

# **A New Medium to Promote the Economic Development of Paris: The Olympic Games**

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**Abstract:** As the most influential sports event in the world, the Olympic Games is the largest sports event among countries in the world. The Olympic Games have played a certain role in all periods of history and have had a profound impact on the progress and development of human society. Today, the Olympics have evolved into a new global medium. This paper focuses on the role of the Olympic Games in economic development, takes the Paris Olympics as the research object, and expounds its role as a new medium in promoting the economic development of Paris. In urban development, the Paris Olympics bring new opportunities to cities through innovative forms and sustainable development concepts. In terms of commercial value, the Olympic Games have great potential as a commercial activity, and sponsors and the Olympic Games promote each other. In terms of sports tourism, the integration of events and tourism will drive the development of related industries. The Paris Olympics directly or indirectly affects the economic development of Paris and France, and stimulates social enthusiasm and initiative. It fully embodies the diversity in the process of promoting economic development, which is not only reflected in the diversified development of industries, but also in the interweaving and integration of different development models and opportunities, which has practical significance that cannot be ignored.

**Keywords:** Paris Olympics; New Economic Media; Urban Culture, Commercial Value; Sport Tourism

## **1. Introduction**

As a world-renowned sports event, the Paris

Olympics will bring countless honors and attract international attention to this city, while also having a profound impact on its development. As an emerging economic driving force, the Olympic Games play a unique role in promoting significant economic, social, and environmental development in Paris.

## **2. Urban Opportunities under the Olympic Games**

The Paris Olympics were highly innovative. Implementing the slogan of "Games Wide Open", it breaks the rule and creatively holds the opening ceremony in an open space and introduces sports to the whole city. The opening ceremony will use the entire city of Paris as a backdrop, showcasing various Parisian historical sites, bridges, and cultural facilities along the Seine River as a whole. Through the 6-kilometer route of the Seine River, one can appreciate the most iconic landmarks of Paris along the way and appreciate the long history and romantic feelings that belong to France. This innovative change combines diversification with localization, fully reflecting the unique charm of Paris while greatly enhancing its influence. At the same time, the Paris Olympics advocates returning to natural ecology and showcasing humanity. The transformation of the opening ceremony venue has fully integrated the Olympics into citizens' lives and urban development, greatly enhancing sports awareness and public participation. This Olympic Games will fully showcase the vitality and innovation of Paris as a modern city, adding more glory to the city. Paris will showcase its unique artistic charm, technological innovation, and cultural heritage to the world, leaving a deep impression on the world.

While sparking the collision of romantic art elements and sports competitions in France,

Paris is also promoting green and low-carbon initiatives.[1] In the "Paris 8 Minutes" short film, French President Macron welcomes the world to Paris with the words "higher, faster, stronger, and more united. With the permission of the International Olympic Committee, the Paris city government has decided to adopt a more cost-effective approach to prepare for the Olympics to achieve sustainable development goals. The biggest highlight of this Olympic Games is undoubtedly the use of 15 historic landmarks as competition venues: equestrian competitions in the gardens of the Palace of Versailles, archery competitions at the École des Invalides, and fencing and taekwondo competitions on the Champs - Élysées Avenue. Paris extends a sincere invitation to the world with its own historical heritage and artistic atmosphere.

Similar to the Beijing Winter Olympics, this time we also adopted the approach of reducing the construction of new venues and making more use of existing building resources, aiming to integrate sports into the city and serve the country with public buildings. The Paris Olympic Water Sports Center will become a permanent green and environmentally friendly sports field. In the early stages of its establishment, the goal of natural environmental protection was established, and 90% of the required resources will be provided by renewable energy. The 50000 square meters of solar photovoltaic panels above the roof provide 25% of the building's electricity consumption. The building materials mostly use wood, which not only reduces carbon emissions and implements the concept of green development, but also drives economic development. According to a report by the wood and forestry organization France Bois Forêt in July last year, the market size of wooden structures reached 4.6 billion euros last year, an increase of 14% compared to 2020. However, the proportion of wood used in new buildings has not significantly increased. In 2022, they accounted for 18.3% of newly constructed nonresidential buildings, only slightly higher than the 16.8% in 2020. Nevertheless, the industry still has great hope of seizing the current dominant market share of concrete materials and is expected to achieve the goal of occupying 20% -30% of the total construction market by 2030.[2]

The development of urban commerce is closely related to the completeness of infrastructure. In

order to prepare for the Olympic Games, Paris has invested huge financial and energy in infrastructure construction during the preparation period, achieving significant results in urban road transportation and other infrastructure. The new construction and expansion of roads, especially the innovation of subway business models, have provided a basic guarantee for the development of commercial real estate. With the continuous improvement of infrastructure, citizens' travel will be faster and more convenient, and the time cost and spatial distance of going out for consumption will be greatly reduced. Commercial projects and public facilities outside the central area will develop rapidly. The huge flow of people along various railway lines, especially at entrances and transfer stations, will drive the demand for retail space in the market and also promote the increase of shop rent and price. Suburban and subway commercial areas will have unprecedented development.

In addition, the Paris municipal government has renovated and upgraded the infrastructure and transportation routes around the main venues and Olympic Village. This is indeed a good opportunity to stimulate economic development for the Seine Saint Denis department, where the venues are most concentrated. Not only has the Olympic Village and swimming pool been built, but it also enjoys a 78% share of infrastructure investment. After the Olympic Games, more than 3000 rooms in the Olympic Village can also be used as residential and office buildings, providing more accommodation and employment opportunities for the local area.[1] According to a Harris poll, 84% of the public supports the government's adoption of this plan, which can increase people's sense of pride and belonging while also developing the relatively backward northern part of Paris, bringing social employment opportunities and promoting economic mobility.

### **3. The Embodiment of the Olympic Commercial Value of "New Luxury Goods"**

Looking back at the bidding process for the 2024 Olympic Games, apart from cities such as Rome and Hamburg that withdrew due to high costs, only Los Angeles, USA, competed against Paris in the end. Compared to the fierce competition during the 2008 bid, it is puzzling whether the commercial devaluation of the Olympics was due to the pandemic and economic downturn.

Peter Uber, who served as the chairman of the 1984 Los Angeles Olympic Organizing Committee, creatively proposed.[3] The new idea of "nurturing the Olympics with the Olympics" with his forward-thinking business acumen and operational methods. He firmly grasped the potential business opportunities in the sports industry and pioneered the business model of Olympic operation. Since then, each edition has adopted a flexible and orderly operation mode that combines government coordination and market-oriented operation. This mode operates according to the rules of the market economy, and the income structure tends to be diversified, promoting the Olympic movement into a new stage: by selling Olympic broadcasting rights and advertising fees, it attracts a large number of corporate merchants to invest and move in to achieve profitability. The Olympics, packaged as a "luxury", has also become a competition among countries to enhance their own economy and promote their culture. Major opportunities and challenges.

Olympic marketing, as a leader in the field of sports marketing, not only inherits the core elements of sports marketing, but also develops its own unique strategies and characteristics based on it. Overall, it can be divided into three periods: in the early stage, brands will choose to advertise in popular events and competitions as the most direct and simple way to showcase their brand image to the audience. Mid-term enterprises have begun to realize the importance of close integration with the Olympic Games for brand development. Enterprises not only sponsor sports delegations, but also invite sports stars to become brand spokespersons. In addition, the company has established close partnerships with the International Olympic Committee, and the Olympic Committee, further consolidating the brand's influence in the sports field. Entering the third phase, which is also the stage achieved by the Paris Olympics, many companies have begun to combine their brands with Olympic spirit, Olympic culture, green ecology and other concepts while maintaining close cooperation with the Olympic Committee. Enterprises not only enhance their brand image, but also help themselves move towards internationalization. Many companies have a common problem in marketing - a lack of ability to apply an international perspective to marketing issues. We cannot fail to have a long-term perspective and consider Olympic marketing as a part of our

company's long-term marketing plan. We must start building our brand image from small things in a down-to-earth manner; Attempting to establish a brand image and stimulate consumption within just a few days of the Olympic Games is clearly an immature marketing approach, but the French government has become a good example in this regard.

Although the French capital Paris has become a world-class tourist destination, the number of tourists has not yet returned to pre-pandemic levels. In 2022, 33 million people visited Paris, a decrease from 38 million in 2019. In 2022, about 7.8 million people visited the Louvre Museum, an increase of more than 1.7 times compared to 2021. However, this figure is 19% less than that in 2019 before the outbreak of COVID-19.[4] Hosting the Olympic Games, a global sports event, is a key move to help this city recover to its original state. In order to turn it into a market-oriented commercial activity while reflecting the characteristics of Paris as much as possible, LVMH, the world's largest luxury goods group born in Paris, France, will serve as the main sponsor to provide government assistance. In July 2023, LVMH Group officially announced that it would become a senior sponsor of the 2024 Paris Summer Olympics and also the largest sponsor of this year's Olympics.[5] The group provides support in designing medals, designing delegation costumes, and other aspects of the Olympics.

The commercial value behind the Olympic Games is enormous, but the resources to be developed are also abundant. The Olympic Games is not only a global sports event, but also a cultural event that gathers various cultural styles. According to official statistics after the 2008 Beijing Olympics, NBC Universal alone had over 200 million viewers. At the 2012 London Olympics, 10000 athletes participated in the competition, 900000 people traveled to watch the games, and nearly 5 billion people worldwide watched the games; The OBS television program related to the Olympic Games lasts for about 6000 hours, and the television broadcast of Olympic games lasted for more than 60000 hours. These data cannot be compared to any international competition.[6] It is estimated that the Paris Olympics and Paralympics will create 181000 jobs within 5 years and bring at least 5 billion euros in economic benefits to France, benefiting industries such as construction, catering, and

tourism.[7]

LVMH Group actively participates in the trend of sports events, which is a major manifestation of commercial entry into the sports industry. With its diverse forms, the group has demonstrated various sponsorship methods that are more suitable for events, complementing the Olympic Games and providing economic support for the Paris Olympics. At the same time, the Olympic Games, as a global focus, will also expand the market for sponsors and highlight the brand's commercial value. In today's increasingly competitive market, consumers often make choices among numerous products and brands, which are influenced and shaped by marketing activities, environmental variables, and perceptual characteristics. Sponsoring the Olympic Games in France with French characteristics can undoubtedly use the Paris Olympics as a new medium to further expand their consumer base and brand influence. The Olympics also require more economic support, so establishing partnerships with multiple brands can not only bring more possibilities for future Olympic commercial development, but also unleash new commercial value for the Olympics in Paris, France through the power of brand markets, and more importantly, provide direct economic support.

In the era of multimedia, marketing has become a trend nowadays. Brands, as a unique and niche synonym, can use global events such as the Olympics and World Cup to bring them to the attention of the public and expand their influence, which has reference significance for other economies in the market. It is worth looking forward to how Paris can attract more people to consume locally through brand benefits and achieve true profitability.

#### **4. New Economy: Sports Tourism**

People's emotional understanding of the host city often affects and changes its development, and successfully managing a large-scale event can also deepen people's impression of the city. With the development of competition events, people's understanding of the city and even the country has deepened. According to statistics, after the 1988 Winter Olympics, people's positive perception of Calgary maintained a relatively stable level of awareness among Europeans towards most Canadian cities in the following four years. Even the 1928 St. Moritz Olympics had the same effect, and to this day, its

Olympic benefits still show positive effects on the economy.

One of the major innovations of this Olympic Games is the combination of numerous famous places. For sports fans and tourists, it is a win-win experience to not only enjoy the exciting Olympic events in Paris but also experience the local customs and culture. Participants can also experience the urban landscape and historical and cultural relics while participating in the competition. This measure perfectly illustrates how sports and tourism can collide to create a huge spark. The French Ministry of Foreign Affairs has set up an Olympic consulate to promote visa-related work, committed to maintaining high standards and security while making it easier and faster for Olympic members participating in this grand event to obtain visas. Humanized work is expected to receive nearly 2 million foreign visitors during the Olympic Games, thereby driving the development of the tourism service industry and becoming a major consumption trend for people after the pandemic. According to a forward-looking report released by the CDES Research Center at the University of Limoges in France, it is expected to attract 6 million tourists. The overall revenue generated by the Paris Olympics is estimated to be between 5.3 billion and 10.7 billion euros, and the tourism revenue of the Olympics will be between 1.43 billion and 3.52 billion euros.[8]

Tourists not only visit Paris, France, but also take advantage of the competition to travel to Schengen countries such as Germany and Belgium with French visas. The audience experiences different cultural customs through watching sports events, and it has become an undeniable fact that sports tourism drives the economy. According to statistics, the global sports tourism market has reached a scale of billions of yuan, with enormous potential for the future. It can not only drive the development of related industries but also promote cultural exchanges between countries. Undoubtedly, more and more people who love sports have released their suppressed outdoor demand in the past three years, and it is expected that more innovative sports tourism consumption trends will also emerge. How to appropriately combine local sports intellectual property and tourism hotspots, rather than simply imitating and piecing them together, is a process that requires careful decision-making.



Demand drives supply. As the official exclusive reception service provider for the 2024 Paris Olympics and Paralympics, Endeavor Group's subsidiary On Location has partnered with the Paris Organizing Committee to create a dedicated e-commerce platform and release official event hospitality packages, providing a one-stop Olympic viewing experience product to ensure that audiences can receive sports event tickets and a range of other unique experiences including hotels, transportation, and around the competition venues and the city of Paris.[9] Working together with the Organising Committees, On Location will deliver world-class hospitality experiences for fans and Olympic stakeholders alike, with packages including tickets, travel, accommodation and unique in-venue and host city hospitality. The new model will also enhance services for athletes' families and friends wanting to see their loved ones compete at the Games, with support for travel, access to accommodation, and other services, including dedicated ticket inventory.[10] It is worth noting that this is also the first customizable reception service open to the public in the history of the Olympic Games. Based on the official hospitality package service, global audiences can choose Olympic hospitality experiences that meet their needs according to their expected stay in Paris, accommodation preferences, as well as their interests in sports and non sports related activities, making the Paris trip rich and colorful. The service products designed around sports events in sports tourism should not be limited to sports categories, but should also be further expanded to local characteristics or cultural and creative products. By grafting more resources based on the lifestyle preferences and needs of the general public, increasing consumption scenarios and service categories, and extending the market opportunities brought by sports tourism, personalized customized services are the best interpretation, expanding market demand from multiple aspects and deepening, adhering to the principle of creating demand without demand and promoting economic development. Due to the Olympic Games attracting tourists from all over the world to Paris, the increasing demand from the public has driven growth in employment and supply. Not only are fixed prices such as subway tickets, tickets, and accommodation increasing, but even tourism taxes are rising. The catering industry, hotels,

rental companies, and other service industries are all winners, and some hotels have even raised prices by 585% in the name of rising energy costs. During the Olympic Games, local industries such as hotels, catering, and transportation will attract a large number of visitors. The investment and development of these industries drive the growth of the entire tourism economy. At the same time, the hosting of the Olympic Games will also drive the economic development of surrounding areas, attract more investment and talent influx, and further promote the development of the tourism industry.

The high attention to the Olympic tourism market undoubtedly plays an important role in the tourism industry, as it promotes the formation of agglomeration effects, thereby triggering consumer demand for "spectator tourism". As a result, the tourism industry in Paris has been greatly promoted and achieved rapid development. However, the prosperity of the Olympic tourism market has also brought new challenges, namely the occurrence of tourism risks, which requires the tourism insurance market to keep up with the pace, develop and grow.

According to the short-term rental market barometer for the Paris region, the number of rental advertisements has skyrocketed to a historic high. Except for the 16th district closest to the Eiffel Tower, almost all other districts have stagnated, forcing sellers to reconsider lowering prices in order to stand out in the market. Dutch sports economist De Boer believes that this is a displacement phenomenon, referring to the fact that a large number of vacant houses outside the central area are actually a manifestation of declining value, which may weaken the achievements made during the Olympic Games. The Paris city government has launched a housing insurance plan that is lower than market prices, providing tenants with a unified price in all regions based on the number of rooms in private and public housing. In January 2023, the government collaborated with VYV Mutual Insurance Group to launch this plan. After more than a year of implementation, the housing insurance plan for middle-income and low-income tenants has benefited approximately 5000 housing units. This not only meets the actual needs of the market and seizes market opportunities, but also brings more business opportunities to the

insurance industry.

To meet the development needs of the Olympic tourism industry, Olympic tourism products must constantly innovate and transform. At the same time, the direction of tourism insurance products must also consider consumer needs from multiple perspectives. This development strategy can not only meet the diversified needs of the market, but also effectively enhance the competitive position of the insurance industry in the market. Allianz is a world-leading comprehensive insurance and asset management company that joined the "Olympic Global Partner" program in 2021 to provide innovative and comprehensive insurance solutions for the Olympic Games. Allianz provides event ticket cancellation insurance during the official Paris Olympics ticket sales period, which allows fans to protect their ticket purchases and receive compensation in the event of any sudden and unforeseeable events beyond their control that prevent them from participating in the Olympics. In addition to ticket security, Allianz also provides escorts for customers' dining, accommodation, and transportation while watching the Olympics in Paris. Jean Marc Pailhol, CEO and Board Member of Allianz Global Strategic Partners, expressed his hope that guests who experience exclusive accommodation and reception packages for major global events can plan their itinerary with peace of mind. Allianz's strategy in Olympic marketing is a perfect embodiment of its brand philosophy. It fully considers the needs and concerns of the audience, and creates a more reassuring and enjoyable Olympic experience for them by providing comprehensive protection and thoughtful services. This consumer-centered strategy has not only won the trust and love of the audience, but also laid a solid foundation for the long-term development of the Allianz brand.

## 5. Conclusion

From the impact on the city, the alliance of brands, to the analysis of emerging tourism economy, the Olympic Games as a new medium has played a positive role in promoting the economic development of Paris. It not only increased the popularity of Paris, attracted a large number of tourists and investments, but also promoted the transformation and upgrading of Paris' industrial structure. In addition, it should also be considered that the impact of the

Olympics is not only positive, but also needs to face and address some possible problems. Should we be able to achieve clear and detailed regulations on intellectual property protection, trademark registration, and other issues like the Beijing Winter Olympics, in order to ensure the long-term stable development of urban commercial activities; Whether it is possible to timely regulate inflation to ensure the normal life of citizens, etc., learning from countries that have jumped out of the Olympic deficit may provide the answer; Generally speaking, the marketing activities for the Olympic Games follow a four-year cycle. Future research can further explore these issues to better utilize the Olympic Games as a new medium and promote the economic development of host cities.

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