



UWL REPOSITORY
repository.uwl.ac.uk

?

(2016) ? Interdisciplinary Journal of Economics and Business Law, 5 (3). pp. 34-75. ISSN 2047-8747

This is the Accepted Version of the final output.

UWL repository link: <https://repository.uwl.ac.uk/id/eprint/2498/>

Alternative formats: If you require this document in an alternative format, please contact:
open.research@uwl.ac.uk

Copyright:

Copyright and moral rights for the publications made accessible in the public portal are retained by the authors and/or other copyright owners and it is a condition of accessing publications that users recognise and abide by the legal requirements associated with these rights.

Take down policy: If you believe that this document breaches copyright, please contact us at open.research@uwl.ac.uk providing details, and we will remove access to the work immediately and investigate your claim.

**The impact of Olympic Games sponsorship
announcements on company share prices**

Anja Claussen

IBM

aclausse@ie.ibm.com

Chin-Bun Tse

University of West London

Chin-Bun.Tse@uwl.ac.uk

The impact of Olympic Games sponsorship announcements on company share prices

Abstract

We investigate the value relevance of Olympic Games sponsorship announcements for different level of sponsorship on the sponsors' and their competitors' share prices reactions. A sample of announcements of 47 Olympic TOP (The Olympic Partner, the highest level of sponsorship category) sponsors, and 94 competitors for the period from 1985 to 2012, and 37 tier two sponsors of the Olympic Games in Vancouver 2010 and London 2012 are considered in this research. We find that, on average, share prices of firms participating in the TOP sponsorship program increase by 1.02 % with 66 % of firms experiencing gains during a seven-day event period, whereby firms with negative return on equity prior to the announcements achieve even significant higher returns than those with previous positive return on equity. While first time TOP sponsors obtain greater share price increases of 2.32 %, lower tier sponsors as well as their industry rivals do not enjoy any significant wealth effects.

Keywords:

Olympic Games sponsorship, Capital market reaction