	San Francisco
80 Weststaff Inc.	Commercial staffing services	Walnut Creek
81 Spieker Properties Inc.	Equity REIT financing	Menlo Park
82 Integrated Device Technology Inc.	Electronic semiconductor manufacturer	Santa Clara
83 E-Trade Group Inc.	Online investing services	Menlo Park
84 Varian Medical Systems	Medical equipment manufacturer	Palo Alto
85 Varian Inc.	Scientific instruments and equipment	Palo Alto
86 Read Rite Corp.	Manufacturing of magnetic recording heads	Milpitas
87 Veritas Software Corp.	Database software	Mountain View
88 Novellus Systems Inc.	Electronic semiconductor equipment	San Jose
89 Yahoo! Inc.	Internet, ISP, content	Santa Clara
90 Linear Technology Corp.	Linear integrated circuits	Milpitas
91 Electronics For Imaging	Computer software	San Mateo
92 Silicon Valley Group Inc.	Electronic semiconductor manufacturer	San Jose
93 Bio Rad Laboratories Inc.	Biomedical and biotechnology	Hercules
94 Sola International Inc.	Manufacturer of eyeglass lenses	Menlo Park
95 Cirrus Logic Inc.	Electronic semiconductor manufacturers	Fremont
96 Rational Software Corp.	Computer software	Cupertino
97 MarchFirst	Computer services	San Francisco
98 Coherent Inc.	Electronic laser systems and components	Santa Clara
99 Aspect Communications Corp.	Telecomm equipment	San Jose
100 Bay View Capital Corp.	Banking and financial services	San Mateo

## 18.3 TICKETING

### 18.3.1 *Provide a projection on number of tickets available, tickets to be sold, average prices, with price ranges and expected revenues.*

BASOC conservatively projects that \$490.2 million in net revenue will be generated by ticket sales for the 2012 Olympic Games. We estimate the number of available tickets will be 9,884,543, after seat kills, with an estimated 8.7 million sold. Ticket prices will range from a low of \$10 to a high of \$400, excluding opening and closing ceremonies, with the average ticket price estimated at \$56. This calculation is based on an analysis of ticket pricing for the 1996 Atlanta Games and the 2000 Sydney Games. Venue capacity and estimated number of sessions per sport were also factored into these projections. Seat-kill estimates are based on experience in Atlanta and Sydney, the particular configurations of venues and specific requirements by the International Federations.

The San Francisco Bay Area's stellar track record in hosting successful, large-scale sporting events was also considered. In the past two decades, the region has staged for sold-out crowds the 1985 NFL Super Bowl, World Cup Soccer 1994, U.S. Figure Skating Championships (several times), 1999 NBA All-Star Game and Jam, Women's World Cup Soccer 1999, World Judo, 2000 U.S. Sailing Trials, the PGA's U.S. Open Golf Championships, Major League Baseball's World Series, the 2000 U.S. Track & Field Olympic Trials and a variety of NCAA championships.

The area also boasts a multitude of professional sports teams, including the NFL's San Francisco 49ers and Oakland Raiders, National and American League Baseball's San Francisco Giants and the Oakland A's, the National Hockey League's San Jose Sharks,

the National Basketball Association's Golden State Warriors and Sacramento Kings, Major League Soccer's San Jose Earthquakes Soccer and the Women's Unified Soccer Association Cyberrays. Most of these teams regularly play to sold-out venues. San Francisco Bay Area residents who are unable to attend the games usually tune in by television, yielding consistently high local television ratings.

The 2000 Olympic Games in Sydney enjoyed high viewer ratings in the San Francisco Bay Area media market as well. This region ranked high among western U.S. metropolitan areas in local Nielsen ratings for NBC's 17-day coverage of the 2000 Olympic Games. The strong Olympic and professional sports viewership and high attendance at the San Francisco Bay Area's professional team games provides a strong foundation on which to base our high ticket-sales projections and low ticket-availability ratio.

**Table 18.3.1b KRON (NBC) TV Ratings for the Bay Area During the Olympic Games**

DATE	RATING AVERAGE	MARKET SHARE <sup>1</sup>	HUT <sup>2</sup>	DATE	RATING AVERAGE	MARKET SHARE <sup>1</sup>	HUT <sup>2</sup>
<b>Sept. 15</b>	21.7	41.0	53.0	<b>Sept. 24</b>	19.9	35.0	56.2
<b>Sept. 16</b>	17.3	33.0	52.3	<b>Sept. 25</b>	21.0	37.0	56.4
<b>Sept. 17</b>	11.9	24.0	49.4	<b>Sept. 26</b>	16.2	30.0	54.7
<b>Sept. 18</b>	21.6	36.0	59.5	<b>Sept. 27</b>	17.6	33.0	53.1
<b>Sept. 19</b>	22.0	40.0	54.7	<b>Sept. 28</b>	17.0	32.0	53.6
<b>Sept. 20</b>	19.9	36.0	55.8	<b>Sept. 29</b>	13.5	26.0	51.1
<b>Sept. 21</b>	20.4	36.0	56.9	<b>Sept. 30</b>	13.5	27.0	50.0
<b>Sept. 22</b>	19.2	36.0	54.0	<b>Oct. 1</b>	17.6	30.0	58.6
<b>Sept. 23</b>	18.4	36.0	50.6				

<sup>1</sup>Percent of households watching NBC

<sup>2</sup>Total households using televisions

Finally, San Francisco's position as one of the most popular destinations in the world (often determined the most popular) ensures extremely high attendance by visitors from all over the United States and around the world.

## 18.4 COIN PROGRAM

### 18.4.1 *Do you currently project a coin program and, if so, what total revenues from such are you forecasting?*

BASOC believes that we will be able to create a very successful coin program. BASOC conservatively projects \$6.27 million in coin program revenues. However, we have also explored the possibilities of expanding that revenue significantly by partnering with eBay, the number one online auction site on the Internet, whose corporate headquarters are in the San Francisco Bay Area.

Currently, coin sales programs on eBay's site are generating over \$200 million annually. eBay has experience in producing coin programs internationally and has expressed interest in promoting the Olympic coin program as well. It believes that with the addition of Internet sales, our coin revenues could exceed \$15 million. The IOC and USOC revenue shares would increase accordingly.

## 18.5 LOTTERIES

### 18.5.1 *Are there plans for a lottery to support the Games? If so, please provide as much detail as possible on the lottery program.*

BASOC does not anticipate staging a lottery program to support the 2012 Olympic Games. After discussions with the State of California Lottery director, it appears that while an Olympic-themed lottery program was conducted in 1992 in conjunction with the USOC, and despite potential public relations value, revenues were not sufficient to justify the effort expended.

### 18.5.2 *What enabling legislation currently exists which would allow for such a lottery?*

No legislation exists at this time to allow the California State Lottery to give funds to organizations other than the California State Educational System.

## 18.6 ADVERTISING

### 18.6.1 *To what extent during the Games will you have control over: airport, billboard and transit advertising?*

BASOC is working with the three media companies that control outdoor advertising in the San Francisco Bay Area, including billboards and transit, to educate them about the need to obtain corporate cooperation at a fair market price for the Olympic Games and to create a business arrangement where all benefit fairly. To ensure availability, BASOC has included \$20 million in its budget for the buyout of advertising space. Letters of guarantee describing these relationships can be found in **Theme 19 – Guarantees**.

Currently no signage is available for purchase at the San Francisco International Airport, though that may change in the future. Signage is available, however, at the Oakland and San Jose Airports, and BASOC will work with them to negotiate a business agreement that will benefit all parties fairly.

Finally, we are aware and concerned about the possibility of ambush marketing and are taking every step to prevent it.

## 18.7 SPONSORS

### 18.7.1 *Do your plans currently include sponsor hospitality villages? If so, describe.*

BASOC does plan for major venues to include sponsor hospitality villages.

At Stanford Stadium, for example, the site of the Opening and Closing Ceremonies and Athletics, Badminton, Water Polo, Softball and Modern Pentathlon, BASOC will create a hospitality village immediately adjacent to the Olympic Stadium. This will be part of the Stanford Olympic Activity Center and adjacent to the bus drop-off for sponsors.

In this 259,154-square-foot area, we can erect a minimum of 50 separate hospitality structures. We will custom-design the hospitality village's site to incorporate walkways, shrubbery, flowers and other landscape elements. Also, to take advantage of the perfect, summer Mediterranean-like climate on the Stanford campus, we will create outdoor terraces for each sponsor.

BASOC has consulted with one of the leading hospitality village providers in the United States – one that provides structures to the PGA Tour and the USGA U.S. Open – to ensure the availability of high-quality structures.

### **Fans Galore**

In addition to creating sponsor villages adjacent to venues, BASOC also envisions the staging of a large-scale exposition for Olympic sponsors and sports fans on Treasure Island, a gem of land located midway between San Francisco and Oakland on the beautiful San Francisco Bay. Treasure Island is readily accessible by land and water. Treasure Island hosted the 2000 U.S. Sailing trials and has a variety of usable spaces with breathtaking views available to house the celebration we are calling “Fan Fest 2012.”

With its commanding views of the San Francisco Bay Area, Treasure Island and “Fan Fest 2012” will be a focal point for the San Francisco 2012 Olympic Games. Fireworks will light the night sky, and laser shows will sparkle on the San Francisco Bay. Throughout the day and evening, visitors will enjoy interactive games, cultural performances and exhibits that will make for a memorable Olympic experience.

At “Fan Fest 2012,” local Olympians from past Olympic Games will demonstrate their sports, work with children, meet with sponsors and communicate technologically with children around the world. Media representatives will play an integral role in broadcasting positive messages about the Olympic Games and what the event means to children of all ages and backgrounds. BASOC will strategically place video boards throughout the exposition to link “Fan Fest 2012” to all the Olympic sports competitions in action at other venues.

## **18.8 BID CITY FUNDING**

### **18.8.1** *Please provide your projected revenue and expense budgets including line items for funding your bid city activities. Describe your anticipated sources of revenues such as corporations, individuals, special events, merchandise sales, etc. Include targeted amounts for each.*

BASOC projects its operating budget will total \$1.8 million in 2001 and \$1.8 million in 2002.

To fund our bid city activities, BASOC has launched a fundraising program that will include a variety of traditional methods and sources. We are soliciting sponsorships and charitable gifts, including in-kind donations, from local corporations and individuals. In recognition of those contributions, we have organized a donor stewardship program specifically tailored to the cause. We will stage such special events as a celebrity golf tournament, Olympic dinners and wine tasting, where participants can meet and play with local Olympians. We will also create and manage the sale of merchandise to support our bid campaign. In addition, BASOC will seek additional but specific funding to support BASOC’s legacy projects.

**Table 18.8.1a Funding Sources for Bid City Activities** *(in dollars)*

REVENUES		EXPENDITURES	
<b>Special Events</b>		<b>Staff Salaries</b>	445,000
Golf Tournament	50,000	<b>Overhead</b>	322,500
Dinner/ Tribute Events	50,000	<b>Consultants</b>	310,000
Culinary/Wine Event	35,000	<b>Bid Development</b>	100,000
Celebrity Auction Site	15,000	<b>Marketing</b>	150,000
<b>Subtotal</b>	<b>150,000</b>	<b>Events/ Legacy Program</b>	
<b>Contributor/Merchandise Sales</b>		USOC Board Meetings (2x year)	15,000
On-Line	1,000	2002 Torch Relay	20,000
On-Site	3,000	2002 Salt Lake City	25,000
<b>Subtotal</b>	<b>4,000</b>	Regional Events	75,000
<b>BASOC Income Development Clubs</b>		National/International Events	100,000
Ambassador Club (500 patrons @ \$125)	62,500	International Championships	200,000
Pin Club (500 patrons @ \$25)	12,500	Hosted USOC/NGB Meetings	0 <sup>1</sup>
Torch Club (25 patrons @ \$5,000)	125,000	Legacy Facilities Support	90,000
Bronze Contributor (20 patrons @ \$25,000)	500,000	<b>Subtotal</b>	<b>525,000</b>
Silver Contributor (10 patrons @ \$50,000)	500,000		
Gold Contributor (5 patrons @ \$100,000)	500,000		
<b>Subtotal</b>	<b>1,700,000</b>		
<b>Total Revenues</b>	<b>1,854,000</b>	<b>Total Expenditures</b>	<b>1,852,500</b>
<b>Surplus</b>			<b>1,500</b>

<sup>1</sup>None/ethics

## 18.9 OTHER

### 18.9.1 *To what extent during and around the time of the Olympic Games will you have control over hotel rooms and pricing?*

BASOC will provide leadership to our region’s Convention and Visitors Bureaus to ensure competitive pricing of hotel rooms and related services. Competitive pricing is interpreted to mean fair and equitable room rates made available to all attendees, including accredited and nonaccredited visitors.

The region’s Convention and Visitors Bureaus are represented on the BASOC Board of Directors and serve on relevant planning committees and have committed to providing the highest levels of cooperation.

Letters verifying this intent from the San Francisco Convention and Visitors Bureau, and the cities of Oakland, San Jose, Santa Clara and Sacramento can be found in **Theme 19 – Guarantees**.

### 18.9.2 *Will you be able to reach an agreement with all venues ensuring that no commercial signage will appear during the Olympic Games’ time?*

BASOC has developed a standard Memorandum of Understanding (MOU), which has been delivered to all the venues represented in **Themes 9 and 10**. In this memorandum, we include a provision concerning the moratorium on commercial signage and provide a clause that the venues should exclude the 2012 Olympic Games’ time period from any future marketing agreements that they may establish.

BASOC’s Legal Committee is continuing to work with each venue to ensure that the standards required by the Olympic Games are met. Because of this early effort to inform the venues of these requirements and to insist on their agreement as part of our negotiations, we will be able to ensure that all venues will be free from commercial signage during the 2012 Olympic Games.