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SPORT EVENTS AND STOCKS: A CASE STUDY OF SUMMER OLYMPICS.

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DEDICATION

This monograph is dedicated to Mary Bobb and Margaret Bobb who have been good friends and have made significant contributions to this journal and Bowling Green State University. Words can not express the value of their dedication and loyalty and the effect it has had upon the School of Human Movement, Sport, and Leisure Studies. They are very valued colleagues.

SPIRIT OF THE OLYMPICS

This manuscript was inspired by Dr. Sam Cooper. He was an administrator and Professor at Bowling Green State University. His accomplishments were many. His greatest was as a participant in the 1936 Olympics. His identity through his life was the promoting the Olympics and its meaning and importance as a social institution in our society.

PERSPECTIVE

The financial condition of most industries and businesses are directly reflected through an index of stocks that is representative of the infrastructure of an industry. Examples of these indices are Standard & Poor's 500 and Dow Jones Industrial Average, etc. The primary purpose of these indices is to obtain the condition of the industry on a short-term basis. The assumption is that these indices are the primary indicators of the condition of the industry on a minute-by-minute or at least a daily basis. These indicators are relatively important in determining the health and future of the economy. Most sub-segments of the economy, such as technology and health, also have indices. There have been a few efforts to develop stock indices as a reflection of the condition of the travel, leisure, and sport industries. (15) Some of the most notable efforts were the Sporting 40 Stock Index (Journal of Sport Business) (3) and the Sports Business 100 Index (2). This is really the only comprehensive effort that has had any type of longitudinal basis in the sports sector. It must

also be noted that a true reflection of the sport industry is made up of many sub-segments: baseball, football, basketball, motorsports, etc. Each of these has a different infrastructure that should have a specific index. In general, a specific sports index is very important because it is a microcosm of the particular sport and is quite different for each sub-segment of the industry. Examples of this type of index are SGB's Retail Stock Index (4), Consec's Stockcar Stocks Index Fund, and John Allen Motorsports Associated Growth and Income Fund. (1, 5, and 30)

Sport as an industry is different from the other segments such as technology and health. Not all segments of the sport industry are reflected in terms of public ownership. Much of the ownership in sport is private and many of the sports have a structure that is quite different. Baseball has a complete monopoly and is exempt from the laws that govern most industries (Antitrust Laws). It is a recognized monopoly because of its position in society, the emotional affiliation with the general public, and its impact upon attitudes of the fan. Other sports, in fact, have created monopolies through the single entity theory. Some of these are NASCAR, F1, and WWE. (30) Most of the new sports leagues that are being created to popularize various promotional efforts are being developed as a single entity structure. This is "in fact" a monopoly that is created through private ownership. Others sports, such as the NFL and NBA, are not true monopolies, but because of the power and position of the owners and management, have "in fact" a very powerful influence and have been operated as monopolies. In recent years, there has been a movement to change the structure and this change has primarily come from labor.

The sport industry seems to be simple in terms of a particular sport being a league

and the structure is based upon labor and management. Complexity, in terms of sport structure, is based upon the infrastructure that encompasses a particular industry such is, the stadia, merchandisers, concessionaires, etc. Some individuals would lead you to believe that this is a recent development. When the history of sport is studied, the manufacturers of equipment, and other infrastructural elements have had a profound influence upon the development of the sport. The first individuals to have an influence obviously were the equipment manufacturers. As a sport develops, the power and authority that has an influential element is infrastructure. If a sport does not have the venues, the necessary amenities in terms of food services, sky boxes etc., this causes the quality of the product to be compromised. It is the associated infrastructural elements that provide the necessary understanding of sport and how these structural elements interface with public and private ownership to form a spectrum or fabric of operational influences of sport.

Two of the most important influences that are part of the latent infrastructure are that of finance and sponsorship. (13 and 34) As in other industries, one of the most important elements is money in order to advance the popularity of the sport. The greater the demand for the sport, the more opportunities there is or created for the infrastructure to do business on the sport. (21) All of these efforts begin with finance in terms of the purchasing of a team, the building of a stadia, etc.

The Sporting 40 and the Sports Business 100 Index are composed primarily of public infrastructural elements. These infrastructural elements are a reasonable representation of the sports industry, especially as members of the Sporting 40 and Sports Business 100 Index are related to a multi-

plicity of sports, for example, apparel, shoes, and merchandising. These are process infrastructure companies that represent most sports. The important industries that are missing from the Sporting 40 and Sports Business 100 Indices are the sponsors. (16) As these sponsors engage and use sport in marketing, their prestige and value grows. (40) Therefore, they should be an integral part of the indices. By adding sponsors, the Sporting 40 and the Sports Business 100 Index can get a more realistic representation on the condition of sport at any particular moment in time.

It is important to note that there have been very few studies completed in regard to sport stock and financial analysis. There have been some individuals who have been interested in this topic. One was Charles Dennis at the University of Southern Mississippi. (13) He raised the question, early in his research, about the importance of stock as an index of the condition of leisure industry. Much of his research was not followed up with a comprehensive look at the financial aspect of both private and public endeavors. Most of the research has been in the private sector in terms of trying to value sport from its assets on a balance sheet. Various methods have been used, but one of the real indicators is the price of a franchise or team once it has been sold. Another method has been the revenue generated by the franchise or team. The cost of these franchises or teams has increased exponentially and this is an indicator of the value of a franchise. Studies have been primarily descriptive and only provided some perspective on status or condition to provide and justify price. (32) There have been very few studies that have examined sport from the aspect of finance in an attempt to understand these financial components and what has caused the change of value. (34 and 36) Since there have been very few of these

studies, parallel studies from other industries have to be used in order to gain an understanding of the important factors, variables and methodologies that may be used in the study of sport. Parallel studies gave an indication of important factors, as well as allow a baseline for comparison of the results and provide a framework for interpretation. (21 and 44)

The primary focus of parallel studies is on identifying patterns or trends that have a relationship to performance of stocks. (57) The primary thrust of these articles is the establishment of a system or a model in order to predict stock performance. (56) The basis of most of the models is identifying indicators that have potential usefulness to performance. Another aspect is the manipulation of these indicators to obtain some type of index for interpretation that will give information about points of investment based upon various economic conditions. Primary theoretical positions are those that are based upon a conservative or a liberal approach to investment. Most of the methodologies in these studies are based upon forecasting. (55) The tendency in the articles is to focus on the more sophisticated math and statistical approaches to prediction. These articles or research have limited usefulness in the identification of influences, but they are important factors based on prediction and not important factors based on cause.

One comprehensive approach of parallel studies that may be able to have application to sports stock is a Built to Last Approach. (14) This is a method in which a longitudinal approach is taken based upon performance of the organization and is directly related to a comparison with other companies and indexes. This index is used as a baseline to establish a standard. Then the organizations that represent visionary and comparison organizations are analyzed, in

order to establish what factors have influenced the success of the visionary organizations. Variables that have been identified are those that deal with the development of an organizational culture. It was originally thought that when the Built to Last study was started, leadership would be one of the primary elements. It was found that it was important but not near as important as the longitudinal development of organizational structure. This particular study may provide an excellent framework for the study of finances and sport stocks because the nature of the sport investment is directly tied to psychological and sociological processes. It provides a framework for understanding the organization in context of its position within the business community as well as its position within society. Sport does not respond directly to supply and demand, but is better explained by how sport has created demand through psychological and sociological processes as an institution within society. The Built to Last framework provides for the understanding of sport in the larger context.

One of the least explored sporting events and the most difficult to understand is the Olympics. (10) The Olympics require an extreme capital investment with little that is understood about the returns. In order to make more effective decisions, a framework has to be developed to understand these events in terms of causal relationships. The summer games are held once every four years and much of the decision process is based upon intuition. These games are short term events that have long term impacts. It is essential that the decisions about these types of special events become more based upon logic and less upon intuition.

There are some of the Olympics that have lost huge amounts of money and have not been a sound investment on a cost benefit

ratio. (43) Most of the time, the Olympics are not held based upon the dollar investment. (7) The Barcelona Olympics was held to celebrate the 500th anniversary of Columbus and to propel Spain back into the position of a world power. The Korean Olympics were held to tell the world that South Korea had arrived as an industrial power and to show the difference between North and South Korea. Even with these types of motives in a country being on the world stage for whatever motives, an investment strategy is essential.

In the modern era (1988 forward), the Olympics have been commercialized and have shown an investment potential to sponsors, as well as the International Olympic Committee and the country's Olympic Committee. (24 and 27) Peter Ueberroth, in the 1984 Olympics, helped develop the commercialized model of Olympic development. The primary question being raised is the impact of this commercialization upon the Olympics, the countries, and the sponsors. The most critical element of this model is the sponsors and the benefits that they derive from these types of events.

OLYMPICS

There are always critical discussions about mega events and their value and impact to the sponsoring agency or nation. Questions arise about the investment dollars in relation to the outcomes. (10 and 26) The basic nature of this question is a cost benefit analysis as it relates to different population segments. In the examination, it is essential that the different target audiences be analyzed from the perspective of the event and their business development interest. Still another problem in the assessment of value is that many of the evaluation processes endeavor to determine dollar value and its immediate

impact. (17) In addition to this type of assessment, residual development and its impact must also be assessed on a long-term basis as the dollar value may be greater in the future. Another consideration in terms of dollars is also the ability to use a mega event for community development through inbound populations. The cost of community development may be expensive in the short run but in the future perspective the cost is usually higher. Still another aspect of value is the social, cultural, and environmental impacts. (19 and 42)

There has been much discussion about the amount of money invested by the China in the 08 Olympics. (29, 31, and 43) In the short term, there has not been a substantial return. The immediate impact on tourism was not enough to offset the cost of the games. (12 and 48) The long-term or residual development, as it relates to tourism, may be short of the investment. The return from the long term will not be established for at least five to ten year. The large number of tourists will not be generated from Olympic visits, but from positive television coverage that was provided to world audiences. (53 and 58) The positive social images that were accomplished were a nation of sophistication, industrialization, and a world power in culture and sports. The beauty of the culture and its history were well show cased. This type of social outcome will help develop a more positive balance sheet but it also helped develop better economic and political relations. (25 and 52) A secondary social outcome is that it allowed the athletics to blossom and refocus China as an Olympic power.

In addition to a short and long-term analysis, there are macro and micro analyses. (26, 43, and 49) The macro analysis is based on component segments of the mega event and how these elements fit together to achieve

desired outcomes. (38) In the micro analysis, the focus is upon analyzing significant elements and how to more effectively manage these elements for success. The macro analysis is primarily concerned with the larger picture of the overall impact of the event. The primary concern of micro analysis is the component elements and their effectiveness and impact of the event upon their operation. The macro is the frame and the micro is the picture within the frame.

The purpose of this study was a macro and micro analysis of sponsorship effectiveness in the modern Olympics (1988 forward) from a long term perspective. There are a number of methods in which this type of analysis could have been achieved. (26, 43, and 50) An economic impact study on cost versus the income (An economic and/or a social audit) is one type of approach. Total economic revenues generated are another approach. Some form of social accounting on the basis of cost/social impacts and benefits of the event. These are but a few of the approaches that could have been used.

One approach that has not been widely used is an analysis of a mega event is stock performance. (6) There are a number of stock indices that could be analyzed during the Olympics (Significant events) to obtain a perspective on the influence of the Olympics on the business communities. (8, 22, 35, and 54) Some of sectors possible to analyze were oil and gas, consumer products, consumer goods, and financials. The one sector that is of particular importance is tourism. (13) This is the one sector where the direct influence of the mega event can be evaluated directly and is an overall indicator of the success.. One of the impact elements is the assessment of outcomes in value for the sponsors of the events. (45) The two important contributing elements are sponsorships by a country and businesses. These are

the individuals that have invested the money for the development of the event.

The study examined the Olympic sponsor stock during the modern era to determine the influence of the Olympics on value and potential influences. The two companies used to represent sponsors were Coke Cola and McDonalds. These two companies represent a long term commitment to the games. The Olympic sponsors represent the infrastructure of the event. The overall focus was on understanding the stock events and how the value changed and the critical incidents that influenced the development of the value.

METHODS

Built to Last Framework

A review of methods was completed to determine the most effective way of examining stocks and financial investment in the sport event industry. Of those methods, the one that held the greatest application for understanding was Built to Last. (14) Most of the methodologies are interested only in examining prediction on a short-term or a quarter bases. (56) Built to Last examines the long-term and seeks to understand the basic causal dimension of change within an organization. This approach is a six step method:

1. Survey of CEOs and Executives
2. Contrasting of companies.
3. Historical analysis.
4. Organizational stream analysis.
5. Development of a framework.
6. Feedback on the framework established.

Information obtained from these steps is basically a macro analysis of companies and their performance on a long-term basis in

trying to understand the factors that influenced their performance. One of the missing methodologies in the Built to Last approach is that at the micro level. (11) The micro level is a type of analysis in which causality is applied and understanding is brought upon a molecular basis to the components of a system. As a result, this study is trying to obtain information at the macro as well as the micro level.

Modification of Built to Last

The steps in the Built to Last methodology were modified in this study to obtain both levels. (Macro and Micro) Step one was a content analysis of the sport business journals and major business literature using EBSCO data bases involving those articles or topics that involve stock and sport investment and finance. The sport business journals were the primary sources that were analyzed from a financial perspective. This information allowed for the general development of a framework in which to operate. (Olympics and Stocks) A step two was an analysis of the Standard & Poor's 500 index in order to determine the basic nature of the long-term trends in the stock market. (Big-Charts.com /Basic Charts/OHCL Display) This was accomplished through the using of stock prices, the stock volume, and a number of other indices to isolate the particular trends. Comparisons were made with the Standard & Poor's Index in order to determine the relative performance of selected stocks in regard to the market. (Comparisons of Coke and McDonalds with Standard & Poor's Index) The classification of the Built-to-Last organizations represented the identification of visionary companies, that is, the ones that were long-term and very successful as compared to comparison companies. These are companies were also successful but not near to the point of the visionary companies. A third category was

added which was those stocks that are at or below performance on the Standard & Poor's Index. (BigCharts.com /Advanced/OHCL Display) These will be the ones that will be analyzed but not necessarily used in the development of the micro strategies. (Comparisons Coke vs. Pepsi and McDonalds vs. Burger King, Pizza Hut, and Wendy's) (Pizza Hut (And its sister companies) and Burger King had limited comparisons because they were not public companies for the entire period of the study.) (Yahoo Finance/Interactive/Line/Volume) Steps three was to analyze the short-term trends and identifying those particular trends and the time periods that are associated with a significant downward or upward movement of the stock. (Macro Analysis of Coke and McDonalds Stock Prices) (Stockcharts.com/Sharp Charts/Line/Price) Then, the micro analysis was the analyzing of these stocks in these time periods utilizing a combination of the historical analysis and organizational stream analysis. The database for this was professional publications, newspapers, annual reports, industry comparisons, insider trading information, and SEC filings. A content analysis was used to identify causal elements in this micro analysis using these micro time periods in order to identify the important factors that influence the significant movement upward or downward of the visionary and the comparison companies for the stocks during these particular periods. (Critical Incident) (Micro Analysis of Coke and McDonalds) (11) Step four in the methodology was analyzing the macro and micro analyses using content experts to form a framework. The three experts were specialist in stocks and sports. There had to be a 2/3 vote for a trend to be noted. The purpose of this framework was to bring the variables together to try to understand sport event stocks and finance and to develop a model of how the system works. The base of this analysis was the content

experts and the number of times variables were repeated within the data. (Framework) Feedback was obtained from practitioners on this framework to determine its practicality and to obtain an aspect of the feasibility of how this particular framework best represents what they understand. Three experts, who were specialists in methodology and model building, reviewed the framework. There had to be a 2/3 vote for a variable to be added to the model. (Model) After these practitioners develop the model, it was reviewed and modified based upon the feedback.

METHODS OF ANALYSIS

Three methodologies used in the study were Built to Last, Stock Trend Patterns, and Critical Incident.

With the Built the Last (14) approach, visionary and principle companies were identified in which to compare the stocks for the Olympics. The company's chosen were Coca Cola and McDonalds. These companies have been major sponsors in the Olympics for the modern era and can be tracked. The commercialization of the Olympics begins with the 84 Olympics and has continued into the present. The comparison company for Coca Cola was Pepsi and the comparison companies for McDonalds were Burger King, Pizza Hut, and Wendy's. These comparison companies were selected based upon historical comparisons using the Yahoo Profiling financial system. In addition to these comparison companies, Standard & Poor's index was also used for the comparisons. These comparisons provide for an element of controlling to determine if there any significant economic conditions that cause variances. A simple trend line overtime was used based upon the value of the change in stock in terms of volume per-

centages. This was used to keep the analysis simple. The data in the Olympics was 2008, 2004, 2000, 1996, 1992, and 1988. A time-frames for the analysis was 1 year and 3 months (One month prior to the Olympics and two month post). These time frames were chosen after reviewing full stock charts since the companies start.

Stocks Trend Analysis (Technical Analysis) (28) was used to analyze the charts to determine if there were consistent patterns among the summer Olympics for Coca Cola and McDonalds. This is a qualitative technique that depends upon the ability to determine types of trends. A quantitative statistical approach could be used but it is more difficult to determine the trends in relation to outcomes. The trend analysis is consistent with the Built to Last approach and trying to obtain an overall systems perspective. The systems perspective defines the bigger picture and shows relationships in a more meaningful way. Technical Analysis is the study of charts to predict future prices from trading patterns. Fundamental analysis is an investment strategy based upon quantitative indicators. It can also be dealing with factors that affect the entire stock market. Both methods have been used successfully and it is matters of perspective in regard of which won the use.

In this study, Technical Analysis was chosen. It was the purpose of our analysis to identify the patterns and consistency in these patterns. It is the general shape of the pattern that we are trying to find and it is recognized that the amplitude and width of the curves may be different but it is the shape that is most important. These elements are rough estimates that have been rounded from interpolation of whole numbers.

Once the patterns were established the Built to Last approach uses various techniques to identify elements that may have caused the

patterns. It is the purpose of this type of analysis to identify the basic influences of the patterns identify. For each of the patterns identify a critical incident analysis was performed on professional publications during the time period to develop an understanding of the pattern. The Critical Incident methodology (11) is one in which influences are identified patterns. These critical incidents are the elements that bring the themes together and are repeated over and over again. Once the critical incident has been isolated information is sought on how and why it has influenced the stock patterns during the Olympics. It must be remembered that this study represents a longitudinal perspective and that changes occur through time. What is a critical incident during a period may not be during another. The study, therefore, identified critical incidents of two types: one is consistence through time periods and the other is critical incidents that are situational for a particular time.

PURPOSE

The purpose of this study was to examine in a longitudinal format the summer Olympics with specialty sponsors to determine if there was a pattern to the stock values and to identify potential explanations for the patterns isolated.

RESULTS

Olympics and Stocks

Most of the studies that relate to the value of stock in relation to the Olympics are limited. (8, 34, 35, 36, 45, and 50) The primary approach being used is directly related to a quantitative analysis that is trying to find a relationship between an event and the value of the stock. A primary question being

raised is: what is the value of the stock related to the Olympics and what are the factors that relate to the change in the value of the stock. This has been an insignificant question because of the cost of the Olympics and the search for value in relation to a cost benefit analysis that includes past and present and future financial accounting. There is also a focus upon social auditing and the benefits related to the event and how additional businesses stimulated, especially in regard to the residual value.

Of those studies that have been completed, there is very little consistency in the results of being able to relate a particular event to an increase or decrease in the value of the stock. One of the best studies examines the event of announcement and closing events on the value of stock during the Athens Olympics. (45) These results suggest that the movement is minor in relation to other economic events influencing the stock. Results suggest a life cycle approach to studying the nature of the stocks. Stocks must be divided into two categories: sponsor stocks and infrastructural stocks that are related to the development of the Olympics. There is a third type of stock related to the residual development of event. A long-term view based upon structure must be taken to understand the nature of these business processes.

Other studies (8, 18, 34, 36, and 37) have given insight into the business processes and how they influence Olympic Games. The business processes that influence the Olympics are related to the organizational culture that surrounds the Olympics. This suggests that each of the Olympics is unique and that each has developed a culture that has influenced the business processes in a unique way. If a traditional approach is used to analyze the results, it provides little understanding, except for the importance of mar-

keting and the influence of operations to provide a quality event.

The emphasis in the studies was the relationship between the positive image in each of the event and the influence of that event upon the stock. There are two domains in regard to the development of this image: one is the image of attendees and the other is the image of the television audience. Another very important factor was the image of the product or the corporation. Image in this context depends upon how closely associated the organization is with the Olympics as well as the longevity of the relation with the Olympics. The Olympics was viewed as a mega event that has a cumulative effect upon the value of the stock. It does not make or break a stock price but only adds to the value, especially its global image.

The Culture is a primary element that may determine value in relation to a special event. (9, 20, 23, 47, 51, and 55) These results are very similar to the Built to Last model. Culture has a significant influence upon value for different types of economic conditions. Stock values influenced by mega events, such as the Olympics, relies heavily upon how the event is organized. Different administrative functions relate to value but it is taking a broader perspective that new factors may be isolated that influence the value of the stock. It is important to understand the system and the influence of the Olympics upon the system. The traditional approach starts with the administrative functions and understand the event and in terms of these operations. Results from studies suggest that the event is the primary organizational element for the administrative structures. (33, 39, 41, and 46) This seems to reflect a different approach to the administration of special events. Most events have been organized using a traditional approach. Those that have been developed by professionals

who understand the Olympic movement and the culture have been more successful in both the short and long benefits. An essential ingredient in this type of systems approach is how to exploit the pre and post experiences to have the maximum benefit. This type of approach started with the 84 Olympics and its commercialization. Peter Ueberroth was the primary architect and ushered in the new era of financing the games and development of a new package of benefits and administration of the Olympics.

Comparisons Coca Cola and McDonalds vs. Stand & Poor's 500 Index

The Olympics were commercialized after 1984. This was the year of the Los Angeles Olympics and represented the first Olympics that were commercialized. The summer Olympics used in this study was 2008, 2004, 2000, 1996, 1992, and 1988. The sponsors chosen for comparison were Coca Cola and McDonalds. These companies have been longtime sustainable contributors to the Olympic movement that have tried to develop relationships and develop their brand using Olympic associations.

In order to obtain perspective, comparisons were completed on Coca Cola and McDonalds and the Standard & Poor's 500 from the data points that were available in BigCharts.com. An OHLC format was used for the comparisons to give an indication about relative position of mean value in terms of percentages.

The Coke graph indicated that it is significantly above the Standard & Poor's 500 graph line, more than 2000% most of the time. This separation began in the 89 business years. The movements in the graph lines were similar, except in the 97-00 years. (Table 1)

In a comparison between McDonalds and

the Standard & Poor's 500, the separation between the graph lines began in the 81-82 business years. The differences between the graph lines were 4000% and above, except for the 03-04 business years. There was no consistent relationship between the movement of McDonalds graph lines and the Standard & Poor's index. McDonalds showed significant peaks and one valley. The Standard & Poor's was relatively flat. (Table 2)

These results indicate that Coca Cola and McDonalds perform well above the Standard & Poor's index and were indeed Visionary companies.

BEIJING 2008

Stocks histories were analyzed to determine the best unit of analysis. The extensive period was found to be a year and the intensive period was found to be 3 months. One month prior to the Olympics and two months after the Olympics was found to be the best unit of analysis. The Beijing games were from August 8, 2008 to August 24, 1988. The original analysis was from February of 2008 to February of 2009. The unit of analysis was from of July 8, 2008 through October 24, 2008.

Comparisons of Coke and McDonalds with Standard & Poor' Index

In the year's comparison between Coke and the Standard & Poor's index, Coke was in a positive percentage position at the beginning of the year in relation to Standard & Poor's index. After April, the Standard & Poor's was in a positive position until August. In and about the time of the Olympics, Coke and Standard & Poor traded positions. After the Olympics, Coke was in a positive position through the rest of the year, except in

late August and the beginning of September. There was a slow decline from 5% to -27% (Range) for Coke and a decline from 3% to -45% (Range) for the Standard & Poor's index. (Table 3)

In the year's comparison between McDonalds and the Standard & Poor's index, McDonalds was in a superior position for the entire year. There was a steady increase from 0% to 25% (Range) with the greatest values coming in and around the Olympics. There was a steady decline in Standard & Poor's from 3% to a -45% (Range). (Table 4)

Comparison of Coke and Pepsi

A macro analysis comparison was made among Coca Cola (KO) and Pepsi (PEP) during the critical three month the period. The results indicated that there was a slight upward trend line toward the Olympics followed by a flattening and a valley. In September, there were two peaks followed by a significant decline in value. (Table 5) The Pepsi chart was similar to Coca Cola and had a greater slope and was more of a straight line. Its value was greater than Coca Cola, immediately after the Olympics. The trend line for Cola had a range from 7% to -20% and Pepsi had a range from 11% to -22%.

Macro Analysis of Coke

In the macro analysis, Coca Cola's curve was triple peaked. The first two peaks were the most important. The double peaks were of equal amplitude ranging from a value of \$48 to value of \$53.5. The width was a month for the first peak and two weeks for the second peak. The valley was about one week in duration. (Table 7)

Micro Analysis of Coke (Critical Incident)

It is extremely bewildering that the value of the Coke stock was much less than that of the Pepsi during the Olympics. In an effort to obtain an understanding, a content analysis (Micro analysis) was completed of major business literature using EBSCO data base. The results of the content analysis indicated that the cola wars raged during the Olympics with various techniques used to influence sales. These cola wars were repressive to one brand as compared to another. The difference was in the marketing techniques as well as the cultural basis of how the products were developed in the Olympic countries. An interesting finding was the dynamics of the Olympics and the momentum seems to have a significant impact upon the value of the stock. The peaks and valleys were influenced by the momentum and enthusiasm during a particular phase of the Olympics.

Comparisons of McDonalds and Burger King, Pizza Hut, and Wendy's

A macro analysis of comparison was completed during the critical time period among McDonalds (MCD) and Burger King (BKC), Pizza Hut (YUM) and Wendy's (WEN). In the McDonalds and Burger King comparison, there was an upward movement in both companies toward the opening of the Olympics. (Table 5a) After the opening there was a flattening of the curve near the end of the Olympics. There was a decline in percentage for Burger King after the Olympics. There was a significant decline in both companies after the Olympics. The range in value was a -2% to 11% (Time of Olympics) to -12% for McDonalds and a -5% to 11% (Time of Olympics) to -34% for Burger King.

The patterns for the critical time period for the McDonalds and Pizza Hut were similar to the Burger King comparison, except that after the Olympics the separation between McDonalds and Pizza Hut had disappeared until early September. (Table5b). The increase in value was between a -2% and 13% during the Olympics and a drop to -11% after the Olympics (Mc Donald's). The increase in value was between a -5% and 7% during the Olympics and a drop to -27% after the Olympics (Pizza Hut).

The patterns for the critical time period for the McDonalds and Wendy's was similar to the McDonalds curve with equal separation, except near the end of the September there was a spike in Wendy's percentage followed by a significant drop. (Table5c). The increase in value was between a 0% to 11% during the Olympics and a drop to -10% after the Olympics for McDonalds. The increase in value was between a -12% and 0% during the Olympics and a drop to -51% after the Olympics for Wendy's.

Macro Analysis of McDonalds

In the macro analysis, McDonalds curve was two peaked. The first two peaks were the most important. The first peak was from \$55.5 to \$64 in value and the second peak was from \$58.5 to \$63 in value. The width was a month for the first peak and one week for the second peak. The valley was about three weeks in duration. (Table 8)

Micro Analysis of McDonalds

A micro analysis of business journals and other publications was completed for the three month unit of analysis to determine the influence of factors that may explain the market movement. Results of the thematic content analysis (Critical Incident) indicated that McDonalds holds a cultural position in

China as an icon. In the United States, McDonalds is a fast food restaurant. In China, it is a family dining experience. The marketing was effective, given the time difference as a television event. The most notable element was a decline after the Olympics in the volume. The effect of the marketing was not as great as in other Olympic events. The television component was outstanding and should have had more of an effect on value.

ATHENS 2004

The original time period graph was analyzed from February, 04 to February, 05. The date of the Olympics was August 13, 2004 through August 29, 2004. The critical period of analysis was from July 13, 2004 to October 29, 2004.

Comparisons of Coke and McDonalds with Standard & Poor's Index

In the year's comparison between Coke and the Standard & Poor's index, Coke was in a positive percentage position at the beginning of the year in relation to Standard & Poor's index. After August, the Standard & Poor's Index was in a superior position the rest of the year. The range of values for Coca Cola the first of year was from -3% to 8%. In and about the Olympics, there was a decline from -8% to -22% in late October and a flattening near the end of the end of the year from a -20% to a -16%. Stand and Poor's range the first on the year was a -4% to 2%. In and about the time of the Olympics there was an increase from -6% to 6% near the end of the year. (Table 9)

In the year's comparison between McDonalds and the Standard & Poor's index, McDonalds was in a superior position for the entire year. There was a steady in-

crease from 0% to 26%. (Table 10) There were a series peaks and valleys from April to October. The low point was -1% and the high 8%. Standard & Poor's was flat with a range from -6% to 6%.

Comparison of Coke and Pepsi

Macro analysis of the comparison between Coca Cola and Pepsi during the critical time period indicated that the Coke and Pepsi curves were similar in shape (A slight straight line declining). There was a dip in Coke in and about the Olympics to -14% to -10% in early September. After the Olympics in September, Coke dropped in percentage more than Pepsi. (Table 11) The range of volume of Coke was 0% to -24% and Pepsi was 0% to 10%.

Macro Analysis of Coke

In the macro analysis, Coca Cola's curve was single peaked. The value started high and dropped. Near the beginning of the Olympics it started to climb in value until after the Olympics. The valley was \$38 and the peak was \$40.25. After the Olympics the value dropped significantly to \$35.25. The time period for this drop was 1 week. The range of values was \$45 at the beginning of the critical period and a low of \$34 at the end of the period. (Table 13)

Micro Analysis of Coke

In the micro analysis, the cold wars again had an effect. Pepsi was in far better shape than Coke. The difference may be in the marketing as it relates to the culture effectiveness. The television time delay was significant and had an impact but it was not as great as the Australian Olympics. Pepsi's line in terms of volume was flat and continued to be flat. The curve of Coca Cola seems to be depressed by the Olympics.

This may well be the result of the marketing programs.

Comparisons of McDonalds and Pizza Hut and Wendy's

When McDonalds and Pizza Hut were compared the curves were similar but there was a significant drop in McDonalds percentages during the Olympics. There were also two valleys during late September and early October. Pizza Hut was in a superior position during the critical period. (Table 12a) The range of value for McDonalds was from a low of -4% during the Olympics to 9% in late October. Pizza Hut range was a low of 0% during the Olympics to 17% in late October.

The comparison between McDonalds and Wendy's indicated the curves were similar until the end of the Olympics. Wendy's curve then grew and the McDonalds then flattened, until mid October when Wendy's decreased then increased and McDonalds increased. McDonalds was in a superior position until the end of the Olympics, and then Wendy's assumed the superior position. (Table 12b) McDonalds and Wendy's decreased in value until the Olympics then increased in value until late October. The range in value for McDonalds was -3% to 9% and for Wendy's was -4% to 16%.

Macro Analysis of McDonalds

In the macro analysis, the curve was double peaked with a valley. (Table 14) The first peak had a range from \$23.8 to \$25.1 with a width of about a week. The valley was at a low of \$23 and a width of about two weeks during the Olympics. The second peak was larger and had a range from \$23 to \$26 and the width of over two months.

Micro Analysis of McDonalds

In the micro of McDonalds, the Olympics had a very positive impact to motivation and stimulate increased business far after the Olympics was over. It seems that the popularity was the first peak which is significantly different from other double peaked patterns. Usually the first peak is the smallest. The difference here seems to be the marketing program and the pre event promotion. The cultural acceptance and the quality of the Olympics made a significant difference to the sustainability of the sponsorship. The focus of the Olympics received very positive press and coverage and the promotions were clearly tied to the success of this Olympics.

SIDNEY 2000

The analysis of the original time period was from February, 2000 to February, 2001. The Olympics were held from September 15, 2000 through October 1, 2000. The three month analysis was from July 15, 2000 to November 15, 2000.

Comparisons of Coke and McDonalds and Standard & Poor's

In the year's comparison between Coke and the Standard & Poor's index, Standard & Poor's was in a positive percentage position at the beginning of the year through October. After October, Coke was in a positive position the rest of the year. The first of the year for Coca Cola there was a valley and upward movement in percentage from -25% to 10%. There was an upward and downward movement the rest of the year between -15% and 9%. Just before the Olympics there was a decline from 10% to -15%. The Standard & Poor's Curve was flat. The range was -5% to 8%. (Table 15)

In the year's comparison between McDonalds and the Standard & Poor's index, Standard & Poor's was in a superior position for the entire year, except from the end of April through May. There were a series peaks and valleys the entire year for Coca Cola. The range from February through June was -18% to 7%. After June there was a significant drop until the time of the Olympics, when there was a rise in percentages. The range was -27% to -5%. Standard & Poor's was flat. The range was -10% to 8% (Table 16)

Comparison of Coke and Pepsi

From a comparative analysis of Coca Cola and Pepsi, Pepsi was in a superior position until mid November. The curves were similar except in mid September and mid November. There were valleys in the Coke's graph. There was a trend in both Coke and Pepsi for a decline in percentages until the Olympics and then there was an increase in values. (Table 17) The range of values for Coke was 0% to a -20% in the valley and a rise to 0%. For Pepsi, the range of values was 0% to -9% in the valley and a rise to 7%.

Macro Analysis of Coke

In the macro analysis, Coca Cola trend line was a valley and two hills separated by a small valley. The first valley was from a high of \$54 to a low of \$43. The width was a month. (Table 19) The valley was at the beginning of the Olympics. The first hill was of small amplitude and width. The second hill was larger in amplitude and width. The valley was \$42.5 and a width of 4 weeks. The amplitude of the first hill was \$51.25 and the time was two weeks. The amplitude of the second hill was \$54 and a period of three weeks. The curve was a small incline

as a motivational element to a larger second stage that followed the Olympics.

Micro Analysis of Coke

In the micro analysis, the event was very successful from a cultural point of view. The friendliness of the Australian people was overwhelming. This reflected well upon the culture and should have translated positively to the associated products. This association did not translate to the Coca Cola but had a direct translation to Pepsi. The cola wars had a direct influence of upon the products and negatively influenced Coca Cola. Some of the negative impact of Coca Cola may have been a residual from the Atlanta Olympics. Cultural elements reflected very positively upon Coca Cola and its acceptance. The greater question is one of the televised event and the time difference and the impact of these differences.

Comparisons of McDonalds and Pizza Hut and Wendy's

When the McDonalds and Pizza Hut were compared, Pizza Hut was in a superior position. The curves were similar except in mid September and mid October there were valleys for McDonalds. There was a also large peak in late November. (Table 18a) The range of values for McDonalds was from 0% to a - 17% in the valley and a rise to 5%. For Pizza Hut the range of values was from 0% to -11% in the valley and a rise to 25%.

When McDonalds and Wendy's were compared Wendy's was in a superior position. The curves were similar except in mid September and mid October there were valley's for McDonalds. (Table 18b) The range of values for McDonalds was 0% to a - 18% in the valley and a rise to 3%. For Wendy's the range of values was 0% to 7% at the peak and small rises to a 10% peak.

Macro Analysis of McDonalds

McDonald's macro analysis was a valley followed by a small hill, followed by a valley and a larger hill. (Table 20) The valley's high was \$29 to a low of \$24. The valley was at the begging of the Olympics. The width was four week. The smaller hill was a high \$26.7 and a width of 2 weeks. The valley was flat and a low of \$24.6 and a width of four weeks. The larger hill was a high of \$30.2 and width a month and half.

Micro Analysis of McDonalds

In the micro analysis, McDonalds seem to have a better image than Coca Cola. This may be directly related to the marketing program that was created after the Atlanta Olympics. This represented a new approach to relate directly to the games with related promotions. The time difference in terms of a TV event was also a difficult to overcome. The primary difference in the positive approach of McDonalds had a closer association with the culture of Australia and using this as a platform to promote the product. The curves indicated that the Olympics were motivational and had a positive influence after the games. The valleys as in other curves seem to be related directly to the let-down in emotions after the Olympics.

ATLANTA 1996

The year's analysis was from February, 1996 to February, 1997. The Olympics was from July 19, 1996 to August 4, 1996. The 3 month critical analysis period was from June 17, 1996 through October 4, 1996.

Comparison Coke and Pepsi and Standard & Poor's

In the year's comparison between Coke and the Standard & Poor's index, Coke was in a positive percentage position through the whole year. The curve was flat through May and there was a steady climb to higher values. The only exception was a valley in mid December. Standard & Poor's was flat through September and then there was a steady increase in value. The first of the year Coke's movement in percentage was from 0% to 13%. There was an upward movement the rest of the year between 6% and 60%. The range of the Standard & Poor's scores was -1% to 24%. (Table 21)

In the year's comparison between McDonalds and the Standard & Poor's index, Standard & Poor's was in a superior position, except at the beginning of the year through March. There were a downward trend the rest of the year with a valley in mid July, end October and the beginning of January. Standard & Poor's was flat through August and then a rise in value. The range of Coke's scores was from 7% to a -15%. Standard & Poor's range was -2% to 24%. (Table 22)

Comparison of Coke and Pepsi

The comparison of Coke and Pepsi indicates that curves or trend lines are similar to other Olympics analysis. (Table 23) Coke was in a superior position the entire year. It was in decline before the Olympics and started a rise during the Olympics that lasted until the end of the year. Pepsi was in decline the entire year. Coca Cola's range was from -3% to 14% and Pepsi's range was from about 4% to -18%.

Macro Analysis of Coke

In the macro analysis, the trend line for Coca Cola had three peaks. (Table 25) The first hill leads to a valley at the beginning of the Olympics. The first peak was \$42.8 and one week in length. The valley leads to an upward movement with two peaks and a small valley. The valley was \$39.4 and two weeks in length. The amplitude of the second hill was smaller than the third. The Peak was \$45 in value and five weeks in length. The valley was \$43.3. The third peak was \$46 in value and one week in length. The valley at the end of the period was \$42.3.

Micro Analysis of Coke

In the micro analysis, it is evident that the marketing program of Coca Cola had a significant impact as opposed to other Olympics. This Olympics because of its location in Atlanta had been termed the Coke Olympics. The cola wars did not seem to have a direct effect because of the overriding presence of Coke in these Olympics. The massive dollar spent even created an inverse curve and Pepsi did not recover until mid November.

Comparison of McDonalds and Wendy's

The comparison between McDonalds and Wendy's indicated a similarity in curves to that of Coca Cola. The McDonalds curve was very positive from mid July but was flat from the beginning of August. Wendy's curve was a series of two peaks and two deep valleys. Coke was in a superior position from mid July through the end of September. Wendy's was in a superior position at the beginning of July and at the end of September. (Table 24) The McDonalds curve from July was upward from -9% to 2%. Wendy's July's trend line was 3% to -16%. Coke's curve was flat from August with a range

from -3% to 4%. Wendy's from August declined from -3% to -16% then increased to 5%.

Macro Analysis of McDonalds

The trend line for McDonalds was three peaks. (Table 26) The first hill leads to a valley at the beginning of the Olympics. The valley leads to two peaks with a small valley in between. The first peak was \$21 in value and one week in length. The valley was \$18.9 and two week in length. The width of the second hill was \$21.2 in value and was three weeks in length. The valley was \$20.25 in value and one month in length. The third peak was \$21.5 in value and a week and half in length. The last valley was \$20.5 in value.

Micro Analysis of McDonalds

In the micro analysis, McDonalds seem to be overshadowed by Coca Cola and its influence upon this Olympics. The Promotions were similar to other Olympics but the volume could not reach into the positive areas. Even though McDonalds is a cooperator with Coke, the positive influences of the association were not felt during this Olympics. Another influence and factor may be that there was a lack of effort by McDonalds realizing the location of the Olympics. McDonalds is a U.S. company and had a very good business during the 84 Olympics. (Last time the Olympics were in the United States prior to 96.) This is perplexing and does not have a reasonable explanation from any of the business publications analyzed.

BARCELONA 1992

The analysis of the original time frame was from February, 1992 to February, 1993. The Barcelona Olympics was July 25, to August

9, 1992. The unit of time period was the end of June 25, 1992 to October 9, 1992.

Comparisons of Coke and McDonalds and Stand & Poor's

In the year's comparison between Coke and the Standard & Poor's index, Coke was in a positive percentage position through October. In October and December, Standard & Poor's was in a positive position. The first of the year for Coke there was a valley and upward movement in percentage from -6% to 14% until June. There was an upward and downward movement the rest of the year between -2% and 14% in October. There was a deep valley to a -8%. During the months of November, December, and January, there was an upward and downward movement and the range was from -2% to 11%. Just before the Olympics there was a decline from 9% to 1%. Stand & Poor's trend line was a slight incline in value, except there were valleys in June and October. The range of values was -4% to 6%. (Table 27)

In the year's comparison between McDonalds and the Standard & Poor's index, Standard & Poor's was in a superior position until May. McDonalds was in a superior from May through the end of July. From July through September, Standard & Poor's was in a superior position and the rest of the year McDonalds was in a superior position, except for October. There were a series peaks and valleys the entire year. The range from February through July was -11% to 7%. After July there was a drop until the time of the Olympics, when there was a rise in percentages. The range was -7% to 14%. Standard & Poor's trend line was a slight incline in value, except there were valleys in June and October. The range of values was -4% to 6%. (Table 28)

Comparison Coke and Pepsi

A macro analysis of a comparison between Coca Cola and Pepsi indicated an upward movement in both Coke and Pepsi. Pepsi was in a superior position for the entire period. (Table 29) There was a large decline in Coke Cola at the end of September. The increase in Coke's percentage was between -2% and 12% until the end of September. The range of Pepsi's increase was 0% to 14%.

Macro Analysis of Coke

The trend line from Coke was three peaks. (Table 31) The first hill leads to a valley at the beginning of the Olympics. The range of values was \$17.2 to \$18.7 and the width one week. This valley leads to two peaks with a small valley in between. The width of the second hill extended a month and the third hills were about a month in length. The Olympics started an upward trend and lasted until after the Olympics in mid September. The range was from a low of \$17.5 in the first valley to a high at the third peak of \$19.5. There was a drop in September to a low of below \$16.

Micro Analysis of Coke

In the micro analysis during the unit time, a disconnect seemed to be associated with colas and the marketing approaches used. It may have been a cultural phenomenon related to the position of the colas in the society as related to other beverage types. In the 1988, the Olympics the colas seemed to be better positioned in terms of the culture. The cola wars during these Olympics still had a significant impact.

Comparison of McDonalds and Wendy's

In the macro analysis between McDonalds and Wendy's, Wendy's curve was upward with a small valley between the end of July and the end of August. (Table 30) Wendy's was in a superior position the entire period. McDonalds curve was flat. The increase in the range of values for Wendy's was from 0% to 26%. The range for McDonalds was from 2% to a -9%. There was a sustained valley from mid July to mid September.

Macro Analysis of McDonalds

The trend line for McDonalds was erratic with four peaks and three valleys. (Table 31) The highest peaks were the first two with short amplitude of half a week. The highest value was \$10.4 on the first peak and a value of \$10.375 on the second. The first valley was a low of \$9.75. The second valley was at the beginning of the Olympics with a low value of \$9.35. The next peak was during the Olympics with a high value of \$9.875. The width of this hill was about a week and lead to a deep valley at the end of the Olympics with a low value of \$9.255. There were a series of peaks and valleys after Olympics. At the beginning of September, there was a rise in value to a peak near the middle of September. The high value was \$10.025. There was then a decline with a series of peaks and valleys to a low of \$9.350.

Micro Analysis of McDonalds

In the micro analysis, the difference seems to be in the cultural acceptance and the soft marketing program as opposed to the hard program in the colas. The Olympics were a motivational or a starter factor to the development of value in the outer months. The results seem to be influenced by cultural fac

tors in the host nation and the acceptance of the product.

SEOUL 1988

The date of the Seoul Games was from September 17, 1988 to October 2, 1988. The year analysis was from February, 1988 to February, 1989. The intensive analysis was from August 17, 1988 to December 2, 1988. (The data sources were not available in Yahoo, so Big Charts was used to complete the study.)

Comparisons between Coke and McDonalds and Standard & Poor's

In the year's comparison between Coke and the Standard & Poor's index, Coke was in a positive percentage position, especially during and after the Olympics. During the first part of the year, Coke and the Standard & Poor's index follow the movement of one another. The first of the year there was an upward movement and a valley and then the curves flatten until mid August. The ranges in percentage for Coke was from -4% to 11%. Just before the Olympics there was a decline and an upward movement the rest of the period. There were two peaks and a valley followed by a straight line upper movement. The valley at the beginning of the Olympics was 2% and the upper of the range at the end of the period was 29%. Standard & Poor's curve after mid August was an upper movement to a peak to a valley then another peak at the end of the period. The range was 0% to 16%. (Table 33)

In the year's comparison between McDonalds and the Standard & Poor's index, Standard & Poor's was in a superior position until the beginning of the Olympics in September. The curves of McDonalds and Standard & Poor's followed one another the

rest of the period. There were two peaks and one valley for Coke until the Olympics. The highs of the peaks were 8% and 4% and the low of the valleys was -7%. The valley at the beginning of the Olympics was a -5%. There was an upward movement to a peak of 14%. There was a downward movement to 1% and a flattening to a percentage range of 1% to 8% and a final upward movement to 16%. Standard & Poor's had several peaks and valley until September. The range was -2% to 8%. After September there were two peaks and one valley. The first peak was 11%, the valley 4% and the last peak 16%. (Table 34)

Comparison of Coke and Pepsi

A macro analysis comparison was made between Coca Cola and Pepsi. The results indicated that there was an upward straight line trend in both of the line charts. (Table 35) There was a flattening at the end of the period. Coke was in superior position until mid October. The Pepsi chart had a greater slope and was in a superior position from the middle of October for the rest of the period. The curves had a similar pattern, except there was a spike in Pepsi at the end of October. The range of percentages increase for Coke was -3% to 15%. The range for Pepsi was 0% to 23%.

Macro Analysis of Coke

The trend line from Coke was multi peaks and multi valleys. (Table 37) The curve was a straight line with small peaks until the end of September. The lowest value was \$4.80 and the highest peak was \$5.55. The lowest valley at the beginning of the Olympics was \$5.30. The peak that followed was a value of \$5.50. There were a series of two peaks and three valleys after the Olympics in October. In early November, there was a decline in value to the middle of November

then there was an increase in value. The high value after the Olympics was \$5.55 and the low value was \$5.155.

Micro Analysis of Coke

In the micro analysis, the cola wars again are prevalent but the consistent surprise is that Pepsi has greater volume than Coca Cola. The explanation can only be the phenomena of marketing. Culturally, Coke is in a stronger position than Pepsi in China. The time difference may be an explanation of why there is less effectiveness with Coke. Pepsi can focus on a time favorable promotion. The cold wars and the aggressive marketing of each have a profound influence upon sponsorship during the Olympics.

Comparison of McDonalds and Wendy's

A comparison was made between McDonalds and Wendy's. The shape of McDonalds curve was the upward movement to a peak at the beginning of October and a decline at the end of the period. (Table 36) This peak was at the end of the Olympics. McDonalds was in a superior position for the entire period, except for the first few days. Wendy's curve was in decline until mid October and an upward movement to a peak at the beginning of November and then a decline at the end of the period. The range of the McDonalds percentages was 1% to 19%. The range of Wendy's percentages was -8 to 11%.

Macro Analysis of McDonalds

The curve for McDonalds was a straight line to a peak and a declining straight line. (Table 38) The peak was just after the Olympics. There was one hump and two valleys on the way to the peak. The valley was \$5.30, the hump was \$5.90, and the peak was \$6.38. The declining line was character-

ized by two peaks and three valleys from the begging of October to the begging of November. The first valley was \$6.1. The next peak was \$6.28, the next valley was \$5.9, the next peak was \$6.08, and next valley \$5.65. There was flat line for the rest of the period.

Micro Analysis of McDonalds

A micro analysis was completed and the results indicated the effect of McDonalds marketing program but the lack of explanation of the erratic trends were difficult to explain. There was an upward movement during the Olympics. After the event there was a downward movement which may be due to the emotional disappointment associated with the end of the Olympics. The dynamics of the momentum of the Olympics had an effect on the value of the stock.

Framework

Results suggest that there are patterns to the volume/price of stock directly related to the summer Olympic sponsors. The pattern seems to be a straight line function, both positive and negative, toward peaks and valleys. The double peak pattern is the most common. Sometimes the first peak is the largest and sometimes the second is the largest. This pattern suggests that there is regularity to the influence of Olympics upon sponsorship and its resulting volume/price of stock. These relationships are not always positive and seem to depend upon the culture of the host country as well as the culture of the Olympics. Many times the Olympics are a motivational factor to stimulate product development and its value. Companies are just learning how to do business on the Olympics and utilize this platform to increase the value of its product. There is a great diversity in marketing programs through the years with a great diversity of

results. The result of these marketing programs must be set in context of the economy and the industry and the impact of the competitors marketing program. Marketing professionals have to realize is that the Olympics have an event lifecycle and many times their products are directly related to the cycle. The excitement and the depression that is associated with this cycle.

The graphs or tables were reviewed by three individuals who were experts in Technical Analysis and events. Comparisons were made to discern similarities and differences and to use these patterns determine relationships and important influences. (Summary) Comparisons were made based on Coca Cola and McDonalds and Standard & Poor's. This was term economy. Comparisons were made between Coke Cola and Pepsi and McDonalds and Burger King, Pizza Hut, or Wendy's. This was termed industry. Comparisons were made between Coca Cola and McDonalds. This was term product. Micro analysis identified important variables and relationships based upon a thematic approach to critical incidents.

In 2008, the economy and the industry had little deviants and the product had cleaned comparison. The Olympics seemed to have a significant influence on products with little outside influences. The country's culture and the Olympic culture seem to have the direct influence upon marketing which influences value.

In 2004, the economy was similar to 2008 but after the Olympics business for Coca Cola was flat. The motivational bounces of the Olympics had little effect. As far as the industries concerned, there is still a high degree of similarity, except during the Olympic months when McDonalds was depressed. The Olympics depressed product and the primary influence was marketing

and the cola wars. Coca Cola was depressed and McDonalds had an early depression but picked up but the upward movement was difficult as indicated by the multiple peaks. Products were not suppressed, but enhanced by the Olympic culture. The Olympic culture influenced the country's culture which caused marketing to influence value. There was also a secondary influence by the economy during the Olympic period.

In 2000, the economy had an interesting pattern Coca Cola had a different pattern at the beginning, but similar are at the end. McDonalds was similar at the beginning and different at the end. This indicated an erratic economy that is being influenced by situational factors. The industry comparison for the Coke and Pepsi were similar. The McDonalds comparisons were similar or flat. This also indicated the industry like the economy is steady and had no definite pattern. The products of Coca Cola and Pepsi were down and double peaked. This indicates a favorable environment for the development of the Olympics. There was nothing to overcome flatness or the downward movement. The micro analysis indicated the positive influence of the country and the Olympic culture based on attitudes but it does not translate to influence value. Marketing was a mediating process that influenced value.

In 1996, the economy was moving in two directions one positive for Coca Cola and down for McDonalds. This indicates that there are both positive and negative forces at work. The industry reflects the steady state condition for Coke Cola and a downward movement for Pepsi. There was a downward movement and it was double peaked for both products. The downward movement was reflective of the steady state economy and factors influenced by situational conditions. In the micro analysis,

the variable that should have had the greatest influence upon value was marketing. This was the Coca Cola Olympics and the amount of money spent does not reflect the upward movement in value. This is an indication that the environment was overriding marketing and that the marketing approach did not reflect the situational condition of the economy and industry.

In 1992, the economy was similar for Coca Cola and McDonalds, except for Coke in May and June the value was up. The economy was stable and had little effect upon position. The industry was different based upon the type of product. Coca Cola and Pepsi were similar but McDonalds was flat and Wendy's was up. There was great amount of stability in the industry. In regard to products, Coca Cola was up and three Peaked. McDonalds was three Peaked and down. This indicates Coca Cola had their plan for doing business on the event, especially in terms of their marketing. In the micro analysis, the economy and industry was steady and the primary difference was in the marketing programs.

In 1988, the economy was similar the first part of the year. In September Coca Cola in about the time of the Olympics started an upward movement. The primary influence on the economy was the Olympics. In the industry analysis, Coke Cola and Pepsi were similar. McDonalds was up and Wendy's down until November and the curves were similar. This indicates the influence of the Olympics and the follows up effect of momentum. In the product analysis, Coca Cola was up and multi Peaked flat. McDonalds was two peaked up and multi peaked down. Marketing had an effect but the residual influence of the Olympics had little effect. In the micro analysis, it was evident that marketing and the media had an

impact upon value. The media was very suspicious of the ability of the country to hold these Olympics. Another significant influence was the country's culture and its position in the Asian market.

MODEL

The results indicate that each Olympics is a unique event in time and space. Variables that have a significant impact are the country's culture, the Olympic culture, the momentum of the Olympics, the media, and marketing. There is a different mix in each of the Olympics study which leads to a different pattern in the value of the sponsor stocks. When the experts reviewed the models, the cultural factors worked in conjunction with one another to influence value. The media and marketing was independent and had a direct influence upon value. The other element that was more than indirect influence was the industry and the economy. Of these two elements the economy was the most important. The economy and industries set the tone and the culture was the element that developed the environment or context of the event. The media and marketing enhanced or detracted from the event based upon the nature of the reporting and the type of promotion. The one common element on doing business on the event is the personal nature and the connection with the people in the country and their enthusiasm for the event. The Olympics are driven by the people in the country and the athletes that develop a life cycle of the event and the momentum that is generated.

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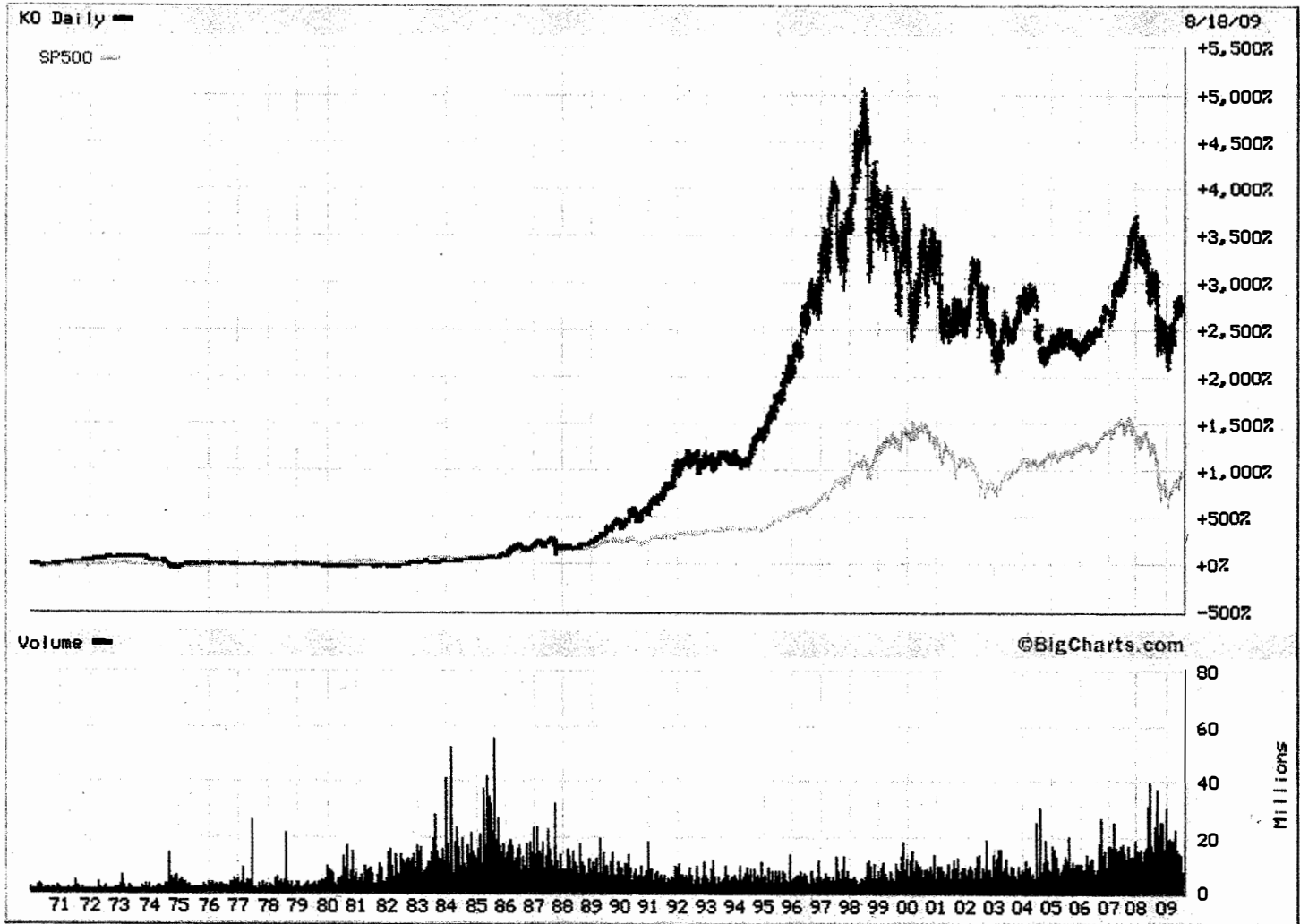


Table 1
 All Data
 Comparison
 KO
 VS
 SP500

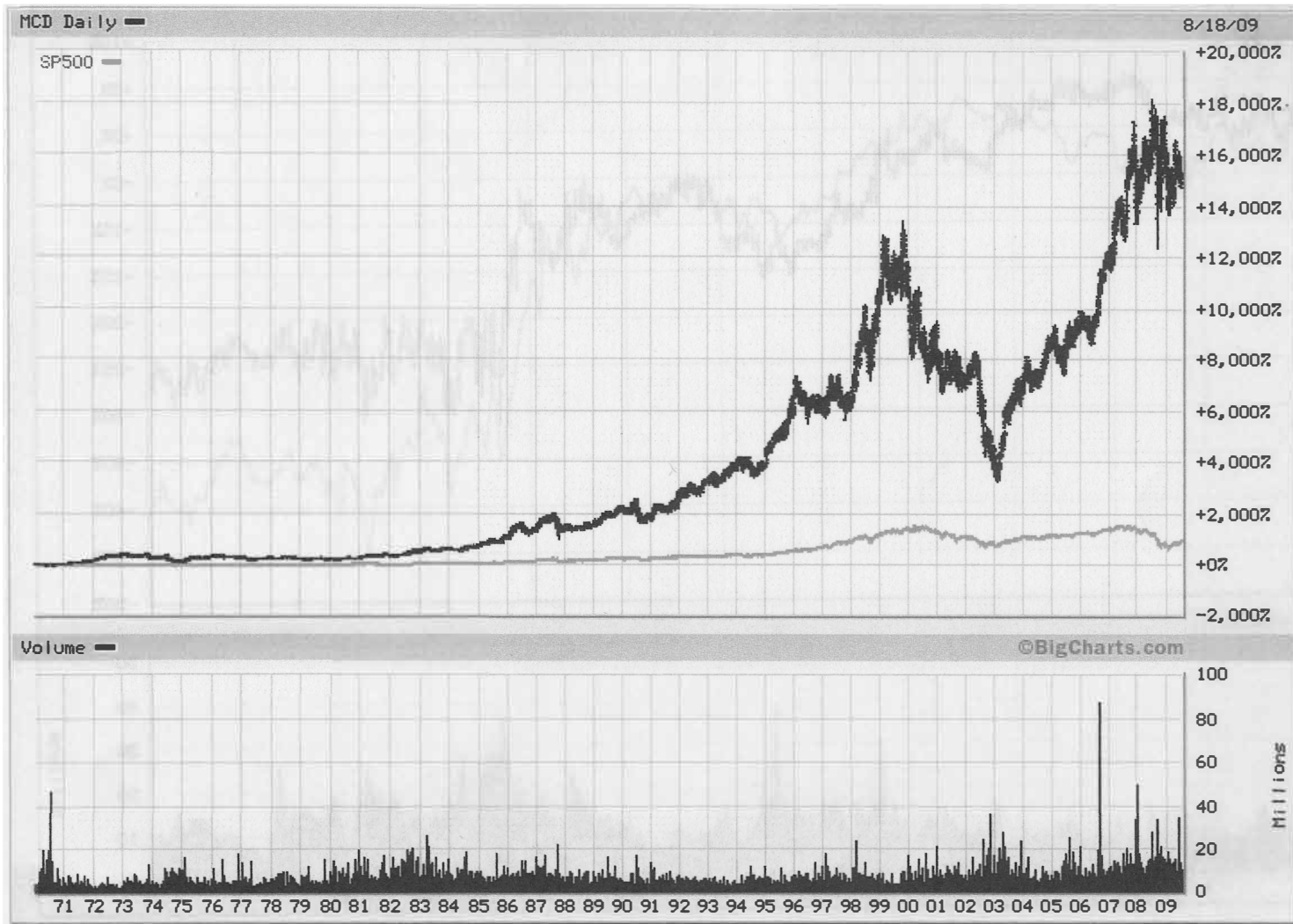


Table 2
 All
 Data
 Comparison
 MCD
 VS
 SP500

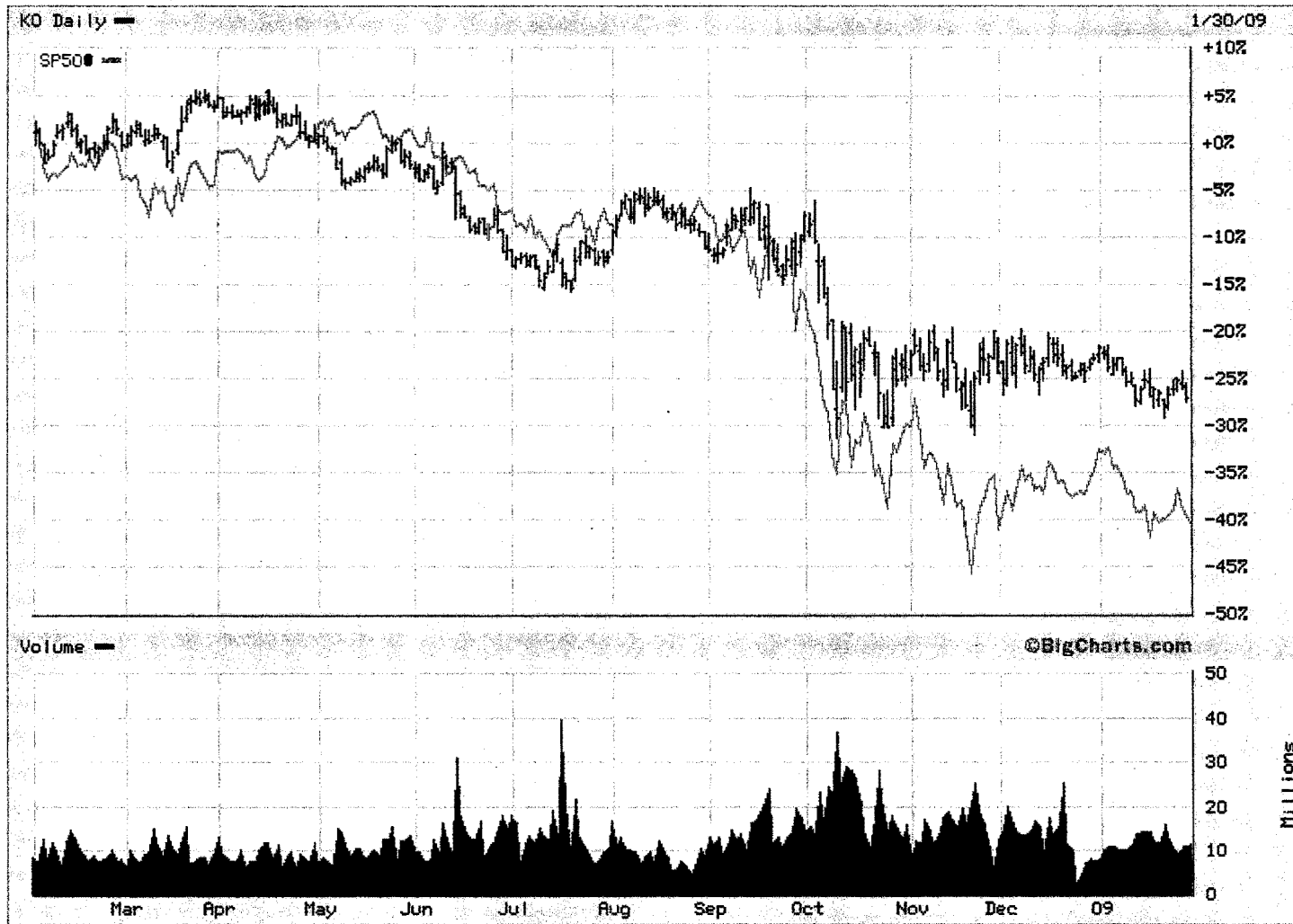


Table 3
 Year Comparison
 Beijing Olympics
 Feb. 08 to Feb. 09
 KO
 VS
 SP500

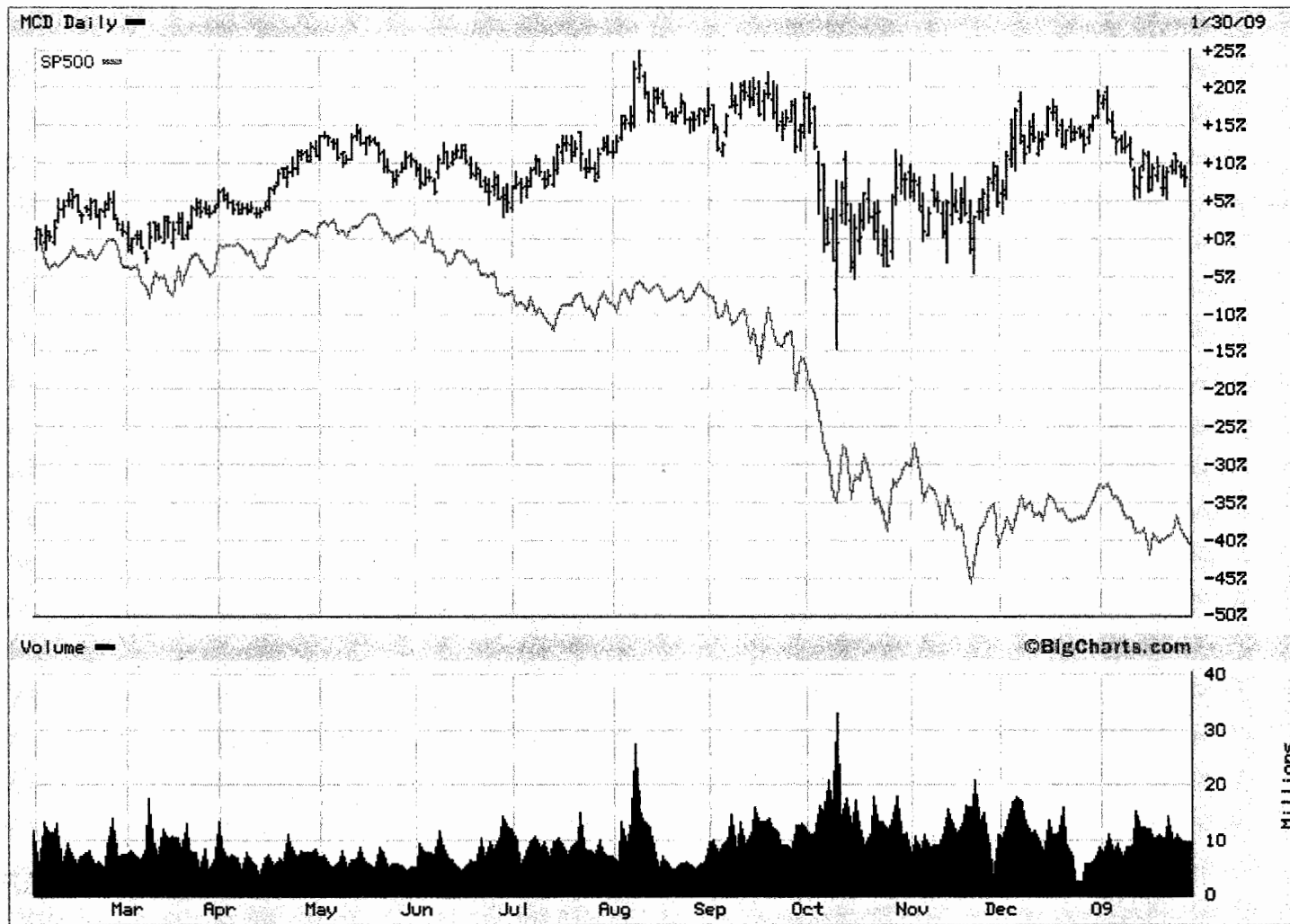
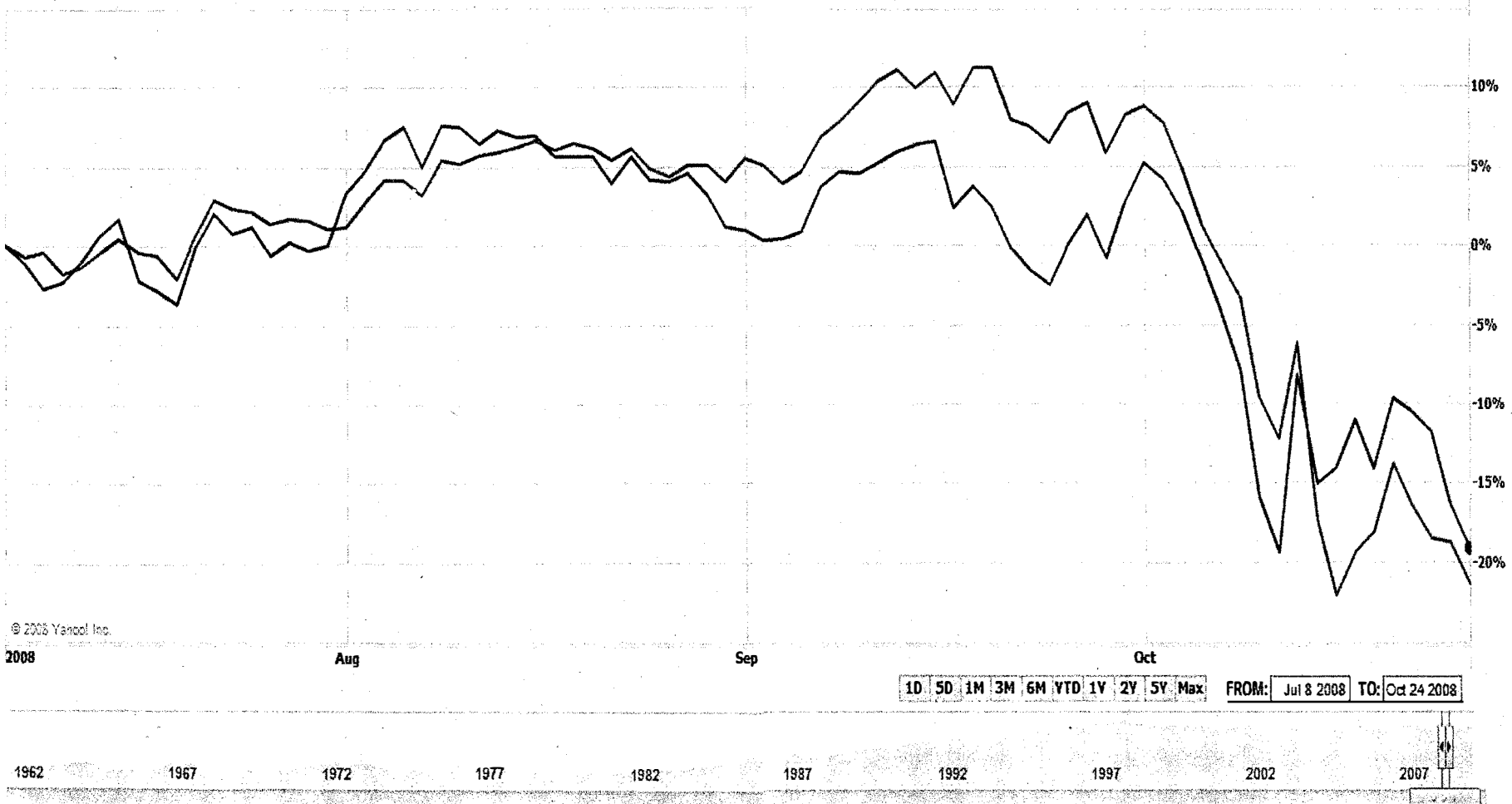


Table 4
 Year Comparison
 Beijing Olympics
 Feb. 08 to Feb. 09
 MCD
 VS
 SP500

Oct 24, 2008 : ■ KO 41.61 ■ PEP 51.76

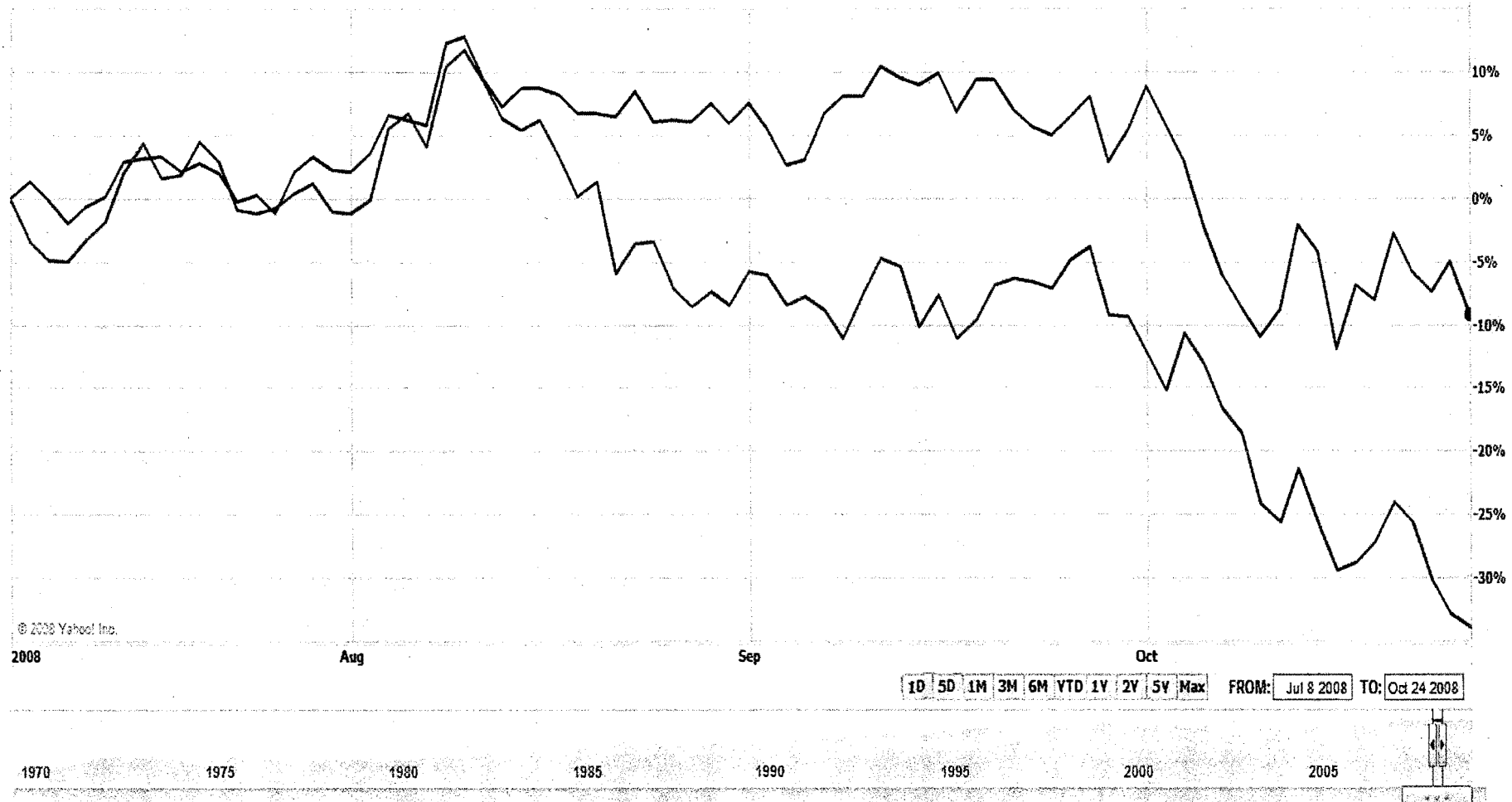


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2008 Aug Sep Oct
1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Jul 8 2008 TO: Oct 24 2008
1962 1967 1972 1977 1982 1987 1992 1997 2002 2007

Table 5
Critical Time
Period
Beijing Olympics
July 8, 2008 to Oct. 24, 2008
KO
VS
PEP

Oct 21, 2008 : ■ MCD 55.13 ■ BKC 20.18



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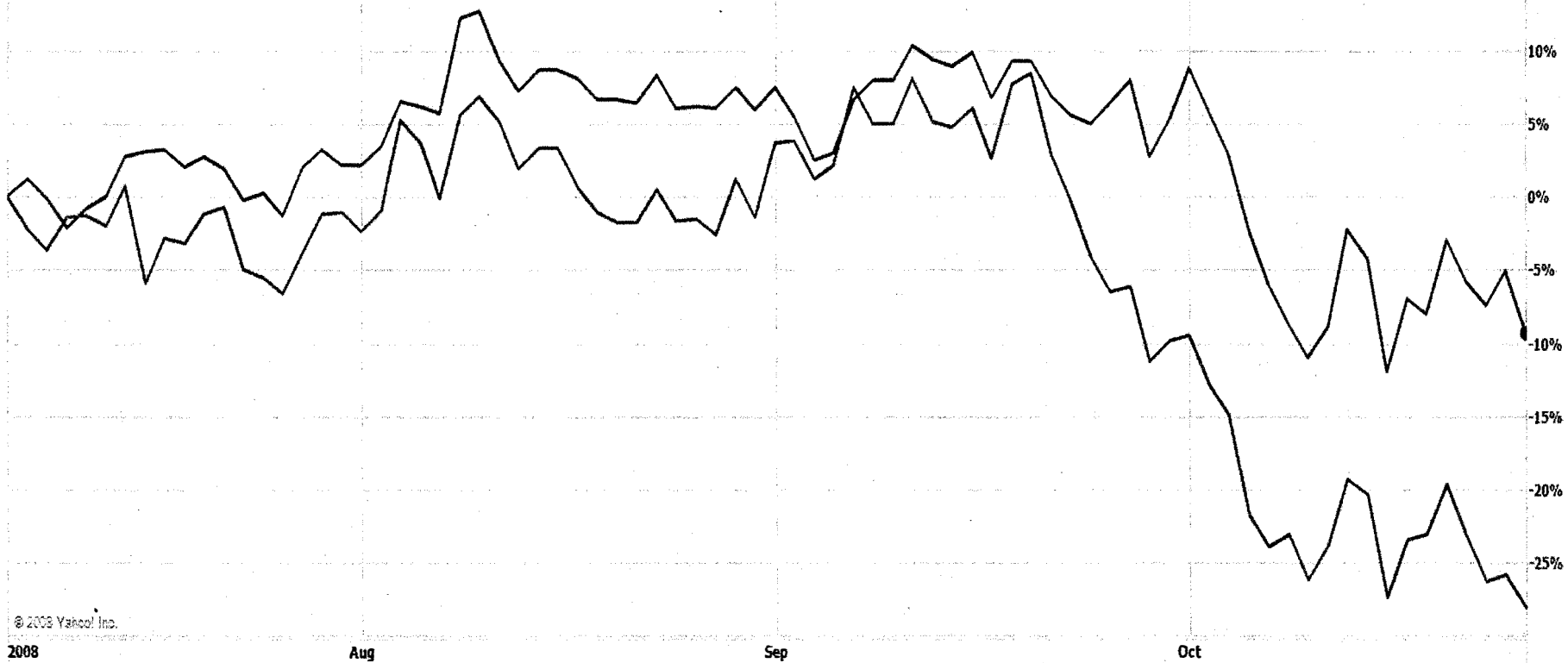
2008 Aug Sep Oct FROM: Jul 8 2008 TO: Oct 24 2008

1970 1975 1980 1985 1990 1995 2000 2005

Table 6
 Critical Time
 Period
 Beijing Olympics
 July 1, 2008 to Oct. 24, 2008

A. MCD
 VS
 BKC

Oct 24, 2008 : ■ MCD 53.06 ■ YUM 26.02



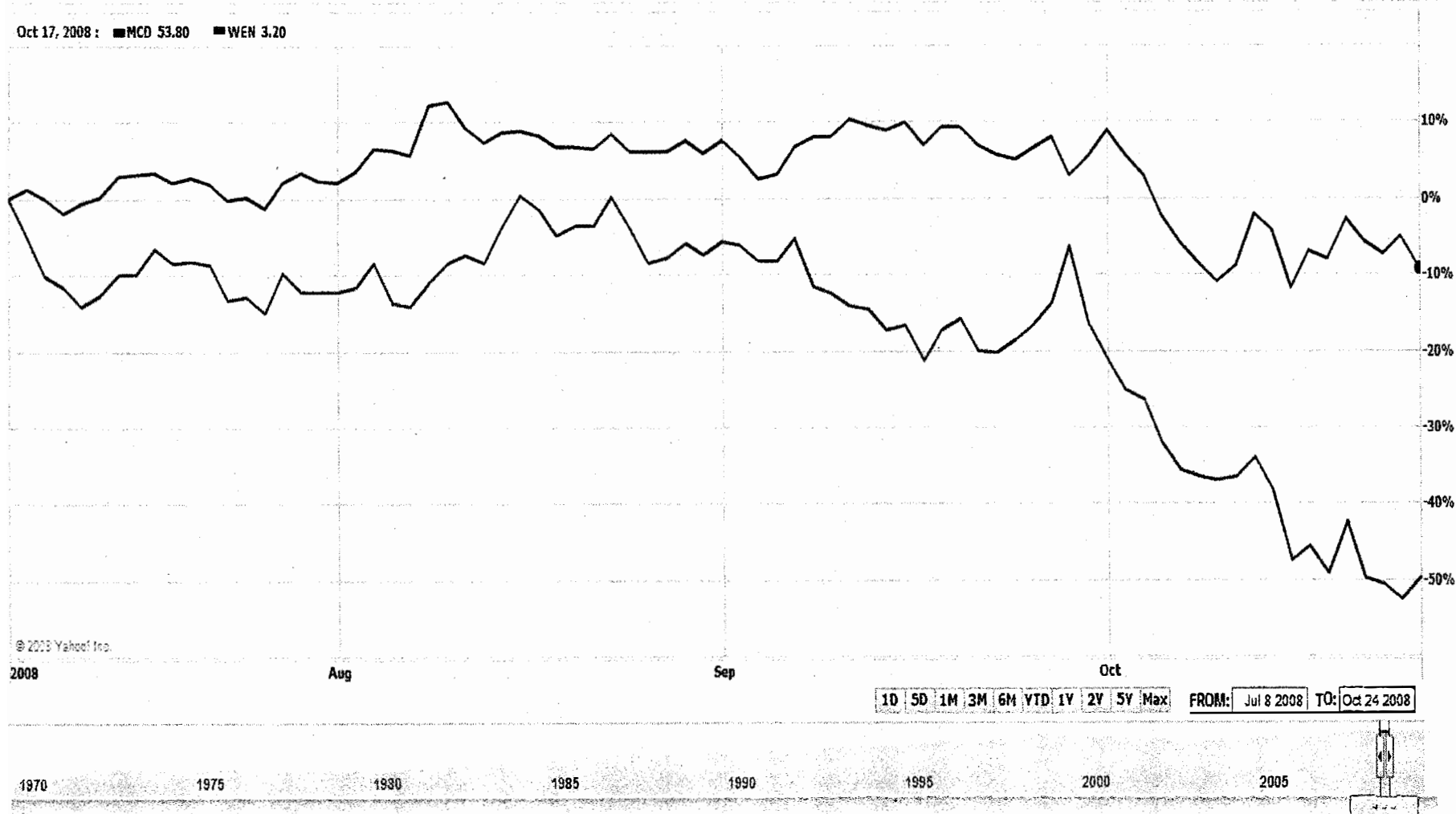
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2008 Aug Sep Oct 1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Jul 8 2008 TO: Oct 24 2008

1970 1975 1980 1985 1990 1995 2000 2005

B. MCD
VS
YUM

Oct 17, 2008 : ■ MCD 53.80 ■ WEN 3.20



C. MCD
VS
WEN

KO (Coca Cola Co.) NYSE

24-Oct-2008

Open 39.89 High 41.83 Low 38.89 Close 40.48 Volume 21.0M Chg -1.41 (-3.37%)

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KO (Daily)

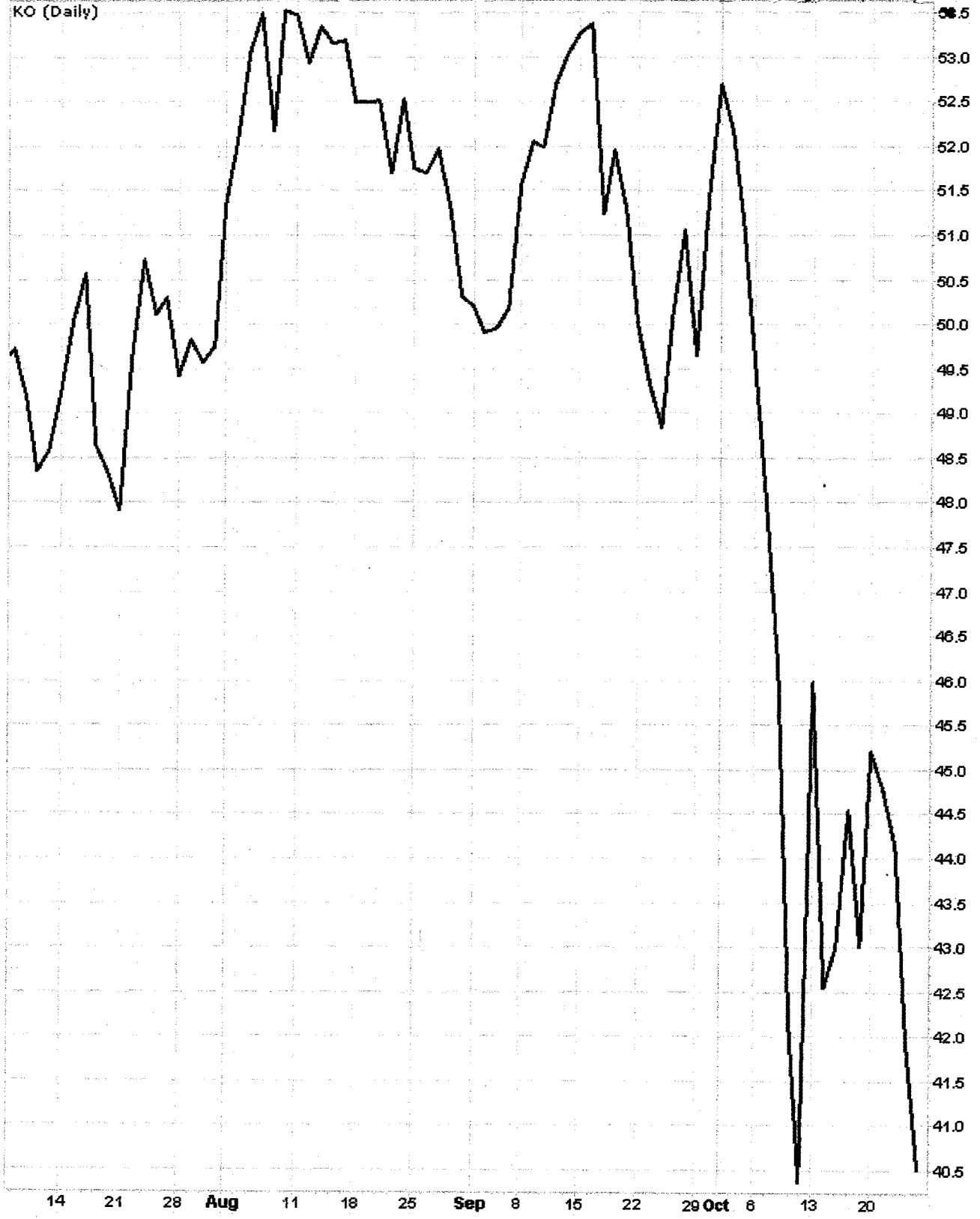


Table 7
Critical Time
Period
Beijing Olympics
July 8, 2008 to Oct. 24, 2008
KO

MCD (McDonalds Corp.) NYSE

© StockCharts.com

24-Oct-2008

Open 51.05 High 53.13 Low 50.36 Close 51.68 Volume 13.8M Chg -2.45 (-4.53%)

MCD (Daily)

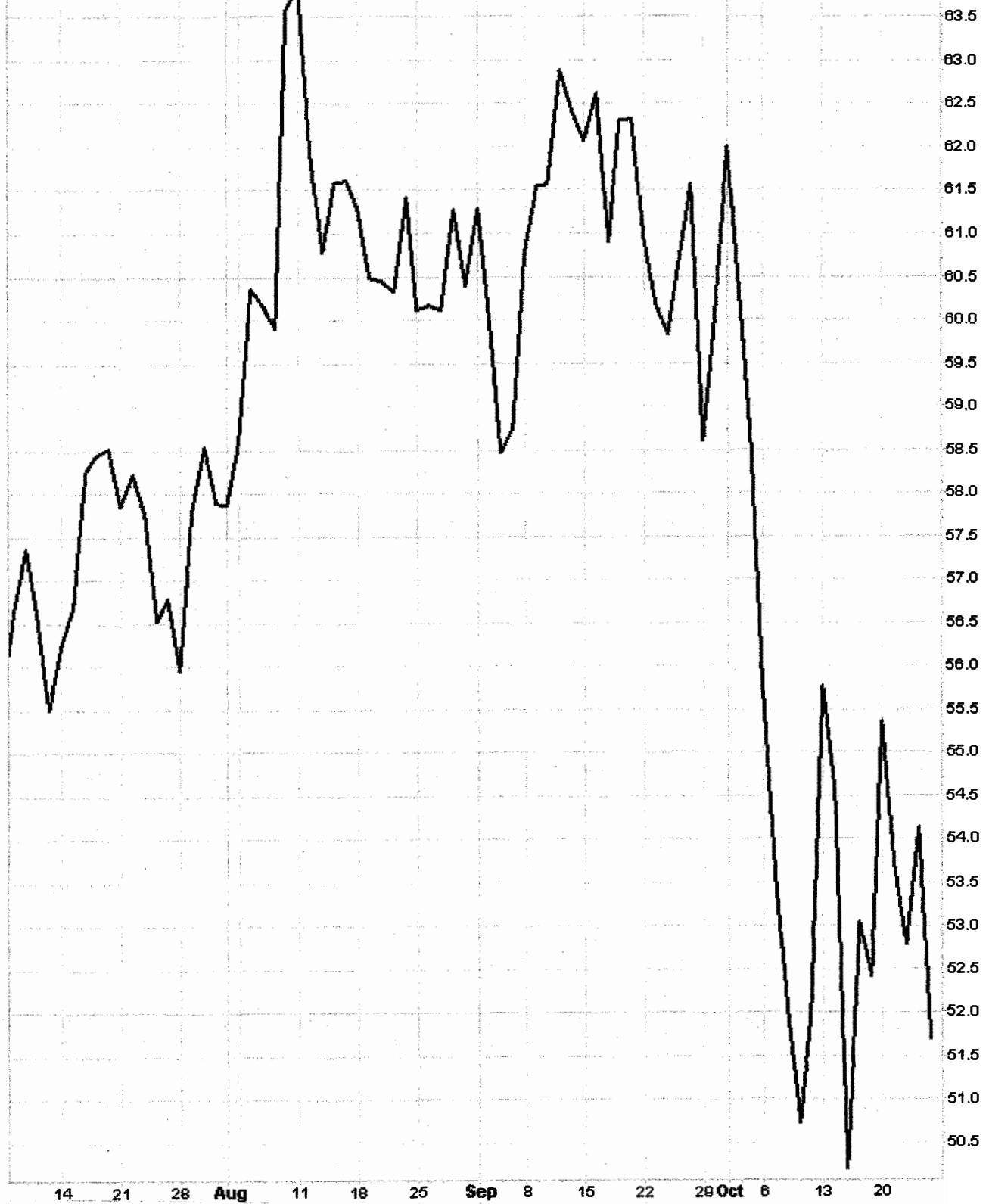


Table 8
Critical Time
Period
Beijing Olympics
July 1, 2008 to Oct. 24, 2008
MCD

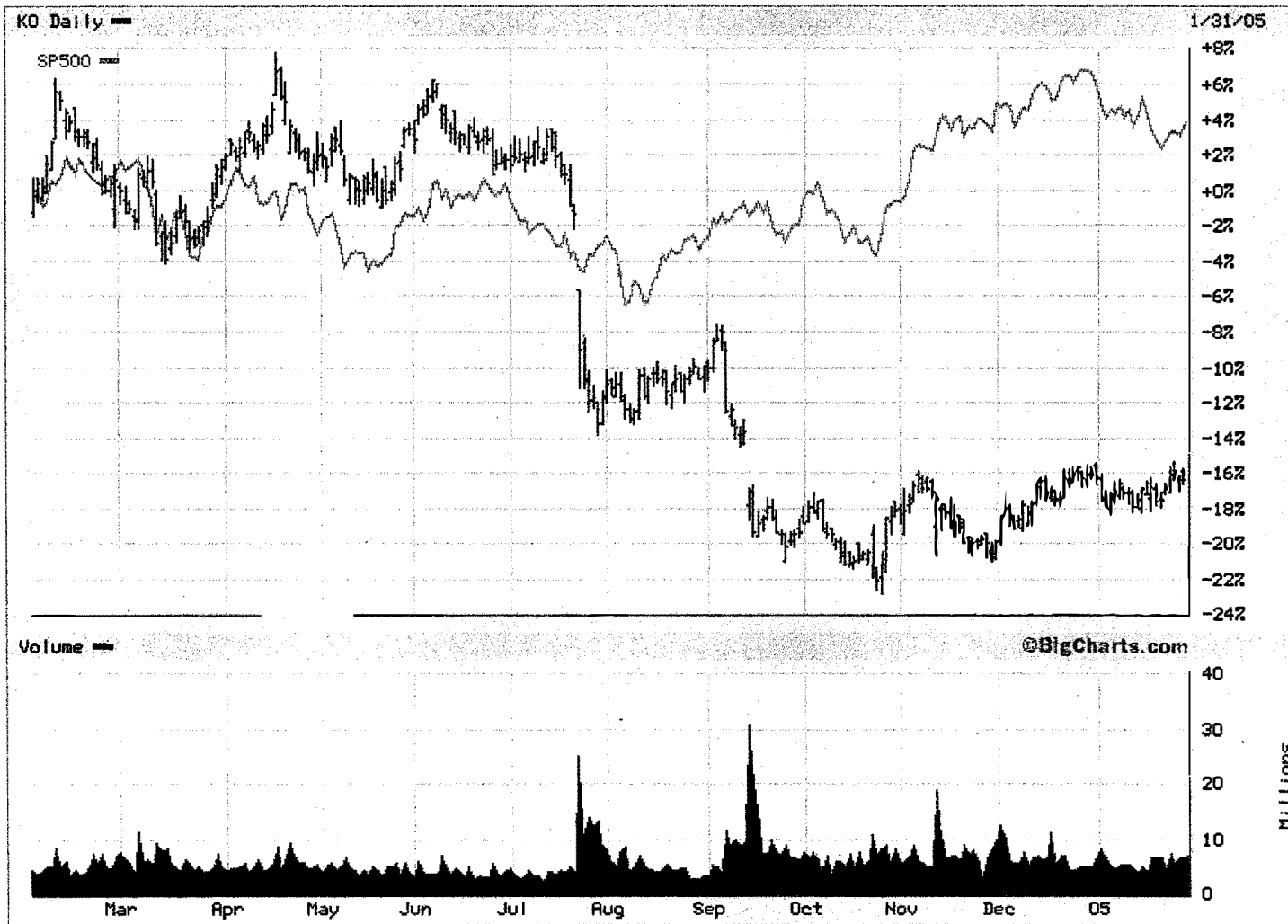


Table 9
 Year Comparison
 Athens Olympics
 Feb. 04 to Feb. 05
 KO
 VS
 SP500

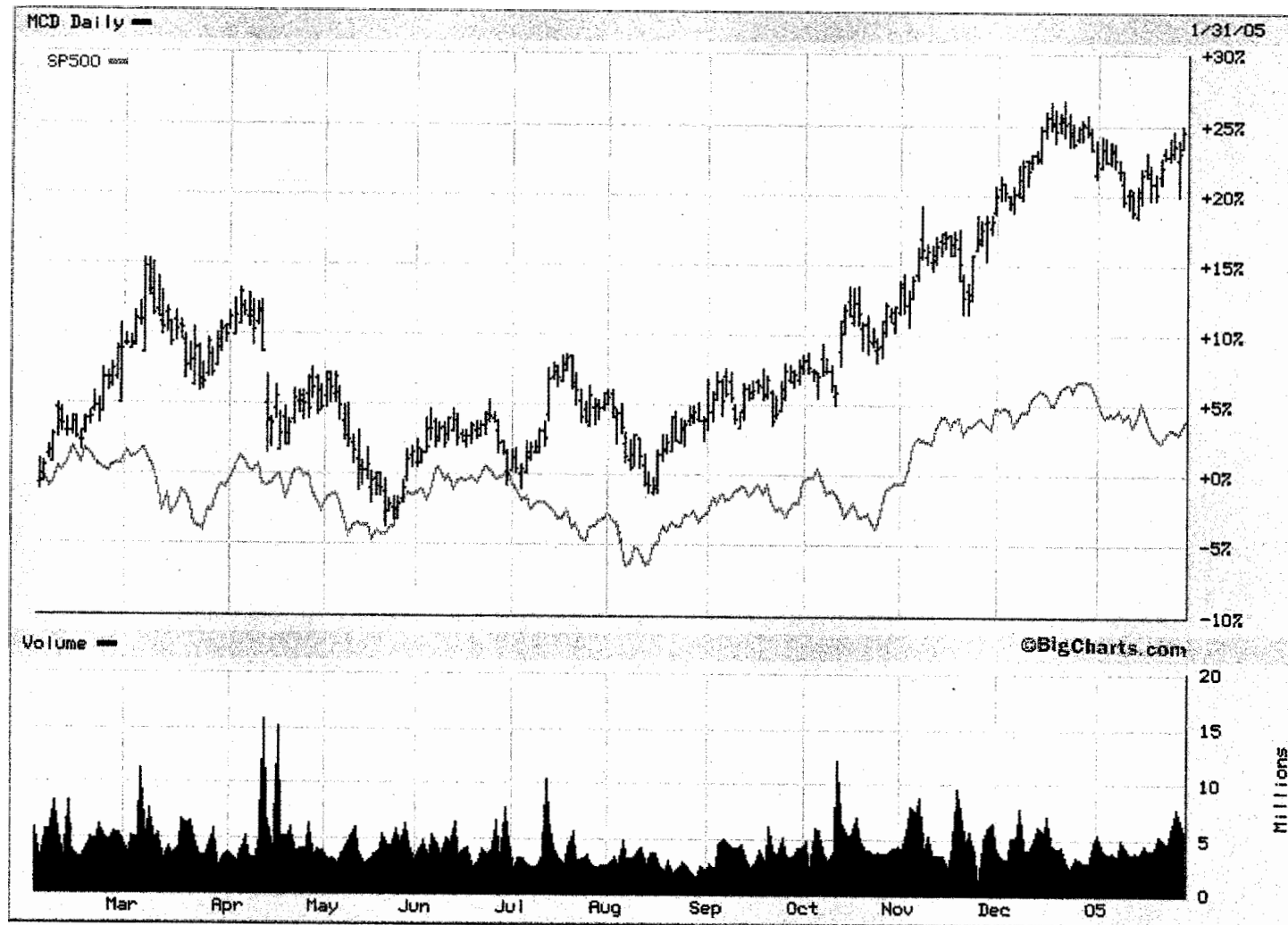
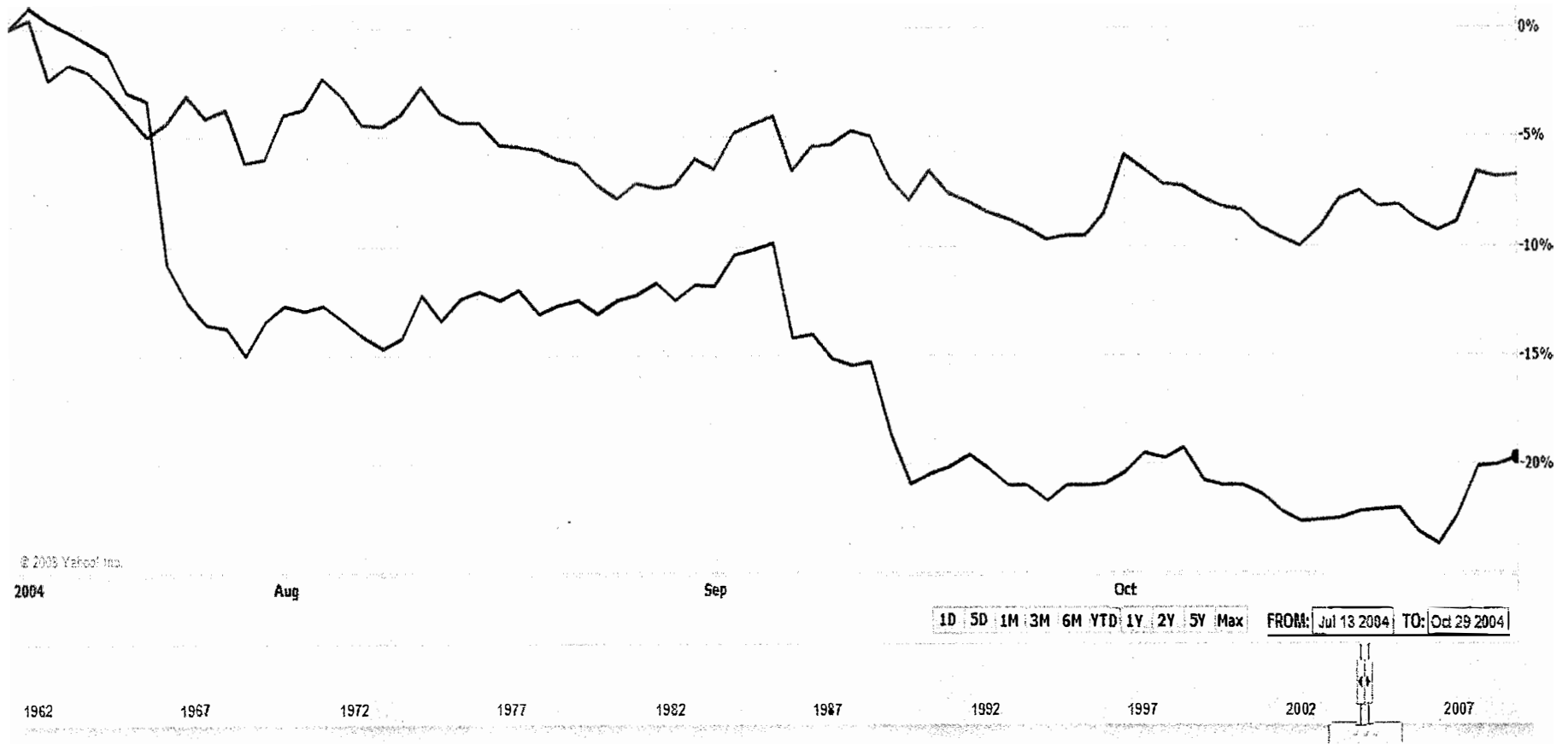


Table 10
 Year Comparison
 Athens Olympics
 Feb. 04 to Feb. 05
 MCD
 VS
 SP500

Oct 29, 2004 : ■ KO 40.66 ■ PEP 49.58



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2004

Aug

Sep

Oct

1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Jul 13 2004 TO: Oct 29 2004

1962

1967

1972

1977

1982

1987

1992

1997

2002

2007

Table 11
Critical Time
Period
Athens Olympics
July 13, 2004 to Oct. 29, 2004
KO
VS
PEP

Oct 28, 2004 : ■ MCD 29.03 ■ YUM 21.76



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2004 Aug Sep Oct

1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Jul 13 2004 TO: Oct 29 2004

1970 1975 1980 1985 1990 1995 2000 2005

Table 12
Critical Time
Period
Athens Olympics
July 13, 2004 to Oct. 29, 2004

A. MCD
VS
YUM

Oct 29, 2004 : ■ MCD 29.15 ■ WEN 11.36



1970 1975 1980 1985 1990 1995 2000 2005

B. MCD
VS
WEN

KO (Coca Cola Co.) NYSE

© StockCharts.com

29-Oct-2004

Open 36.03 High 36.03 Low 35.88 Close 35.82 Volume 9.5M Chg +0.15 (+0.42%) ▲

KO (Daily)

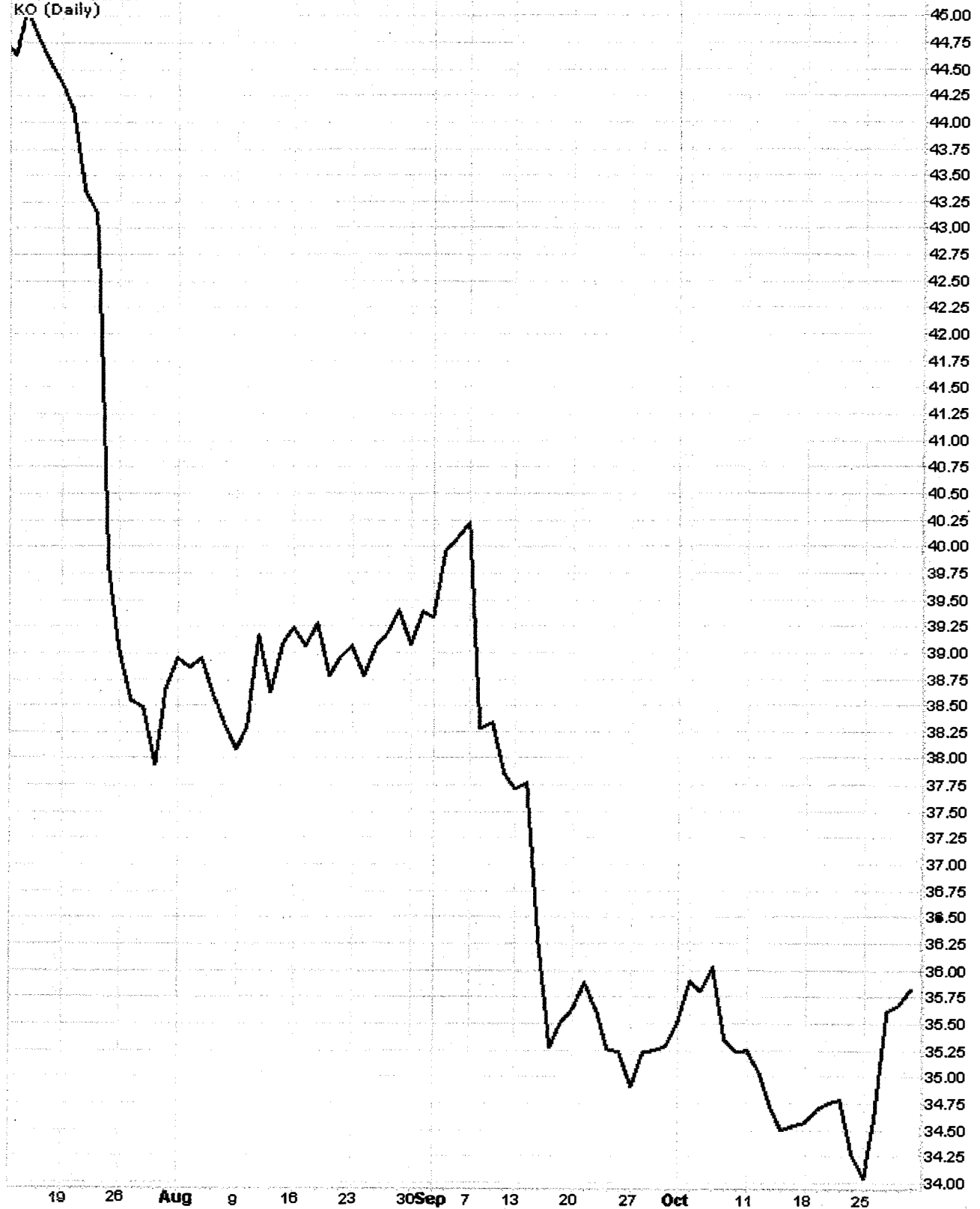


Table 13
Critical Time
Period

Athens Olympics
July 13, 2004 to Oct. 28, 2004
KO

MCD (McDonalds Corp.) NYSE
29-Oct-2004
MCD (Daily)

© StockCharts.com
Open 25.67 High 25.96 Low 25.54 Close 25.96 Volume 4.7M Chg +0.11 (+0.41%) ▲

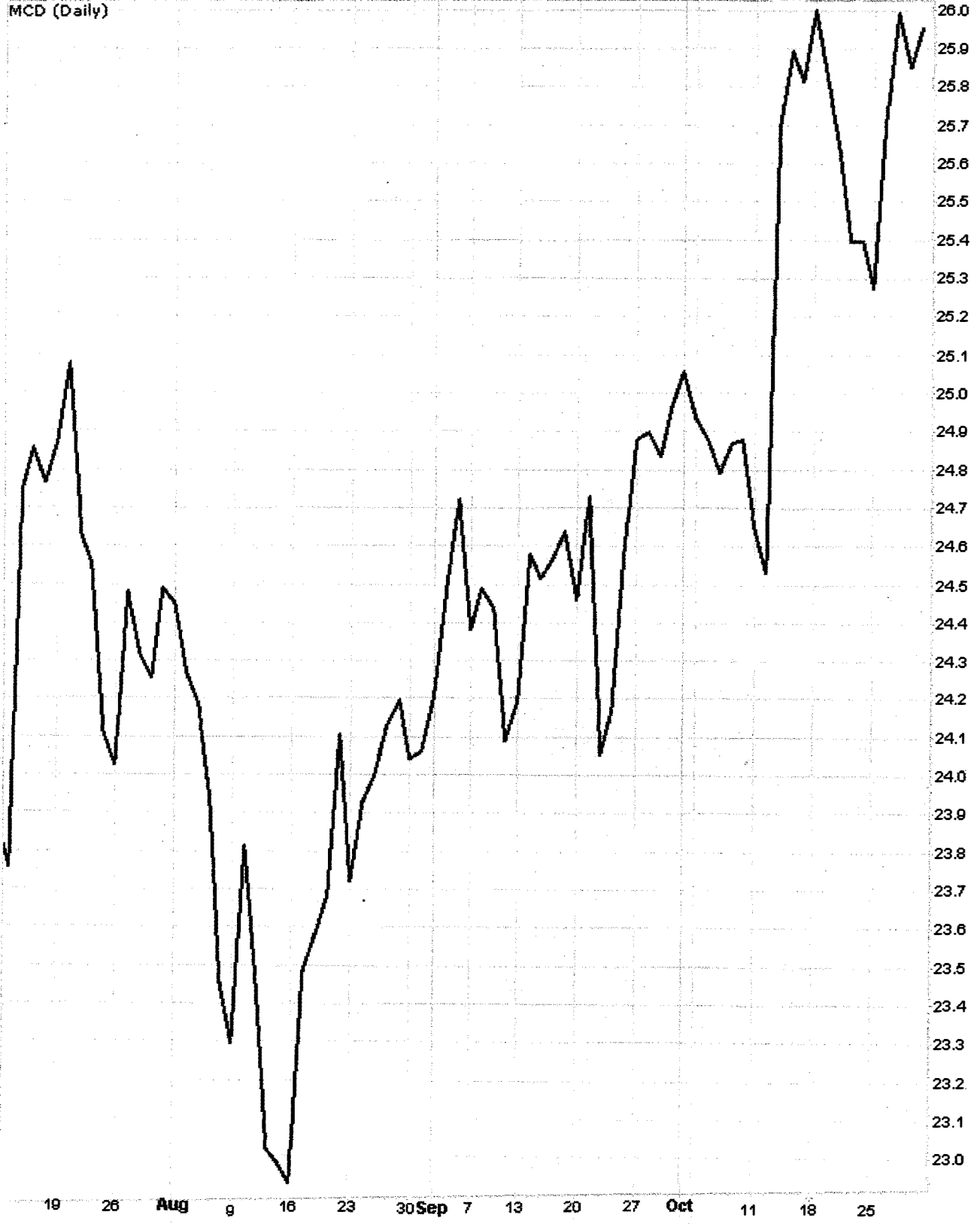


Table 14
Critical Time
Period
Athens Olympics
July 13, 2004 to Oct. 29, 2004
MCD

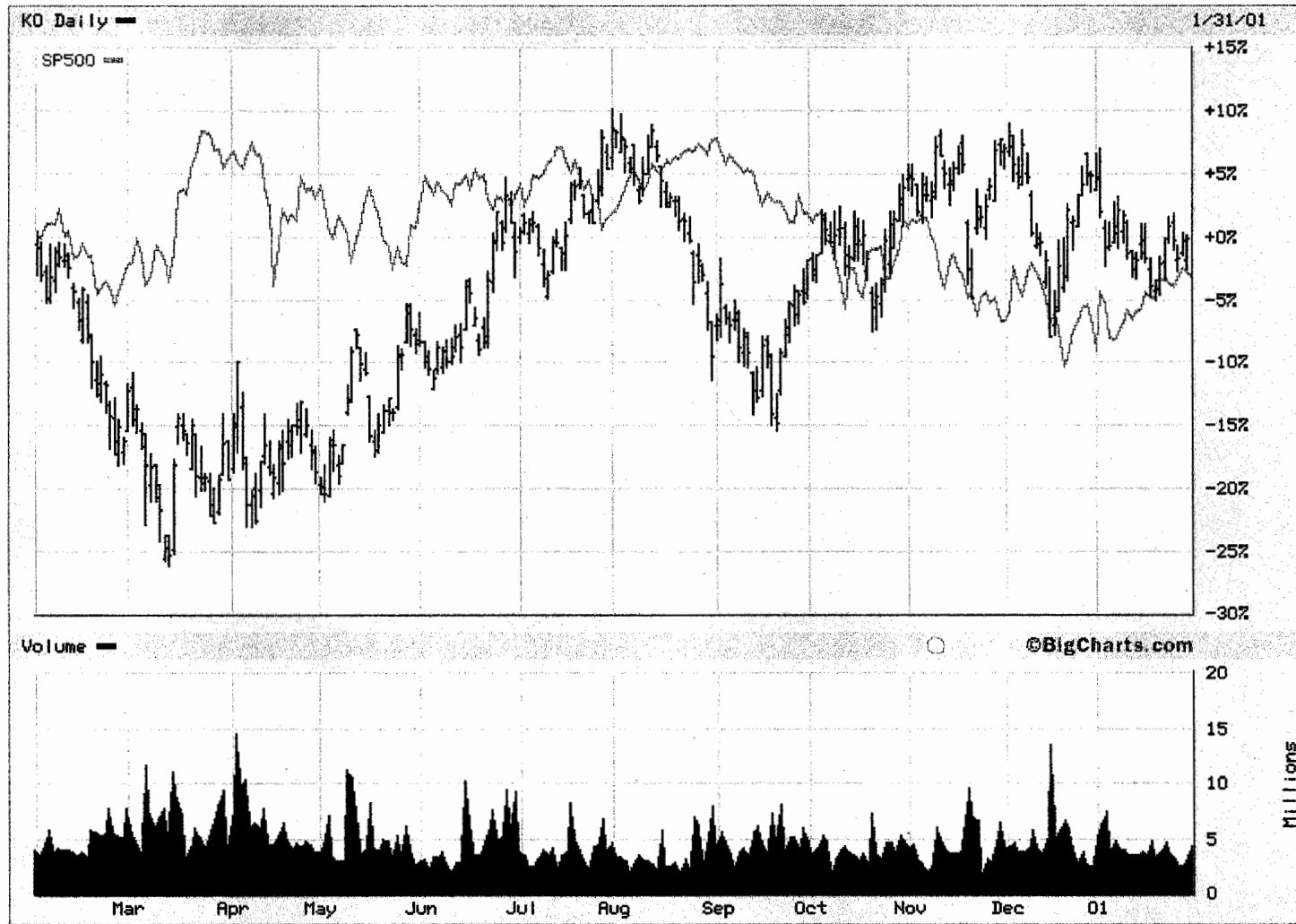


Table 15
 Year Comparison
 Sydney Olympics
 Feb. 00 to Feb. 01
 KO
 VS
 SP500

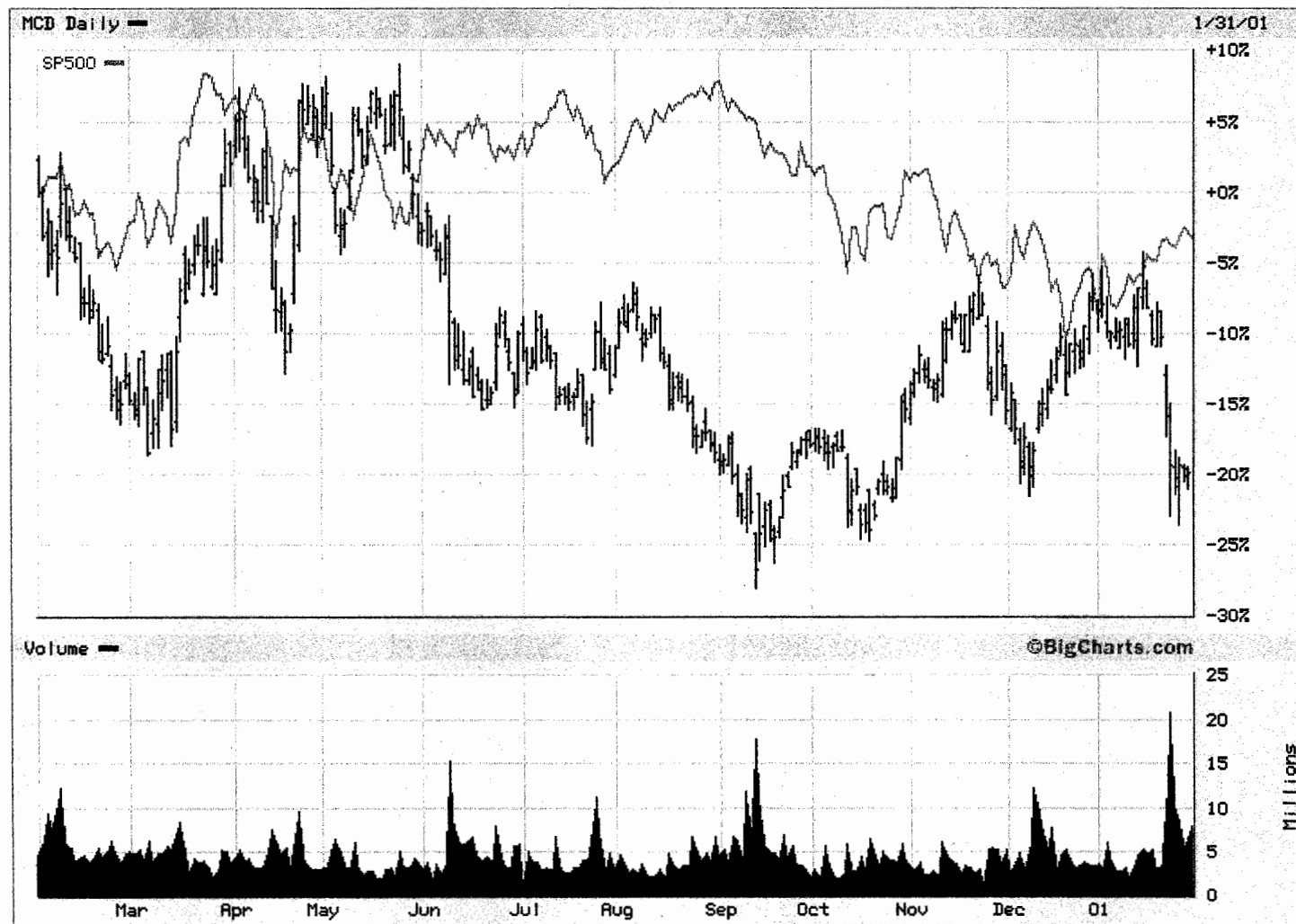
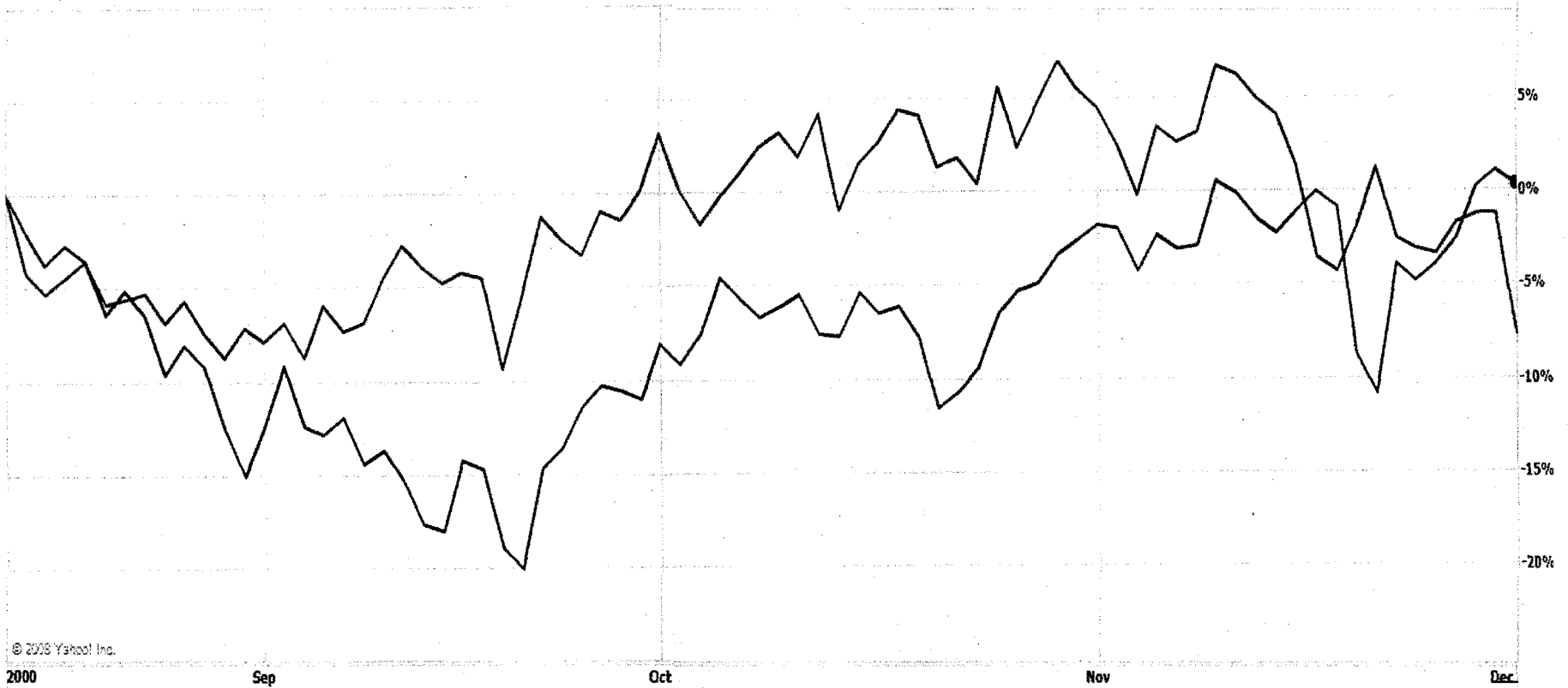


Table 16
 Year Comparison
 Sydney Olympics
 Feb. 00 to Feb. 01
 MCD
 VS
 SP500

Nov 30, 2000 : ■ KO 62.63 ■ PEP 45.37



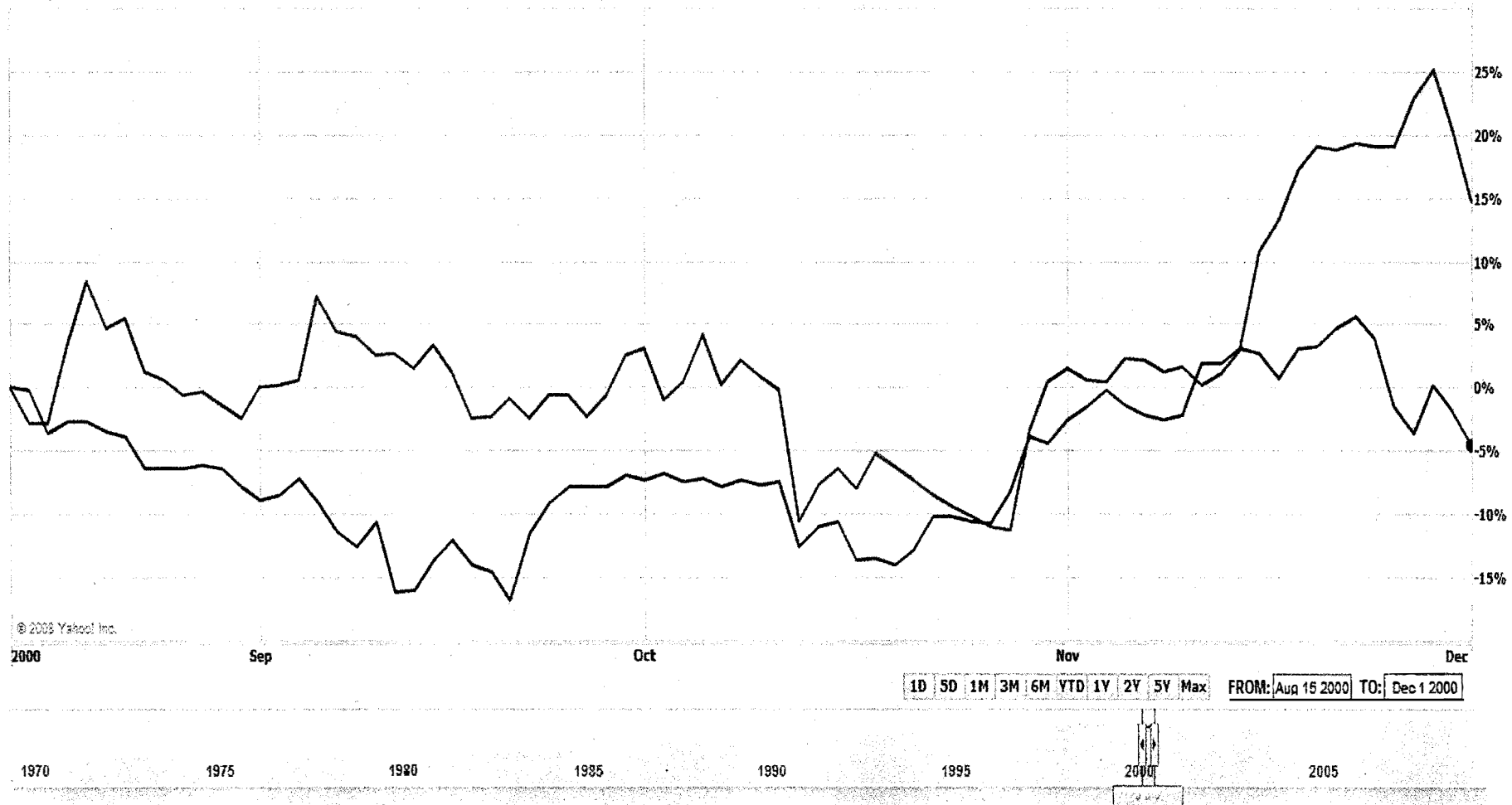
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2000 Sep Oct Nov Dec
1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Aug 15 2000 TO: Dec 1 2000

1962 1967 1972 1977 1982 1987 1992 1997 2002 2007

Table 17
Critical Time
Period
Sydney Olympics
Aug. 15, 2000 to Dec. 1, 2000
KO
VS
PEP

Dec 1, 2000 : ■ MCD 30.94 ■ YUM 8.56



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2000 Sep Oct Nov Dec

1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Aug 15 2000 TO: Dec 1 2000

1970 1975 1980 1985 1990 1995 2000 2005

Table 18
 Critical Time
 Period
 Sydney Olympics
 Aug. 15, 2000 to Dec. 1, 2000

A. MCD
 VS
 YUM

Enter Symbol

GET CHART

COMPARE

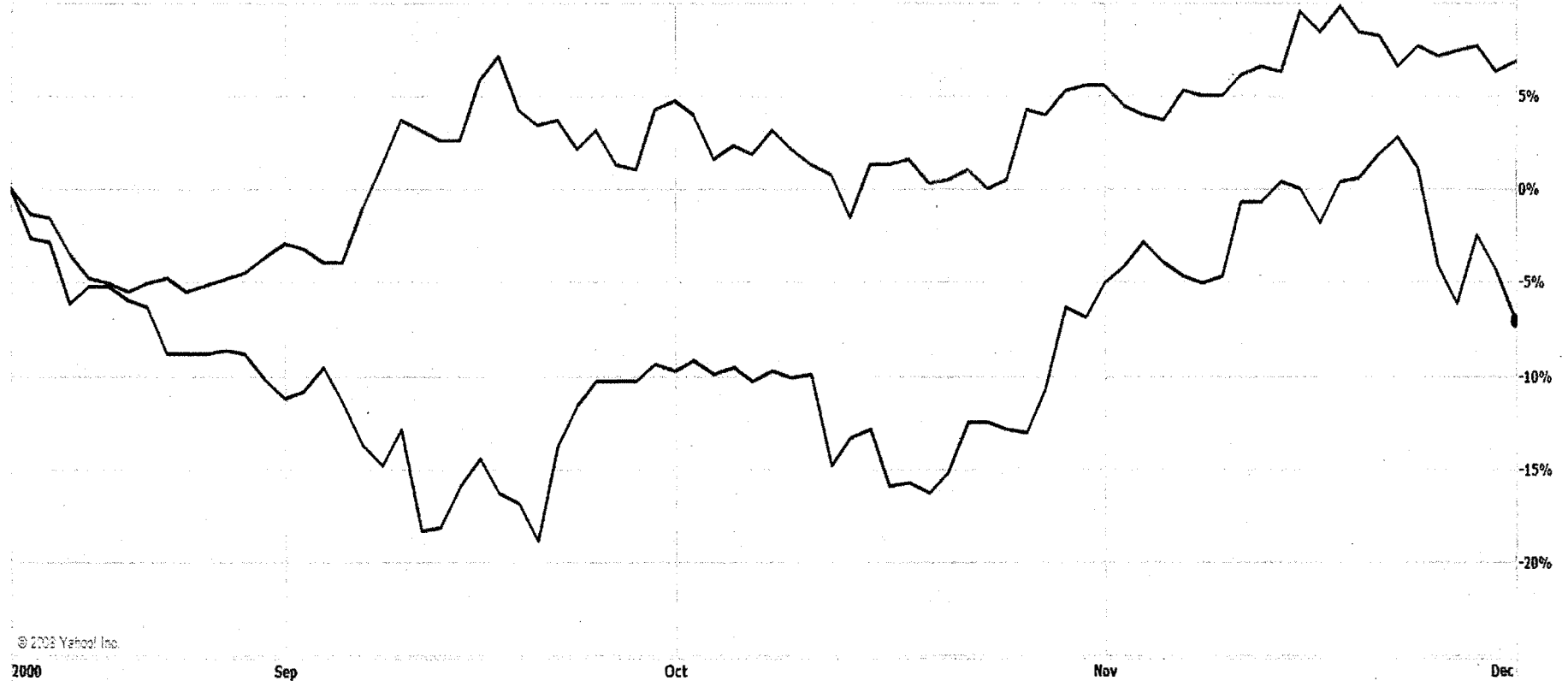
EVENTS

TECHNICAL INDICATORS

CHART SETTINGS

RESET

Nov 29, 2000 : ■ MCD 32.50 ■ WEN 25.43



© 2000 Yahoo! Inc.

2000 Sep Oct Nov Dec

1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Aug 14 2000 TO: Dec 1 2000

1970 1975 1980 1985 1990 1995 2000 2005

B. MCD
VS
WEN

KO (Coca Cola Co.) NYSE

© StockCharts.com

1-Dec-2000

Open 53.74 High 54.01 Low 53.09 Close 53.84 Volume 4.7M Chg -0.38 (-0.70%)

KO (Daily)

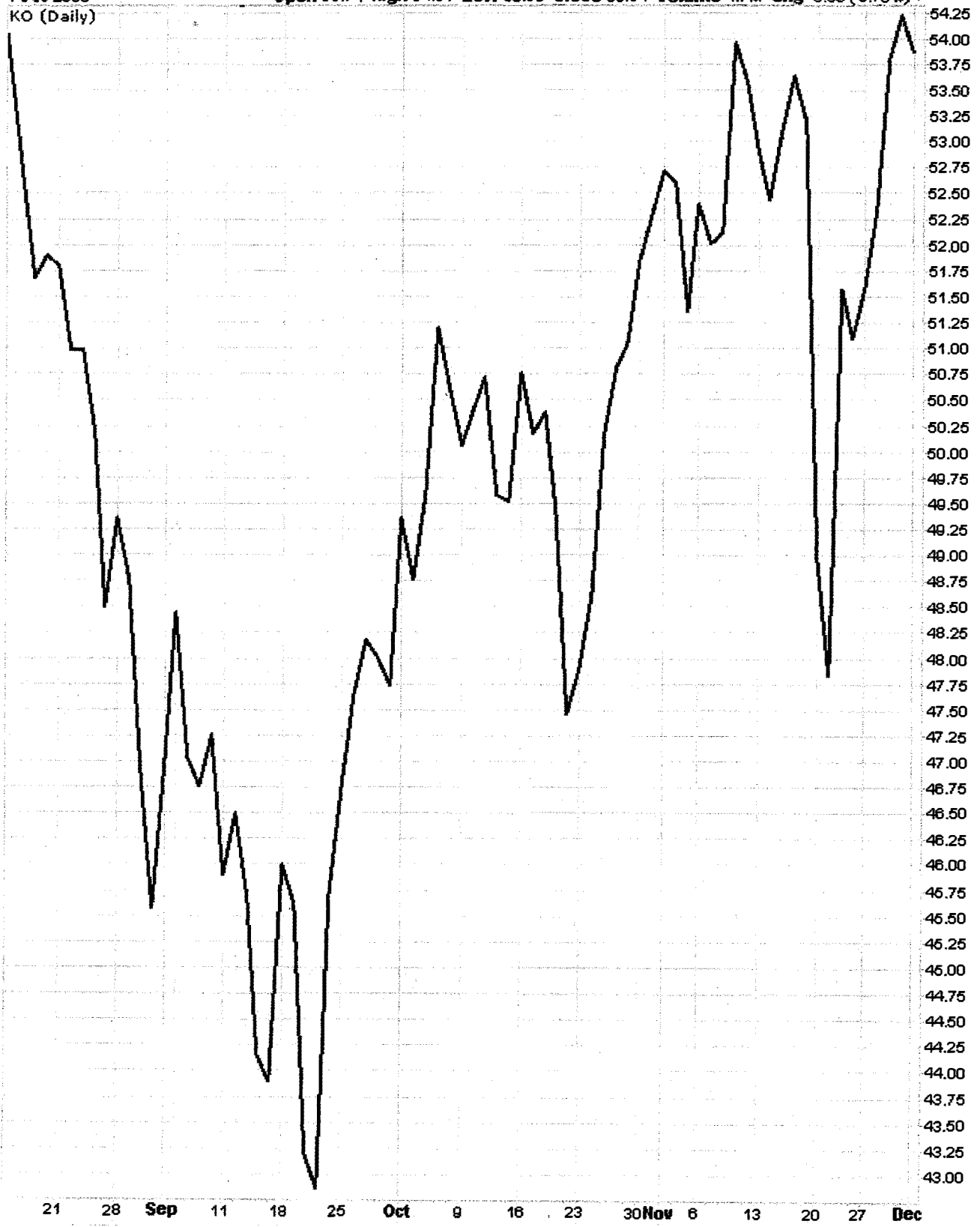


Table 19
Critical Time
Period
Sydney Olympics
Aug. 15, 2000 to Dec. 1, 2000
KO

MCD (McDonalds Corp.) NYSE

© StockCharts.com

1-Dec-2000

Open 28.36 High 28.36 Low 27.04 Close 27.32 Volume 6.0M Chg -0.83 (-2.94%)

MCD (Daily)

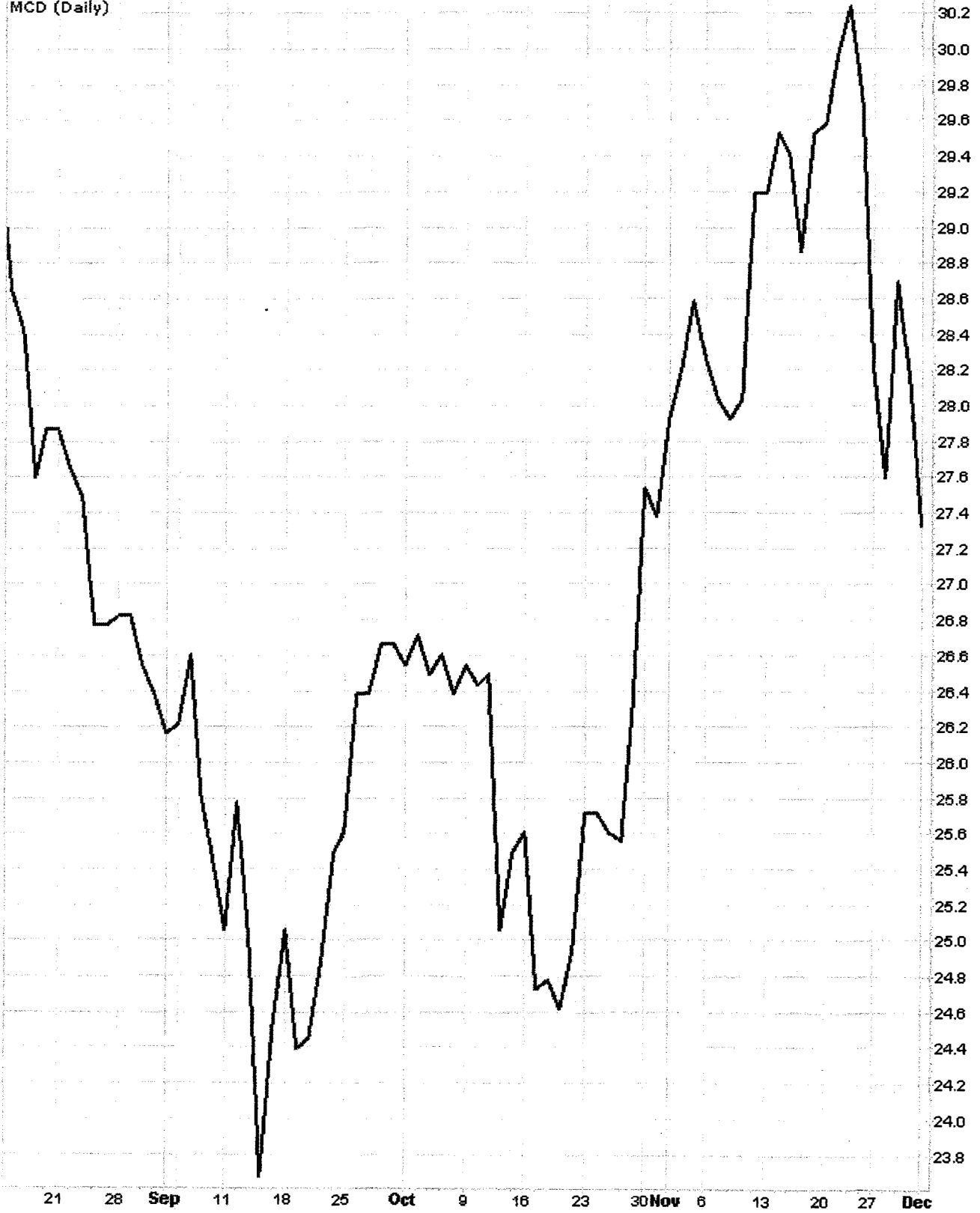


Table 20
Critical Time
Period

Sydney Olympics
Aug. 15, 2000 to Dec. 1, 2000
MCD

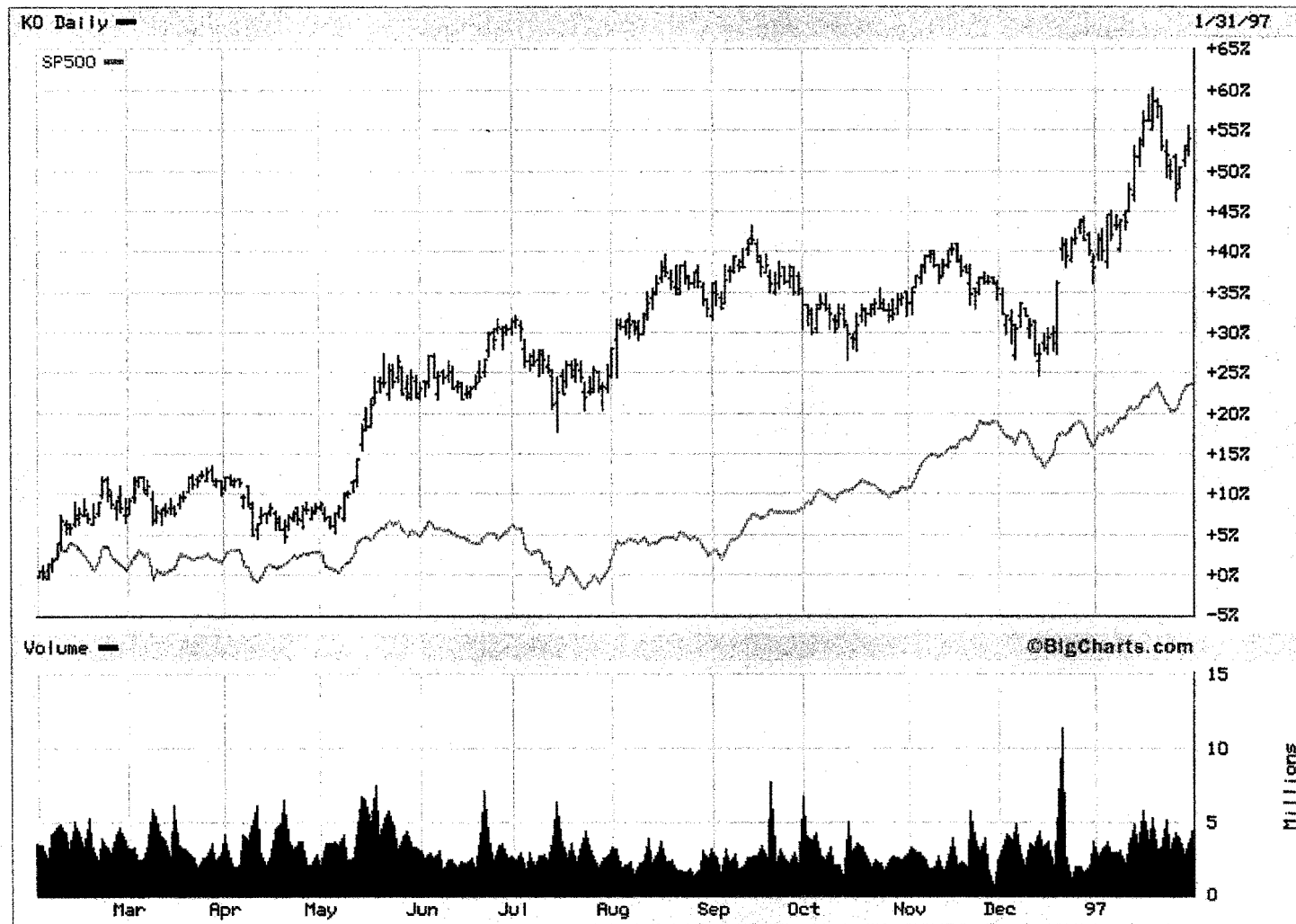


Table 21
 Year Comparison
 Atlanta Olympics
 Feb. 96 to Feb. 97
 KO
 VS
 SP500

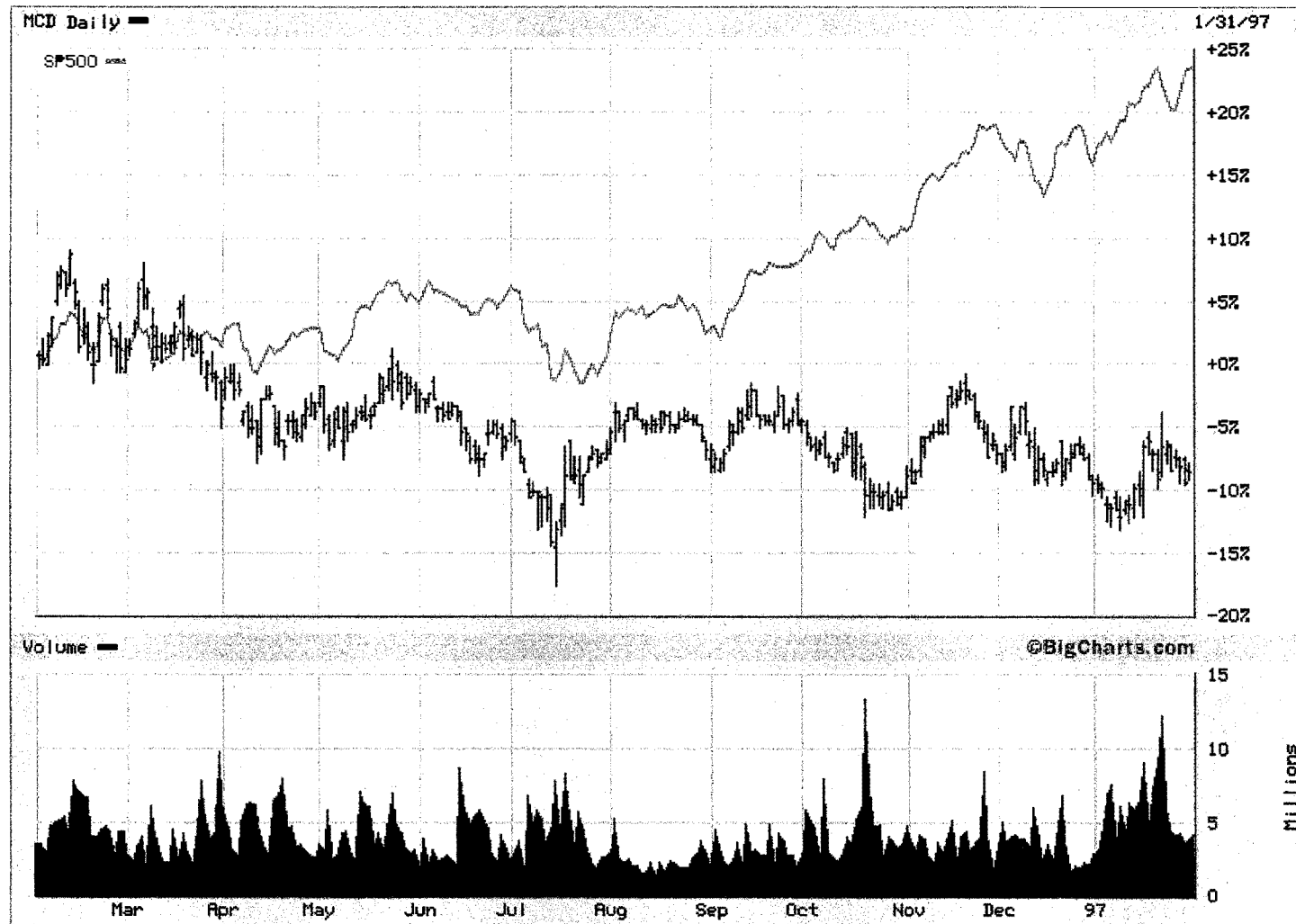


Table 22
 Year Comparison
 Atlanta Olympics
 Feb. 96 to Feb. 97
 MCD
 VS
 SP500

Sep 12, 1996: ■ KO 51.88 ■ PEP 29.87

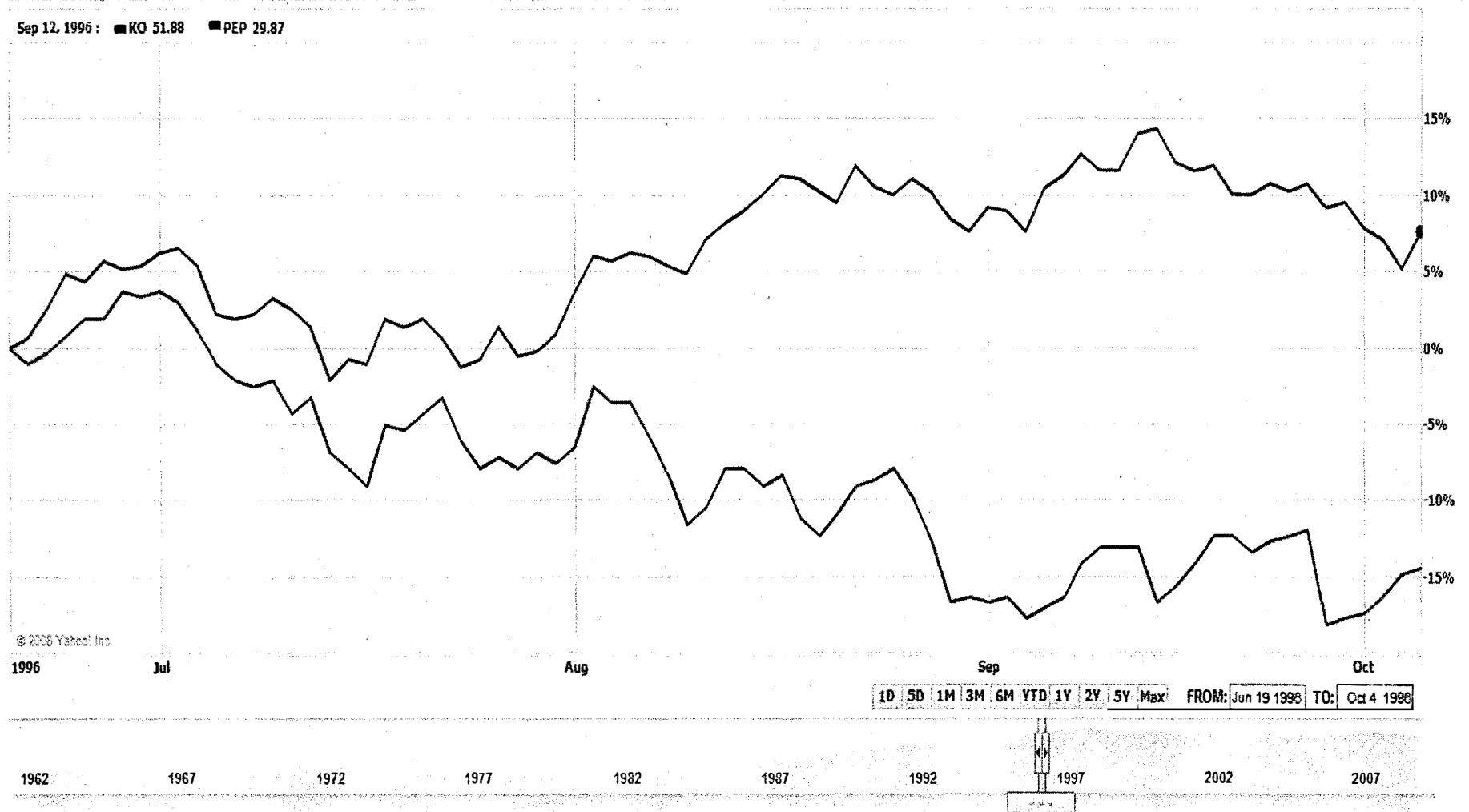


Table 23
Critical Time
Period
Atlanta Olympics
June 17, 1996 to Oct. 4, 1996
KO
VS
PEP

Oct 4, 1996 : ■ MCD 23.19 ■ WEN 12.25



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1996 Jul Aug Sep Oct
 10 5D 1M 3M 6M VTD 1Y 2Y 5Y Max FROM: Jun 17 1996 TO: Oct 4 1996
 1970 1975 1980 1985 1990 1995 2000 2005

Table 24
 Critical Time
 Period
 Atlanta Olympics
 June 17, 1996 to Oct. 4, 1996
 MCD
 VS
 WEN

KO (Coca Cola Co.) NYSE

4-Oct-1996

Open 42.43 High 43.40 Low 42.32 Close 43.29 Volume 4.9M Chg +0.97 (+2.30%) ▲

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KO (Daily)

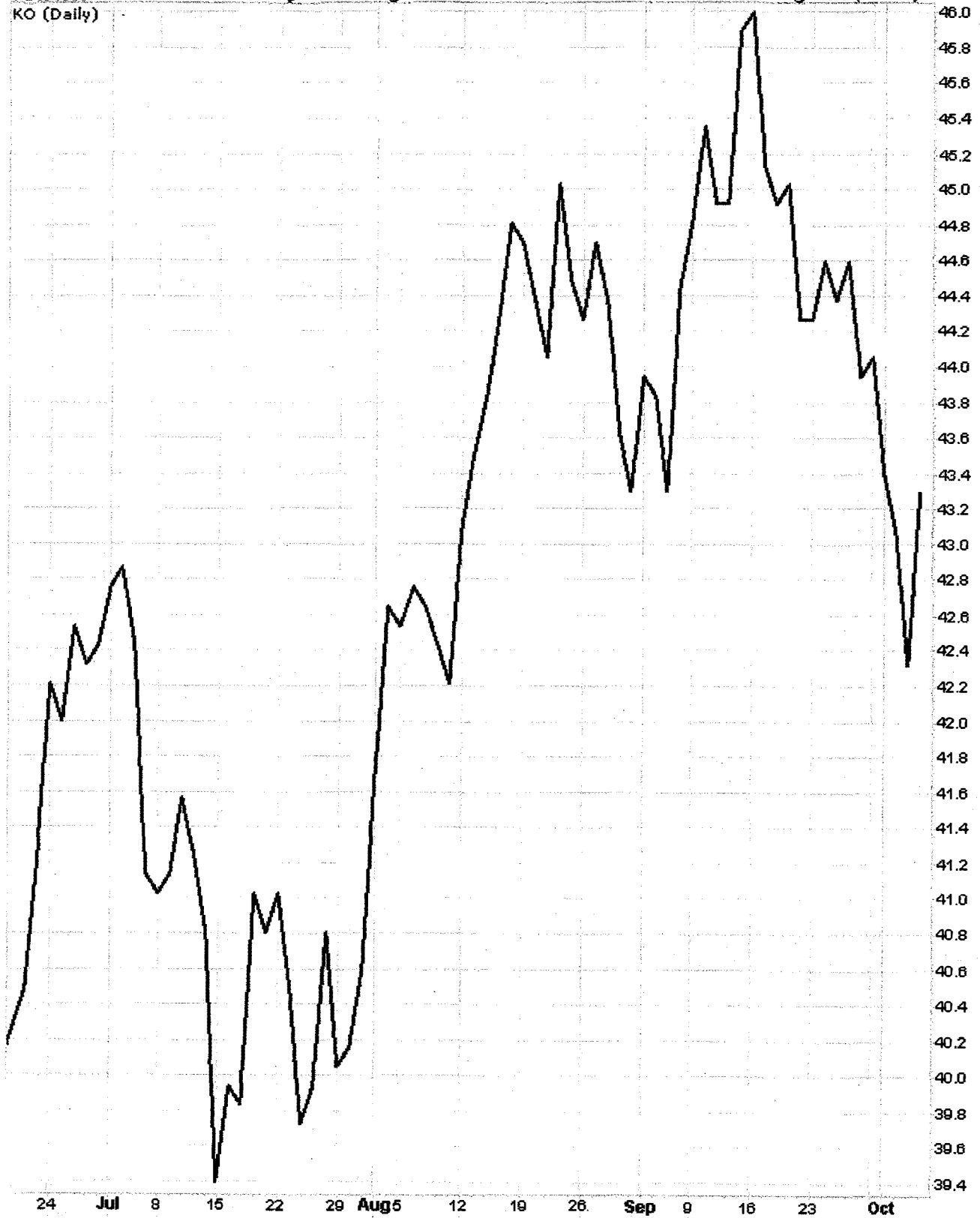


Table 25
Critical Time
Period
Atlanta Olympics
June 17, 1996 to Oct. 4, 1996
KO

MCD (McDonalds Corp.) NYSE

© StockCharts.com

4 Oct 1996

Open 20.58 High 20.89 Low 20.31 Close 20.47 Volume 5.2M Chg -0.06 (-0.27%)

MCD (Daily)

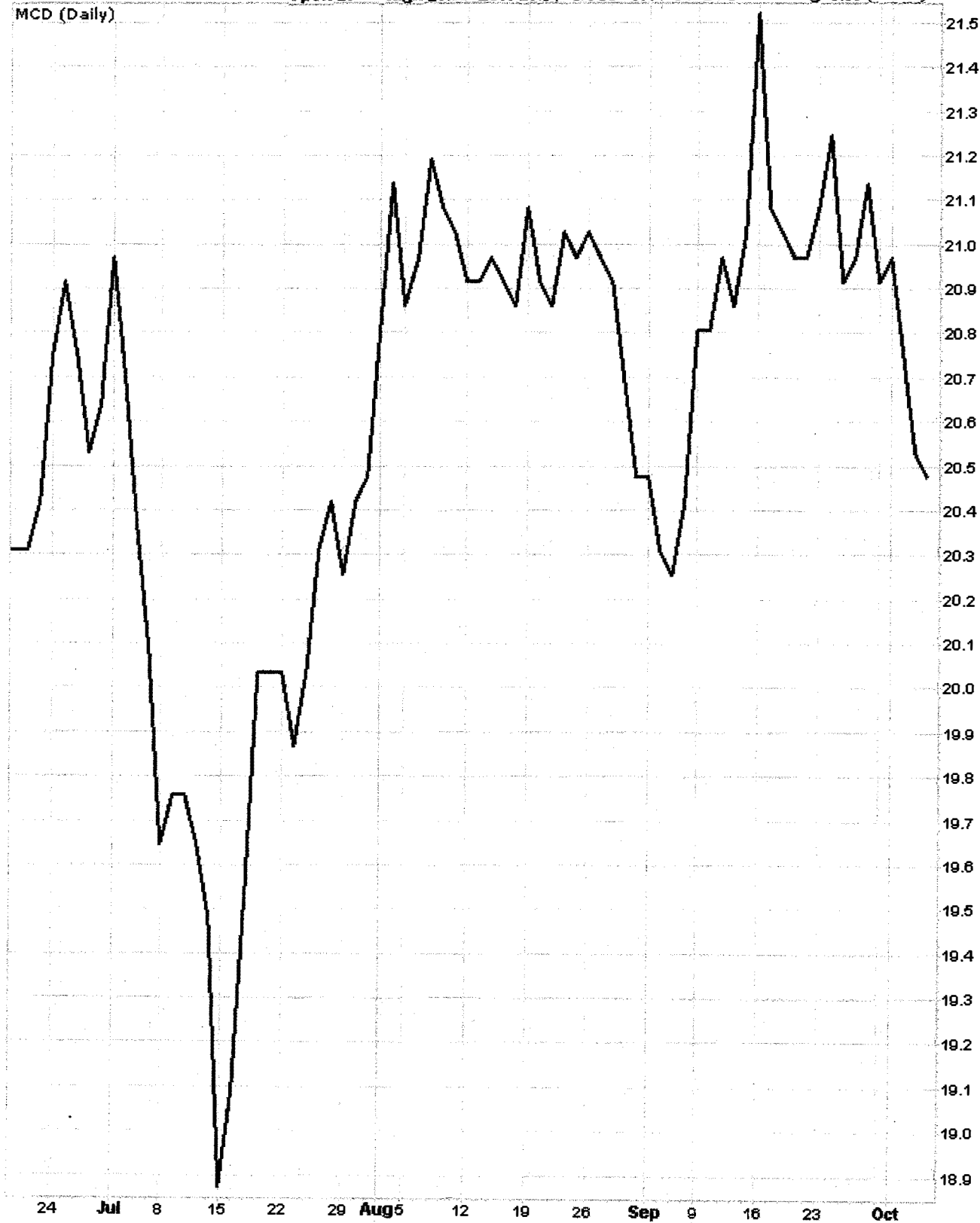


Table 26
Critical Time
Period
Atlanta Olympics
June 17, 1996 to Oct. 4, 1996
MCD

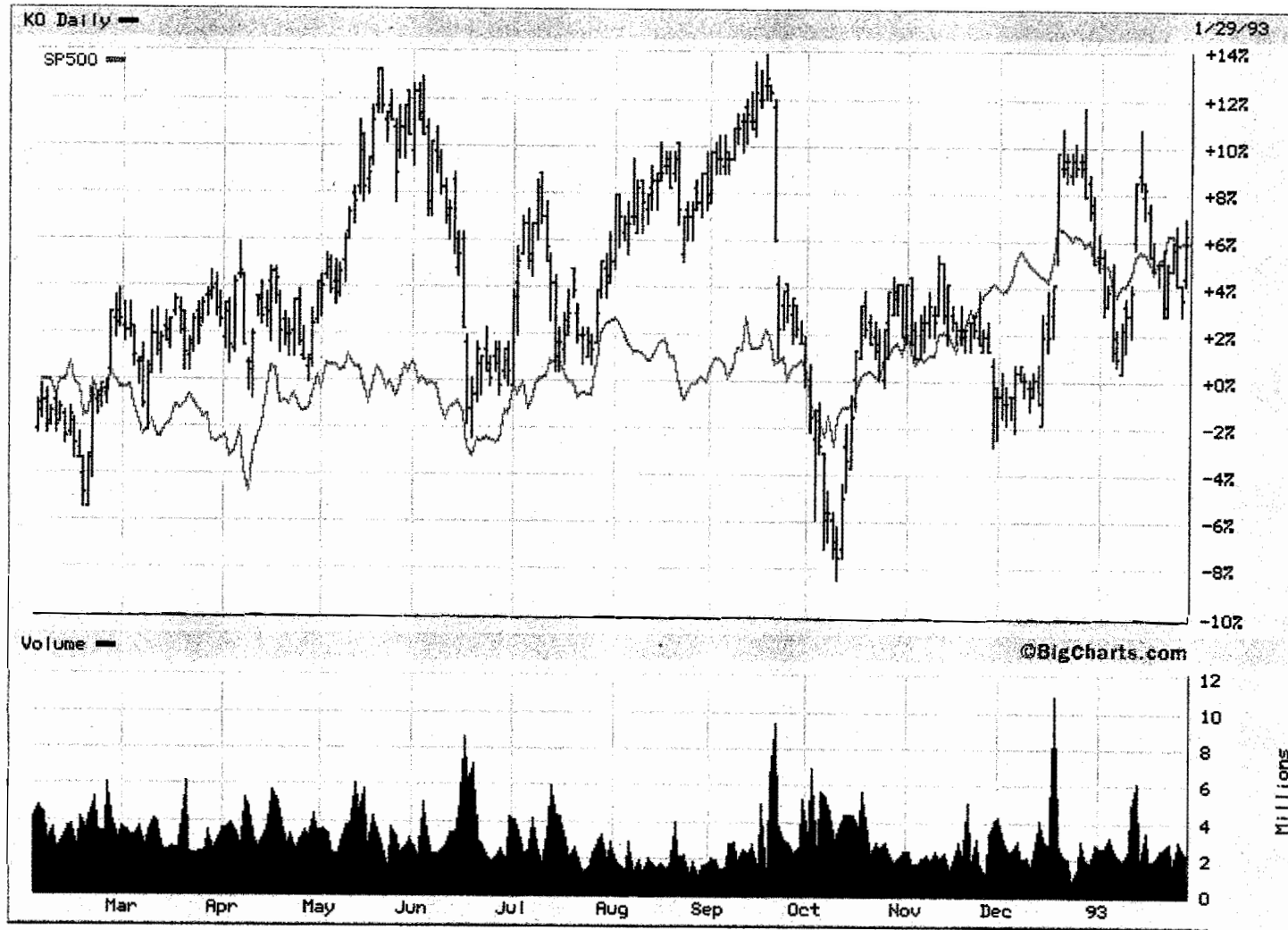


Table 27
 Critical Time
 Period
 Barcelona Olympics
 July 25, 1992 to Oct. 9, 1992
 KO

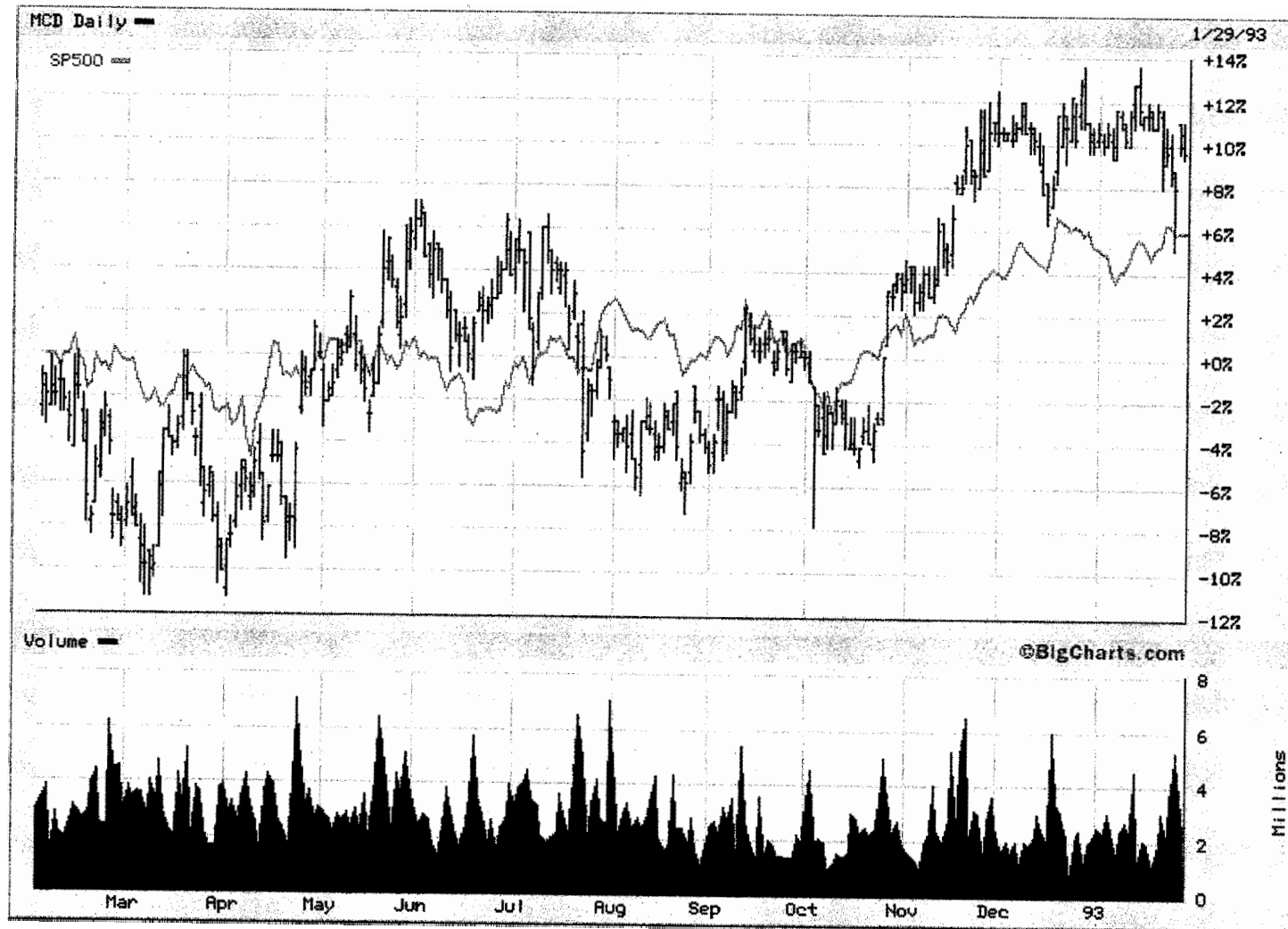


Table 28
 Critical Time
 Period
 Barcelona Olympics
 July 25, 1992 to Oct. 9, 1992
 MCD

Oct 8, 1992: ■ KO 18.815 ■ PEP 18.93

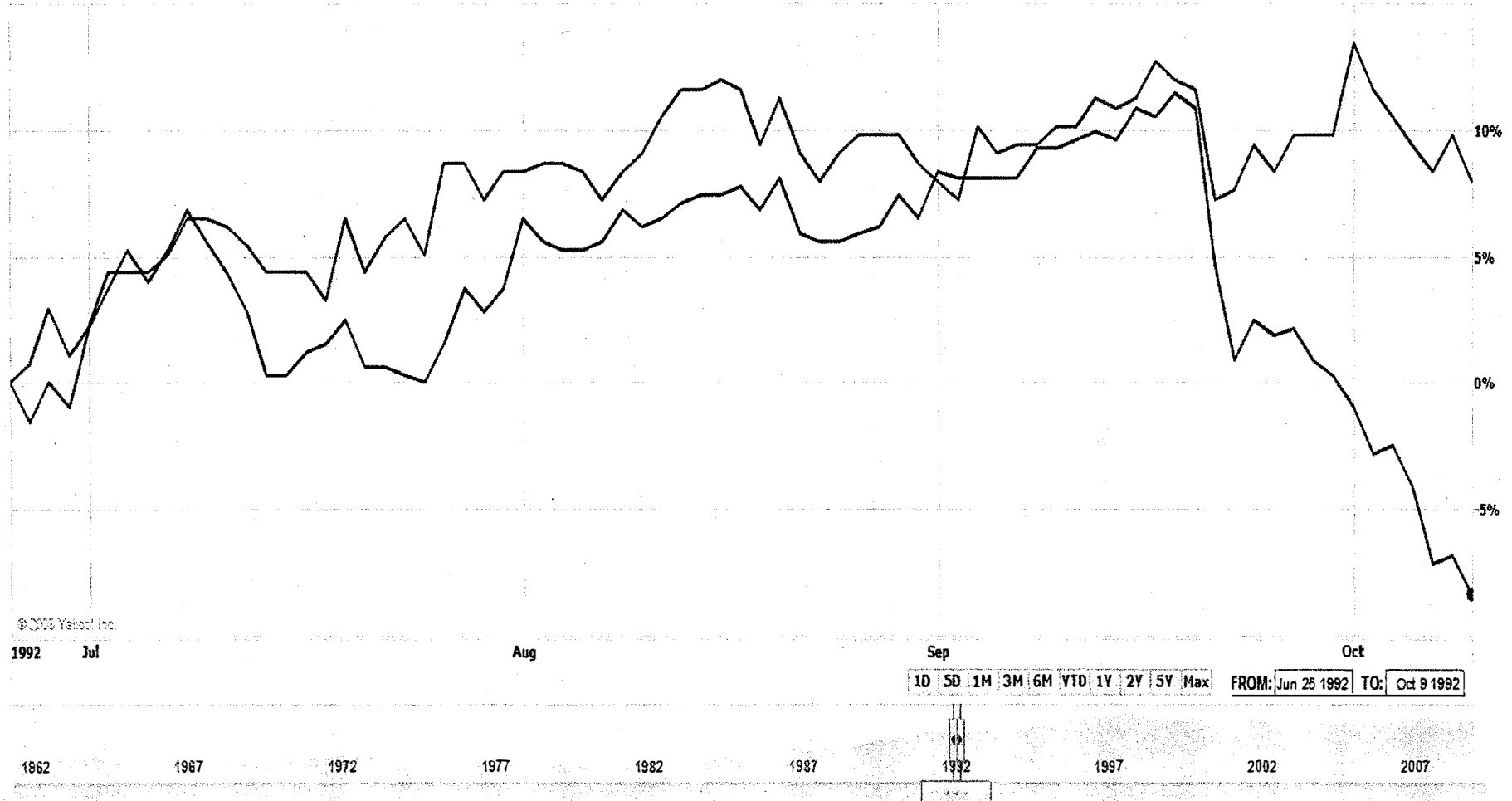
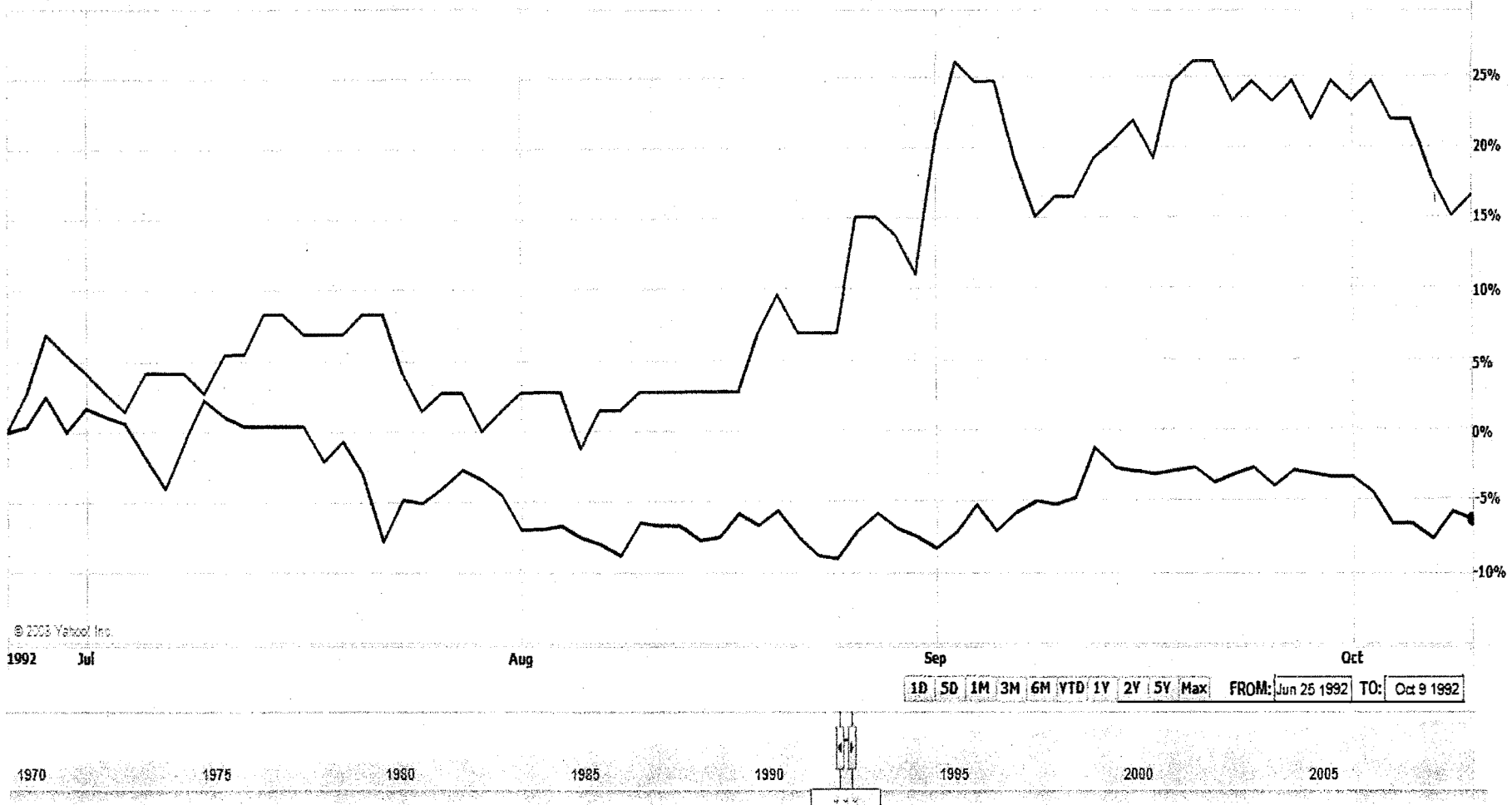


Table 29
 Critical Time
 Period
 Barcelona Olympics
 July 25, 1992 to Oct. 9, 1992
 KO
 VS
 PEP

Oct 2, 1992: ■ MCD 10.97 ■ WEN 11.37



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1992 Jul Aug Sep Oct
1D 5D 1M 3M 6M YTD 1Y 2Y 5Y Max FROM: Jun 25 1992 TO: Oct 9 1992
1970 1975 1980 1985 1990 1995 2000 2005

Table 30
Critical Time
Period
Barcelona Olympics
July 25, 1992 to Oct. 9, 1992
MCD
VS
WEN

KO (Coca Cola Co.) NYSE

9-Oct-1992

Open 16.23 High 16.29 Low 15.96 Close 16.02 Volume 5.4M Chg -0.27 (-1.66%)

© StockCharts.com

KO (Daily)

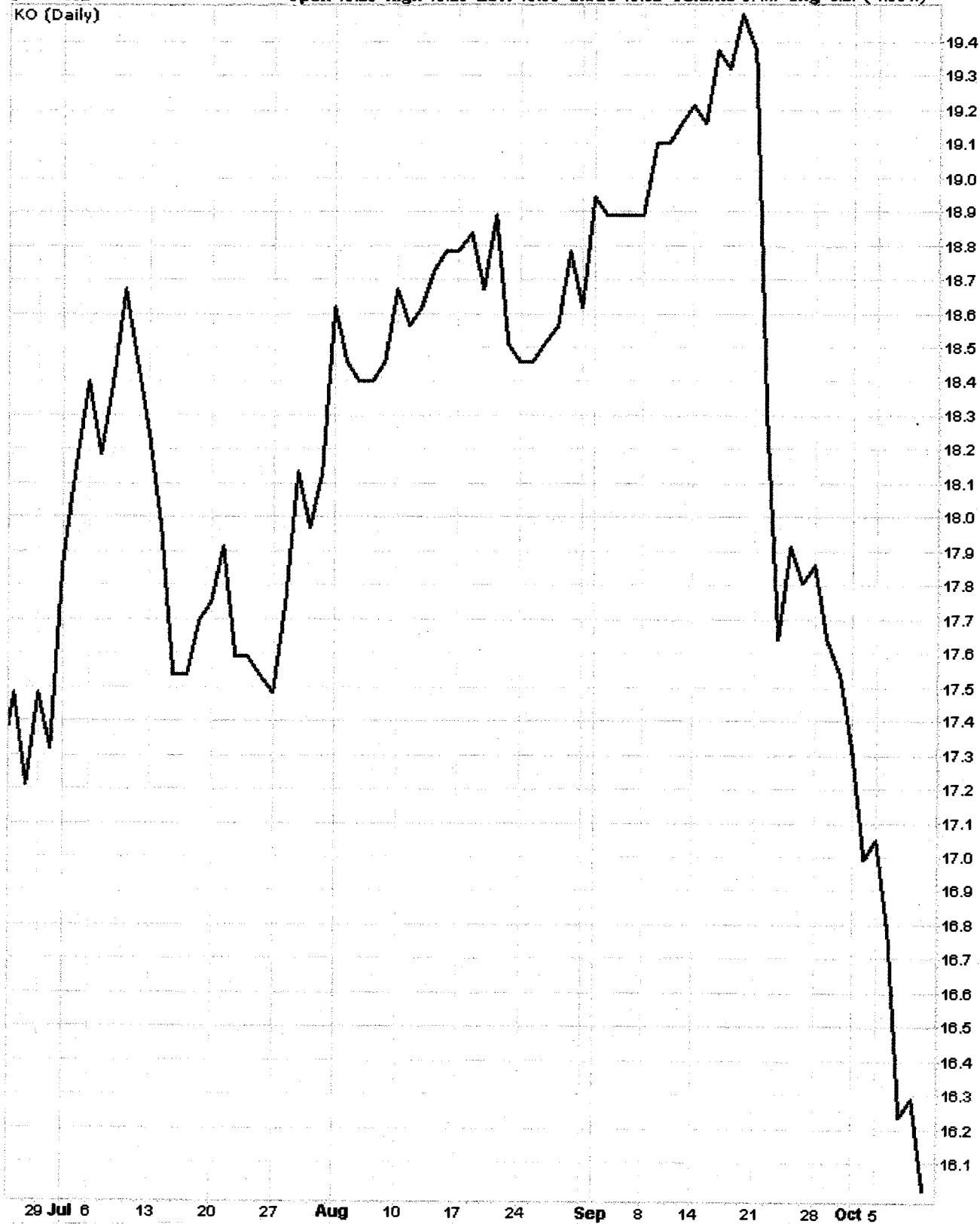


Table 31
Year Comparison
Barcelona Olympics
Feb. 92 to Feb. 93
KO
VS
SP500

MCD (McDonalds Corp.) NYSE

© StockCharts.com

9-Oct-1992

Open 9.547 High 9.547 Low 9.381 Close 9.491 Volume 1.1M Chg -0.055 (-0.58%)

MCD (Daily)

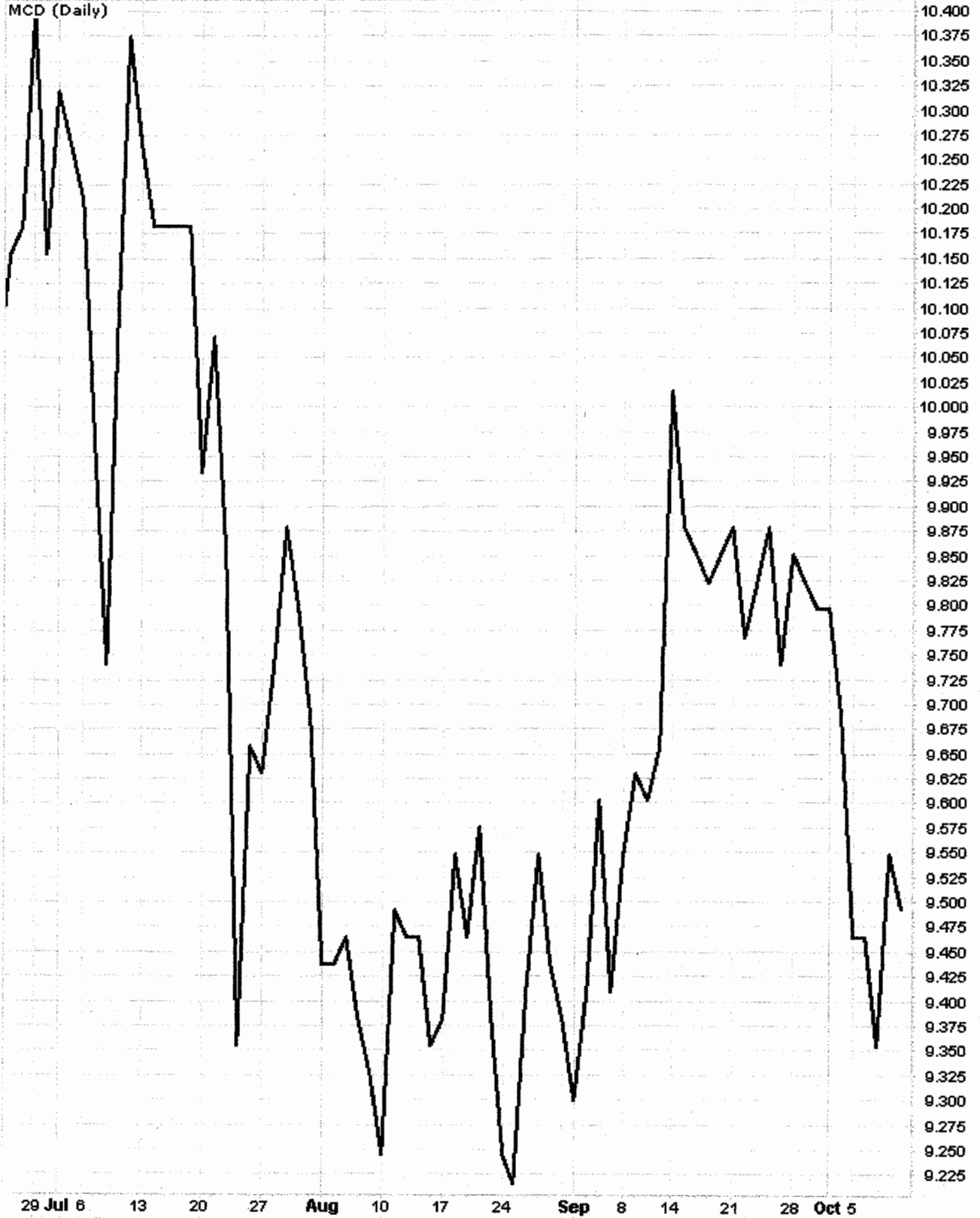


Table 32
Year Comparison
Barcelona Olympics
Feb. 92 to Feb. 93
MCD
VS
SP500

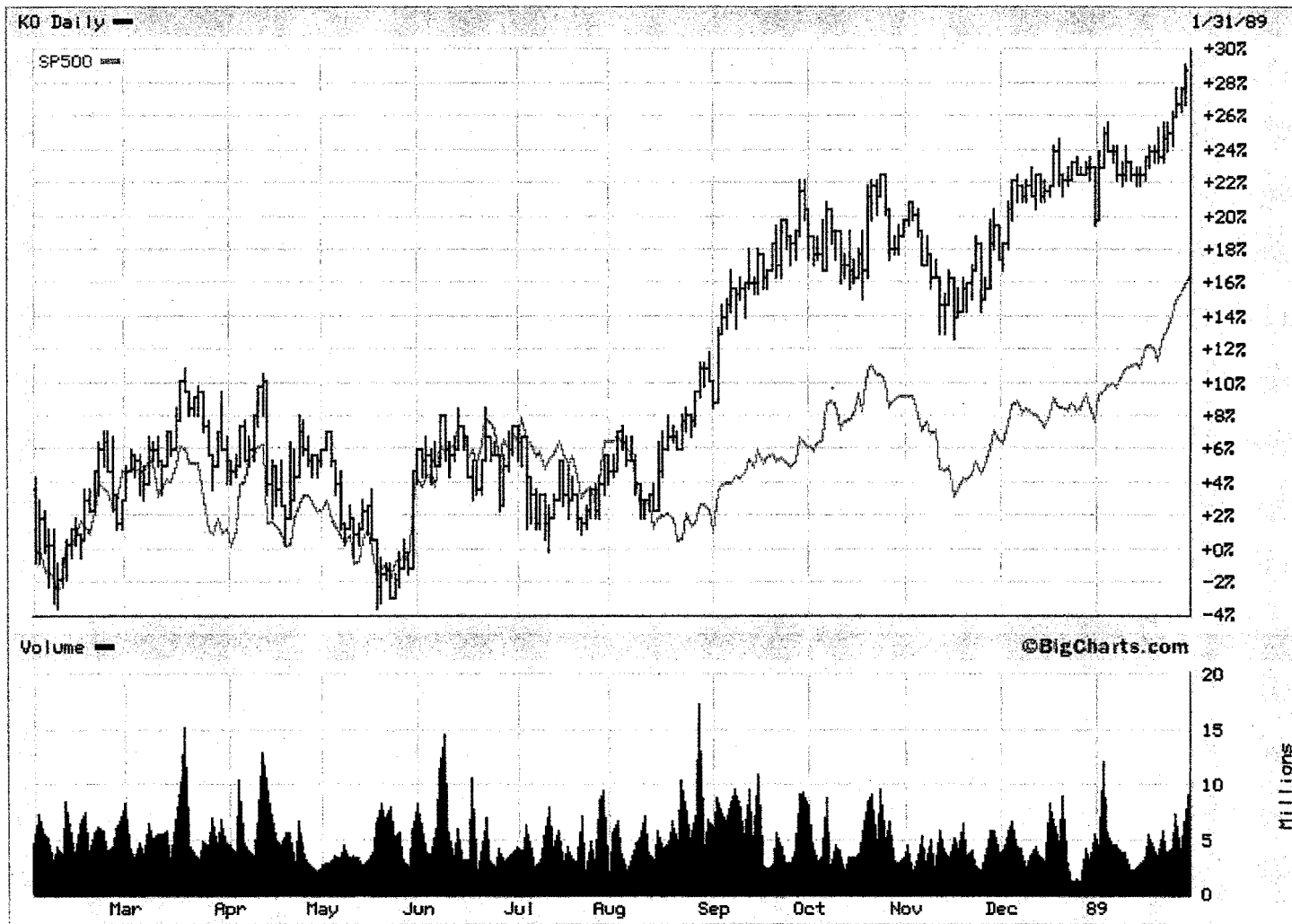


Table 33
 Year Comparison
 Seoul
 Feb. 88 to Oct. 89
 KO
 VS
 SP500

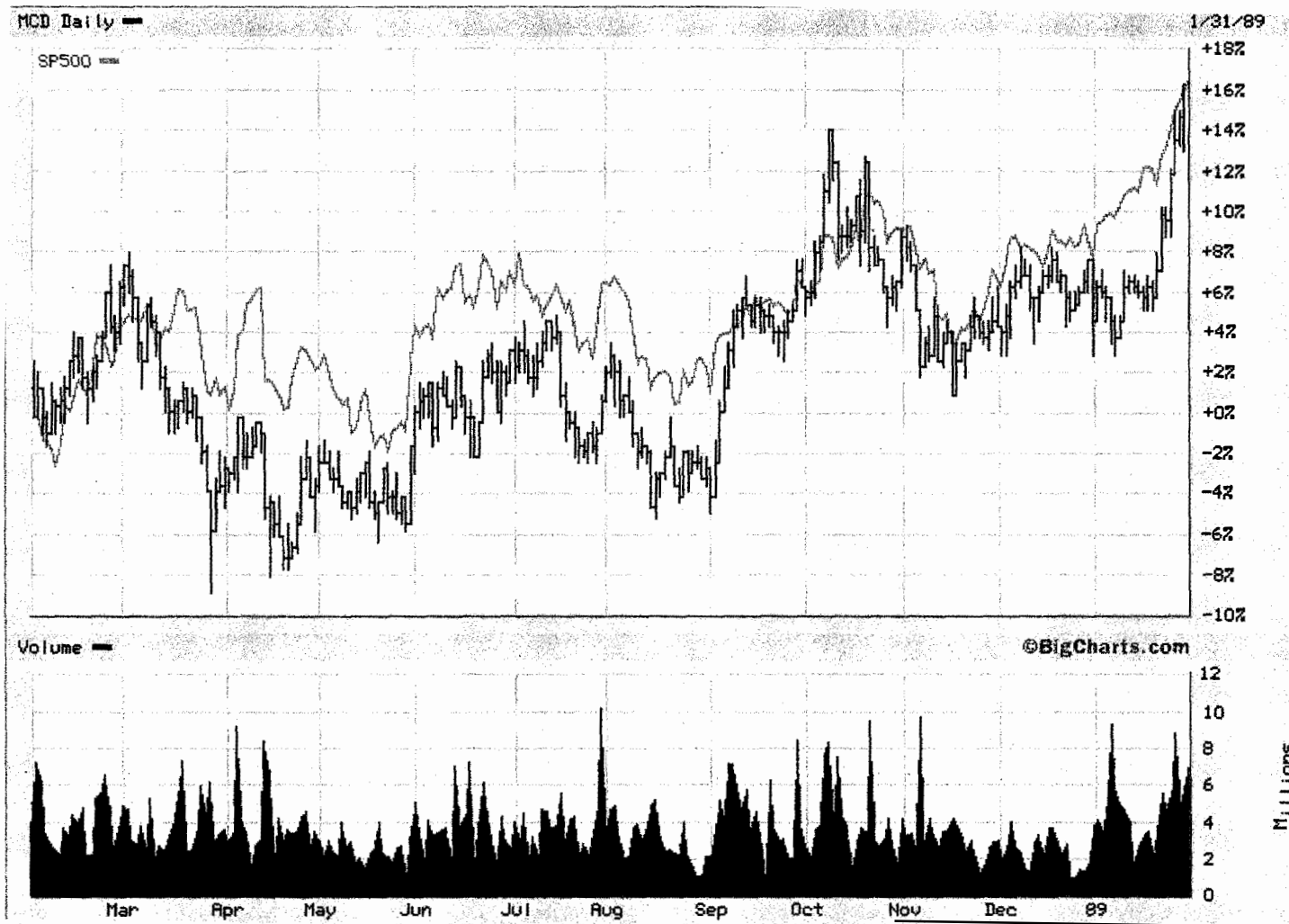


Table 34
 Year Comparison
 Seoul
 Feb. 88 to Oct. 89
 MCD
 VS
 SP500

Dec 2, 1988 : ■ KO 5.375 ■ PEP 6.43

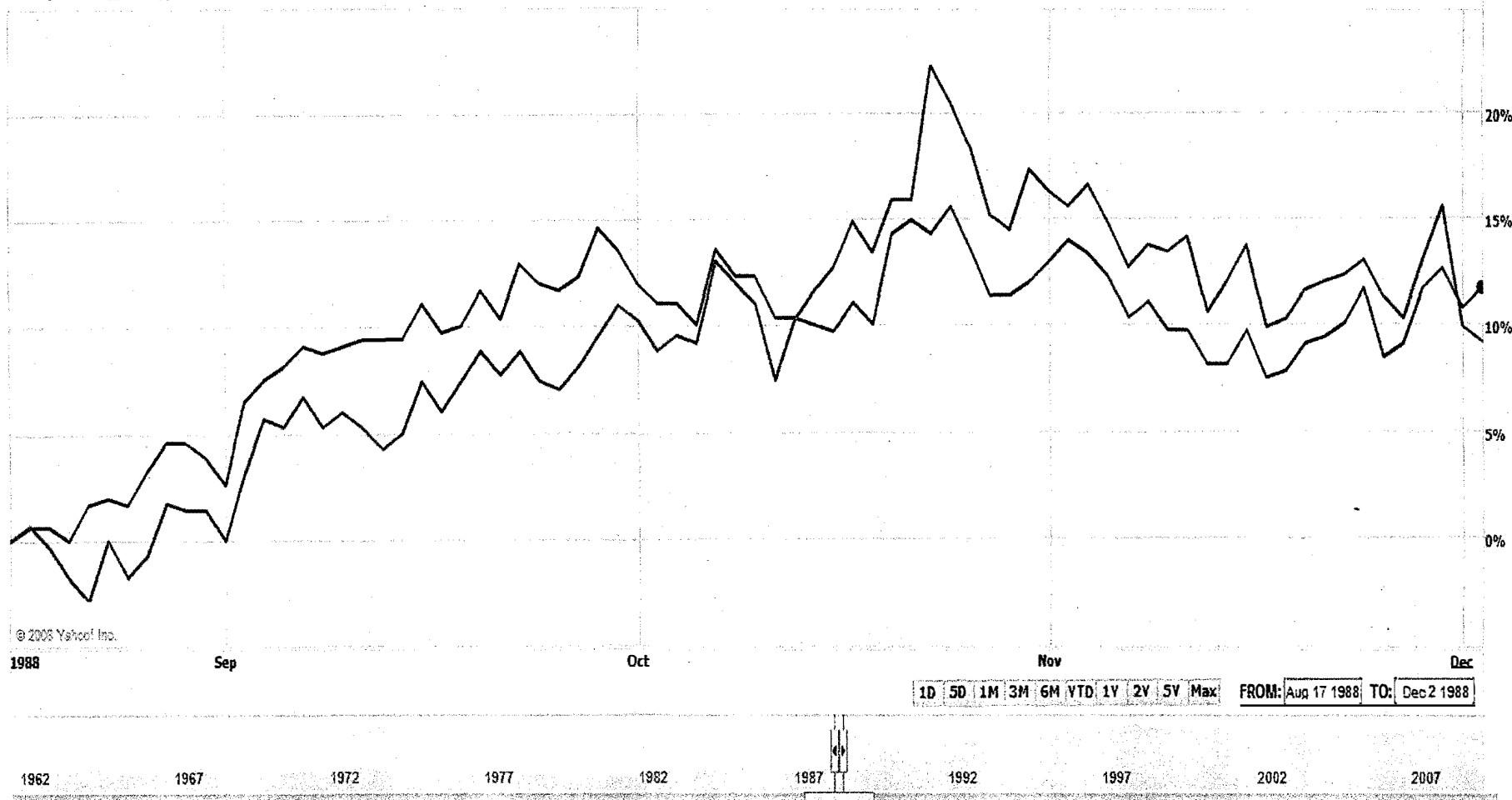


Table 35
Critical Time
Period
Seoul Olympics
Aug. 17, 1988 to Dec. 2, 1988
KO
VS
PEP

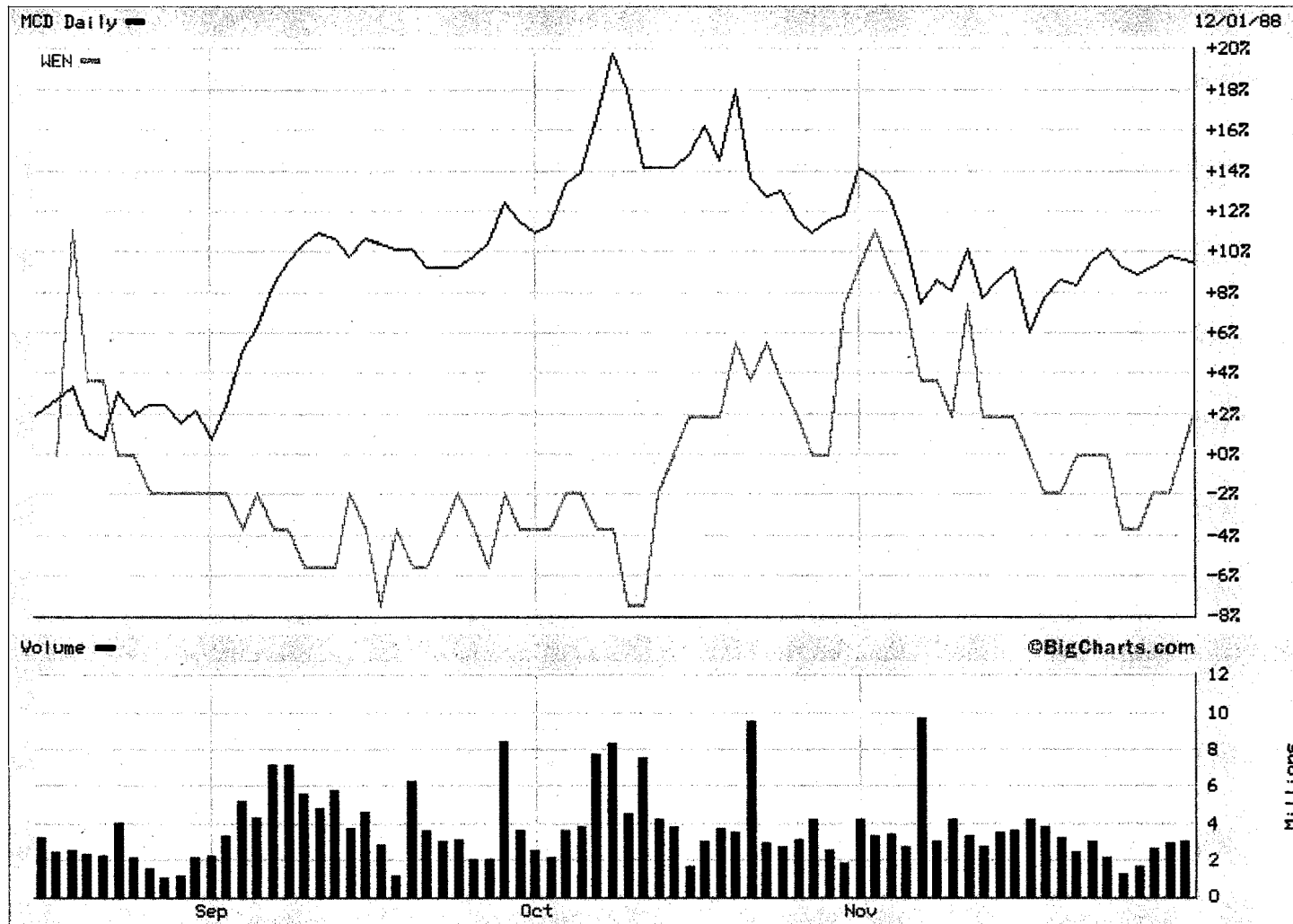


Table 36
 Critical Time
 Period
 Seoul Olympics
 Aug. 17, 1988 to Dec. 2, 1088
 MCD
 VS
 WEN

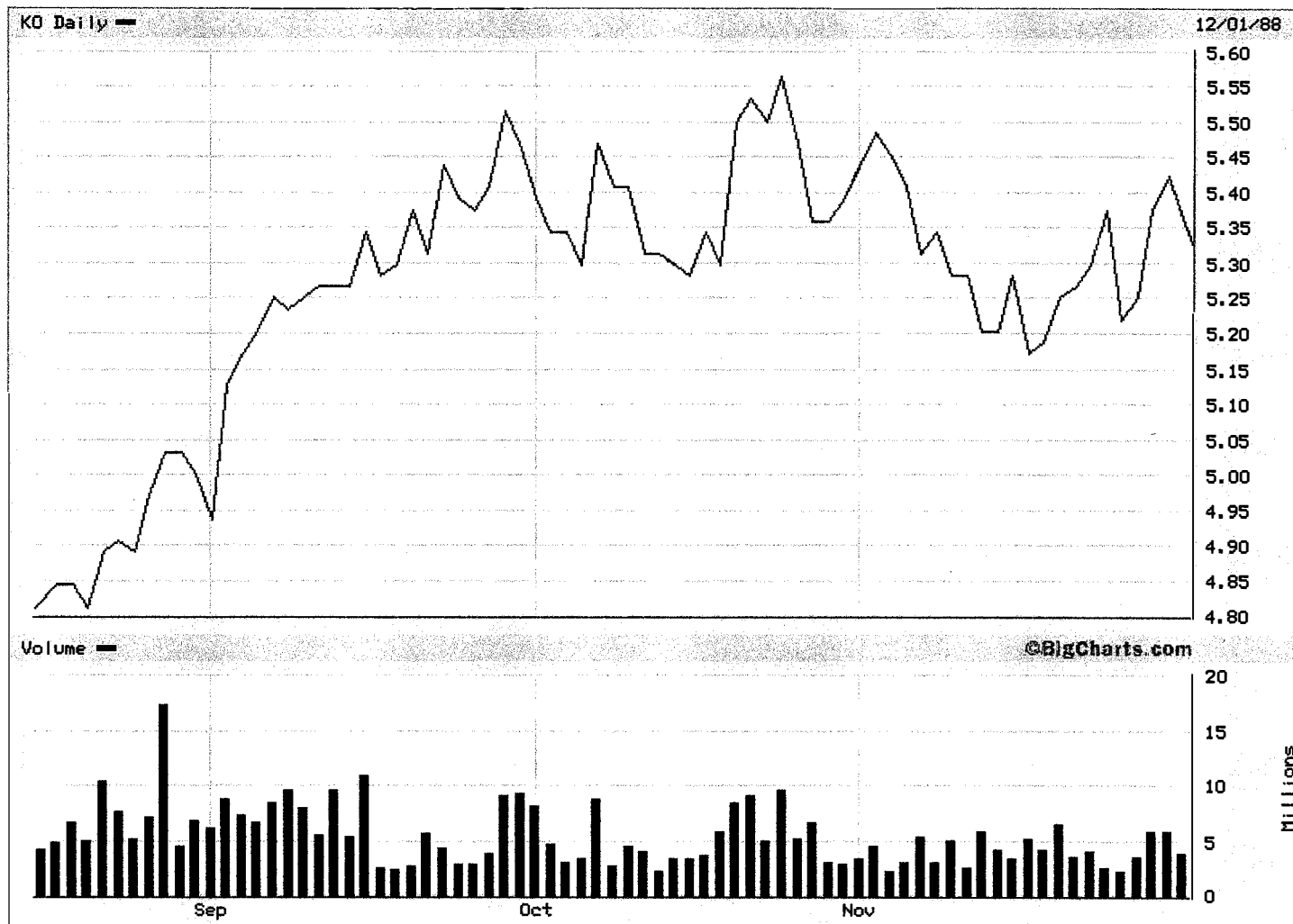


Table 37
 Critical Time
 Period
 Seoul Olympics
 Aug. 17, 1988 to Dec. 2, 1988
 KO

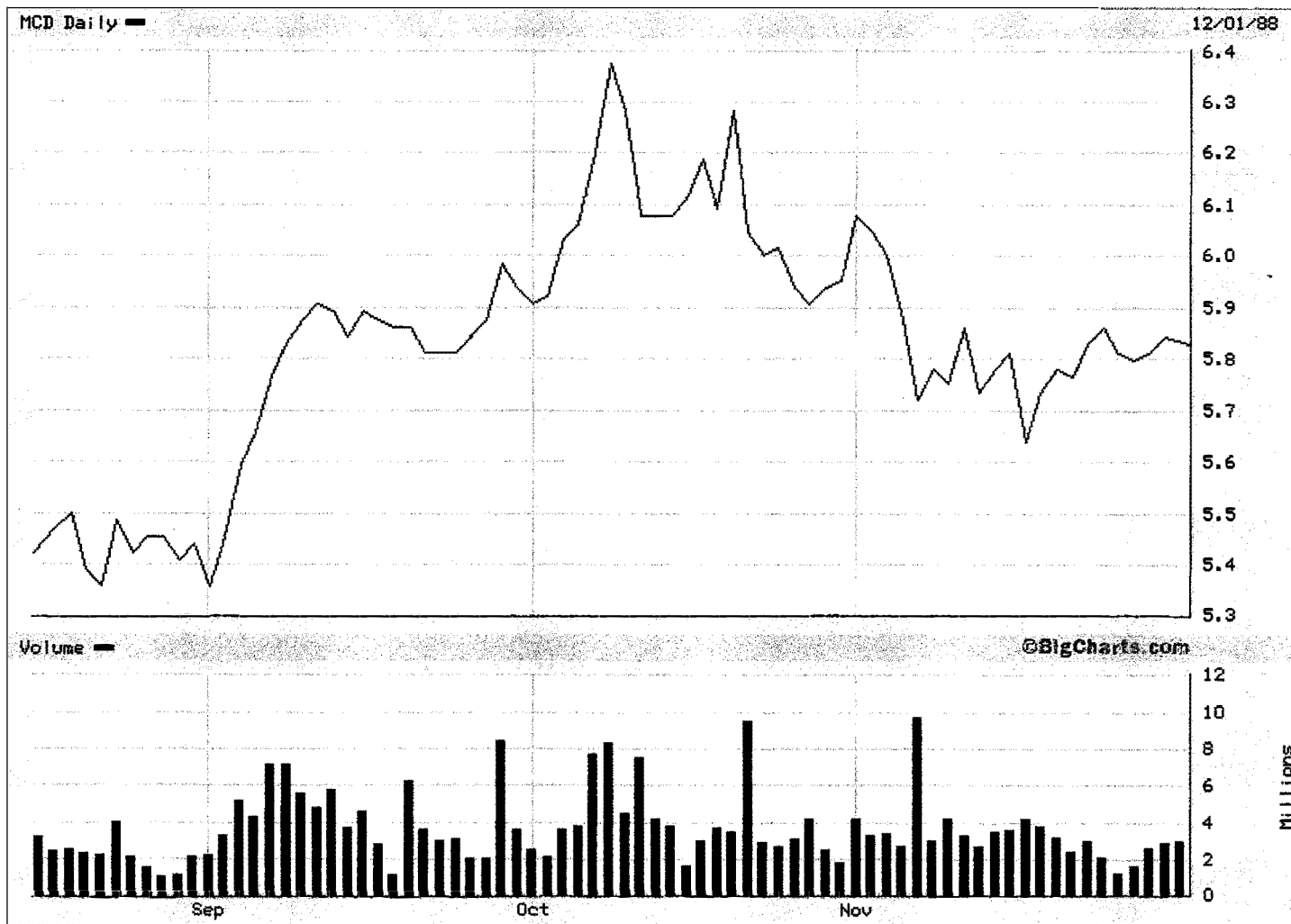


Table 38
 Critical Time
 Period
 Seoul Olympics
 Aug. 17, 1988 to Dec. 2, 1988
 MCD

Summary

KO and MCD- Visionary companies because their well above SP

2008

Economy- SP

KO-Curves similar/Straight line down-slope slight

MCD-Curves dissimilar/Straight line up-slope slight

Industry

KO vs. PEP-Similar/Straight line up-slope slight except in October

MCD vs. BKC, YUM, and WEN

BKC- Straight line down-slope slight to flat

YUM- Straight line down-slope slight to flat

WEN- Straight line down-slope slight to flat

Product

KO-triple Pecked and all equal amplitude/up-flat-down-plateau shape

MCD-triple Pecked and first larges/up-flat-down-plateau shape

Variables (Micro)

Country's culture and Olympic culture yields marketing yields value

2004

Economy- SP

KO-Similar after October and flat-Flat-down-flat-step shaped

MCD-Similar/Straight line up-slope average

Industry

KO vs. PEP-Similar- Straight line down-slope slight

MCD vs. YUM, and WEN-Mostly similar, except September and October MCD down

YUM- similar/Straight line up-slope slight

WEN-mostly similar, except September and October MCD down/Straight line up-slope slight

Product

KO- Down then single peaked then down/Straight line up-slope steep

MCD-Down then multi-peaked and up/Straight line up-slope steep

Variables (Micro)

Olympic culture yields country's culture yields marketing yields value

Economy yields value

2000

Economy- SP

KO-Different and up until October then similar/ Straight line up to flat-slope slight

MCD-Similar until June then down and flat/Straight line down to flat-slope slight

Industry

KO vs. PEP-similar/Straight line up to flat-slope slight

MCD vs. YUM and WEN-MCD up and flat, YUM similar, and WEN down and flat

YUM-Similar until late November/Straight line up to flat-slope slight

Wen-Similar except August/Straight line up to flat-slope slight

Product

KO-Down and double peaked/Straight line up-slope average

MCD- Down and double peaked/Straight line up-slope average

Variables (Micro)

Country's culture and Olympic culture yields value

Over rated Marketing yield value

1996

Economy- SP

KO-Different and up/Straight line up-slope slight

MCD-Different and down/Straight line down-slope slight

Industry

KO vs. PEP- KO Similar except August, September, November/ Flat

MCD vs. WEN-Similar except July and September/Flat

Product

KO-Down and double peaked/Straight line up-slope average

MCD-Down and double peaked/Straight line up-slope average

Variables (Micro)

Marketing yields value

1992

Economy- SP

KO- Similar except May and June/Flat

MCD-Similar/ Straight line up to flat-slope slight

Industry

KO vs. PEPS-Similar except October/ Straight line up to flat-slope slight

MCD vs. WEN- Dissimilar MCD flat and WEN up/ Straight line up to flat-slope slight

Product

KO-Triple Pecked and up/ Straight line up – slope average

MCD-Triple Pecked down then up/ u shaped

Variables (Micro)

Marketing yields value

Economy yields value

1988

Economy- SP

KO- Similar until September and up/ Straight line up to flat-slope slight

MCD-Similar/ Straight line up-slope slight

Industry

KO vs. PEP-Similar/ Straight line-slope slight

MCD vs. WEN-Different MCD and up and WEN down until November then similar

MCD/ Straight line up to flat-slope slight

WEN/Flat

Product

KO-Single peaked and up and Multi peaked and flat/ Straight line up to flat-slope slight

MCD-Double peaked and up then multi-peaked and Flat/ Straight line up to flat-slope slight

Variables (Micro)

Marketing yields value

Media yields value

Model

Culture

Country
Culture

Olympics
Culture

Momentum of Olympics

Media

Value
to
Sponsor

Marketing

