Horst Dassler, Adidas, and the Commercialization of Sport

As Horst Dassler, president and CEO of Adidas, stepped off the plane at José Martí International Airport in Havana, Cuba, in May 1984, the warm, tropical air was a pleasant contrast to the unseasonable cold of his home city of Herzogenaurach, Germany. Horst had a forthcoming meeting with his longtime friend, President Fidel Castro. The two would be discussing the Cuban national Olympic team and sponsorship opportunities for Adidas.1

Horst’s company, Adidas, which had been founded by his late father Adi after World War II, but traced its history back to the 1920s, had invested heavily in making sure its shoes and athletic wear would be worn by many of the athletes competing in the upcoming Summer Olympic Games in Los Angeles.2 Horst had worked closely with Peter Ueberroth, the head of the Los Angeles Olympics organizing committee, which had given Adidas a license to make products with the mascot of the upcoming Games, an American eagle.3 However, the firm’s careful planning had been disrupted by the Soviet Union’s decision, announced on May 8, to boycott the Summer Games in response to the American boycott of the 1980 Moscow Summer Olympic Games, which was itself a protest of the 1979 Soviet invasion of Afghanistan.4 Horst had come to personally ask Fidel Castro to send his team to Los Angeles, regardless of Moscow’s decision. Adidas had built a close relationship with Cuba as a sponsor of its teams in international sporting competitions.5 There was a great deal of money at stake.6

The Rise of Organized Sports

The Beginnings

In late 19th-century Europe, a confluence of factors created a ripe stage for the rise of organized sports. First, in the West, rising standards of living and an increasing amount of leisure time that stemmed from the economic progress of the Industrial Revolution gave wealthy Westerners the time and money to pursue sports.7 Second, technological innovations, including telegraphy and railroads,

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a As there are several Dassler family members mentioned in this case, we refer to the Dasslers by their first names throughout.
allowed for the coordination and organization of modern sports activities on a national and international scale. Additionally, spurred by urbanization, this period saw the rise of mass media and the commercialization of entertainment, which boosted interest in organized sports.

Aided by shifting views on the importance of health and leisure, physical exercise programs proliferated throughout the West for the first time. Governments took an active role by introducing physical education classes and dedicating public funds to playgrounds, stadiums, and gymnasiums. By the turn of the 20th century, several international federations emerged, imposing standardization of rules and governing international amateur competitions of popular sports (see Exhibit 1).

Perhaps the most important such federation, the International Olympic Committee (IOC), was founded in Paris in 1894 by a French nobleman, Pierre de Coubertin. Coubertin was originally inspired by a desire to strengthen his native France via what he believed to be the secrets of British power and success: “the moral and physical training produced by public-school sports.” Coubertin wished to create an inclusive forum in which nations would gather and celebrate national differences as “different ways of being human,” promoting deep and rich interactions that “produced genuine experiences of common humanity.” Coubertin was also committed to the “pure amateur spirit” in athletic events. When competitions were limited to amateurs, he believed, they were purer, simpler, and more sincere. The first modern era Summer Olympic Games took place in Athens, Greece, in 1896. Subsequent Olympic Games followed every four years, with the number of nations and athletes competing in the Games gradually increasing.

In 1915, as World War I raged on, Coubertin moved the organization’s headquarters to Lausanne, Switzerland, to take advantage of the country’s military neutrality. IOC presidents who followed Coubertin’s tenure (1896-1925), embraced the amateur nature of the Games. Athletes were frequently barred from competition or stripped of their medals when it was discovered that they had been paid for sports performance, had been paid to coach athletes, or had competed against paid professional athletes, even if that performance was unrelated to their Olympic performance. For example, American Jim Thorpe was stripped of his 1912 gold medals in track and field’s decathlon and pentathlon after it was discovered that he had played semi-professional baseball in 1909 and 1910.

**World War I**

The major catalyst that transformed sports into a significant worldwide phenomenon was World War I. Governments began to actively promote fitness as they believed that physical training could produce “morally upright, economically productive, and militarily useful citizens.” Thus, fitness was not merely an individual affair, but it came to be a matter of great state importance. Government leaders increasingly perceived sports as a political tool that could be utilized towards nation building and solidifying national identities. For example, cricket was embraced in India during this period just as baseball had become a national symbol in the United States. Although the British brought cricket to India while it was still a colony, Indians embraced it as a symbol of independence.

During the interwar years (1918-1939), nations increasingly participated in international tournaments as they sought international prestige, asserted national strength, and aroused patriotic sentiments from their citizens. The number of countries participating in the Olympic Games leaped from 20 in 1920 to 49 in 1936, and many athletes from colonized countries, including India and Rhodesia

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1 In 1924, the Winter Olympic Games were added, with the first Games held in Chamonix, France.
(a British colony which became Zimbabwe in 1980), participated as representatives of the colony, rather than the colonizer (see Exhibit 2).

The 1930s: Nazism and Sport

As the world rapidly spiraled into chaos in the 1930s, marked by depressed economies, stifled international trade, frequent military aggressions, and widespread popular discontent, sports cemented its foothold in international importance. Across the liberal democracy of the U.S., the communist regime of the Soviet Union, and the totalitarian Nazi rule in Germany, sports and physical fitness played a critical role.

As the Nazis rose to power in 1933 and the regime’s drive for militarization increased the need for physically fit men, engagement in sports became “a duty” for all Germans.\textsuperscript{17} Hitler used international sports as a foreign policy tool to influence public opinion abroad. “The idea was that sports victories [. . .] could play an important role in winning support from foreign publics that could indirectly lead to government policy changes more favorable to Germany.”\textsuperscript{18} For example, when Germany “graciously” lost a friendly football match against England on home turf in 1935, the outcome was said to have turned the tide of British public opinion in favor of Nazi Germany.\textsuperscript{19}

The Nazi fascination with sports culminated in their hosting the 1936 Summer Olympic Games in Berlin, described by a contemporary newspaper columnist as “the biggest athletic games ever held, the most largely attended, the best organized, the most picturesque, and the most productive of new and startling records.”\textsuperscript{20} Stealing the show, however was the African-American sprinter Jesse Owens, who won four gold medals for the U.S. and earned the title of “the world’s fastest human.”\textsuperscript{21} Gracing Owens’ feet while competing were a pair of dark-colored sprinting spikes with two signature Dassler stripes running down the sides; these had been presented to him by Adi in Berlin.\textsuperscript{22}

Adidas

Origins of the Firm

The origin of Adidas could be traced to 1920 when brothers Adolf (Adi) and Rudolph (Rudi) Dassler founded a small shoe factory called Gebrüder Dassler Schuhfabrik (translation: The Dassler Brothers’ Shoe Factory) in their mother’s washroom in Herzogenaurach, in Bavaria, a predominantly Catholic region of southern Germany.\textsuperscript{23} The Dassler family had been weavers for generations (the town of Herzogenaurach had been a small textile hub since the Middle Ages), but their father had responded to declining business by going into shoemaking.\textsuperscript{24}

The brothers had complementary personalities which initially worked well to promote the growth of the small venture. Adi was a shy man who was a talented inventor; he came up with some of the earliest versions of spiked sports shoes. Rudi was a vocal extrovert who was talented at making a sales pitch.\textsuperscript{25} The business got off to a slow start given the economic and political condition of Germany, still in a state of crisis after the end of World War I given the reparations imposed by the victorious Allies and the cost of rebuilding the country. However, they found some customers among the emergent sports clubs of the period. By 1926, the brothers produced 25,000 pairs of shoes per year, at least some for football (soccer) and track and field athletes.\textsuperscript{26}

Adi, Rudi and their elder brother Fritz (who was not involved in Gebrüder Dassler) joined the Nazi Party soon after Hitler became Chancellor in 1933.\textsuperscript{27} Due to the Nazi Party’s devotion to exercise and
sports, demand for the Dassler brothers’ shoes rose, and a second factory was bought in 1939 across the river from their first factory.²⁸

The major turning point for the Dasslers came with Owens during the 1936 Berlin Olympics. Anxious to make his innovative spikes known, and aware that the eyes of the world would be on the Olympic athletes, Adi befriended the German track and field coach, who ensured that many of the prominent German athletes would be wearing his spikes during the Games. This also gave Adi the opportunity to mingle with athletes from around the world in the Olympic Village and event locations. Adi set his sights on Owens; at the start of the Olympics, he had observed his extraordinary talent and convinced the American athlete to try out his shoes.²⁹ Owens went on to win four gold medals in running and long jump events.³⁰ Due to the requirement at the time that Olympic athletes be amateurs, competitors were banned from endorsing any product or wearing any company’s logo. Gebrüder Dassler’s spikes were instantly recognizable with in the stadium, however, thanks to the two stripes running up each side, which served a structural, as well as an identifying, purpose (in the black and white photos of Owens published after the Olympics, the stripes are much less visible).³¹

These events propelled the Dassler brothers to international fame, with prominent coaches and athletes from many countries dropping by the Herzogenaurach factory to see the shoes that Owens wore. Before the outbreak of World War II in 1939, the brothers were selling 200,000 pairs of shoes annually.³² However, while the shoe business was growing, tensions were rising at Gebrüder Dassler.

World War II and the Parting of the Ways

The personality differences between the Dassler brothers began to take their toll in the lead up to World War II. Rudi continued to drive the sales of the firm, but he was increasingly irritated by his brother’s aloof attitude to the business, as Adi much preferred to spend time working on improving his shoes.³³ There were political differences as well. Rudi was a vocal supporter of the Nazi Party; Adi, despite his membership in the Party, stayed away from political activism.³⁴

The outbreak of WWII exacerbated tensions. The Dassler factory became a supplier to an armaments company, and was obliged to close down entirely in October 1943.³⁵ Adi was originally ordered to the army as a radio technician, but was shortly dismissed because he was deemed essential for operating the factory. Rudi was retained in the Army and sent to serve in Poland. Furious that Adi “escaped the army” and was now leading the company, Rudi wrote to his brother that, “I will not hesitate to seek the closure of the factory.”³⁶

The relationship between the brothers broke down completely in the few months after the end of the war. Adi had initially been identified by the Allies’ denazification committee as an active contributor to the Nazi regime. Rudi, who was held in an American prisoner-of-war camp until mid-1946, submitted unsubstantiated accusations of Adi’s Nazi affiliations as his brother was seeking exoneration from this ruling.³⁷ However there was much evidence to the contrary. It was learned that Adi only employed one Nazi Party member out of his sixty employees, that he had continued to do business with Jewish leather traders, and that he enabled a prominent Jew to escape by tipping him off that the Gestapo, the secret police of the regime, would shortly arrest him.³⁸ The mayor of Herzogenaurach wrote in his defense, “Anybody who knows Adolf Dassler would acknowledge that he is a man who is always prepared to help, regardless of status or political opinion.”³⁹ Adi was
ultimately given Mitläufer status, which cleared him of actively contributing to the Nazi regime, and thus allowed him to freely pursue his commercial venture.\(^{40}\)

The parting between the Dassler brothers was both emotional and physical. Rudi rounded up his family (Rudi’s family and Adi’s family had been living together in a mansion in town for decades) and the company’s sales staff (the staff was given the opportunity to choose which brother to follow) and crossed to the other side of the Aurach River, where he founded a new shoe business called Puma based in the new factory the brothers had built in the mid-1930s. Adi took the remnants of the old factory and renamed the company Adidas.\(^{41}\) The brothers never reconciled.\(^ {42}\)

In the next several years, Adidas and Puma offered competing innovations in sports shoes. Adi’s invention of new, adjustable football cleats with studs that could vary in lengths depending on the condition of the playing surface dethroned the incumbent British football shoemakers with a breakthrough entry in the 1954 World Cup in Switzerland, which was the first World Cup match broadcast on TV. Sepp Herberger, Germany’s national football coach, had long worked with the Dassler brothers to outfit the German team. The relationship had been built up over the years by Rudi, but after Herberger felt that Rudi had slighted him in the early 1950s, he switched allegiance to Adi, and the German team began wearing Adidas cleats.\(^ {43}\) When the German team, wearing the adjustable Adidas cleats (which now sported three stripes on the side, in contrast to Puma’s single stripe), beat the Hungarian team on a rainy day that necessitated the longer studs, Adi’s relationship with Herberger paid off.\(^ {44}\) As the business swelled thanks to the publicity after the World Cup, Adi increasingly relied on his family for business operations, and retreated to his office to focus on product development and other creative activities.\(^ {45}\)

Through the early 1950s, Puma and Adidas competed to get the best athletes in the world to wear their shoes. The two firms made shoes specifically designed for the rigors of each individual sport and often created custom shoes for individual athletes. Sports clubs, of which there were thousands in Germany, followed the lead of their favorite players or teams and signed equipment deals with either Adidas or Puma for all of their members. Recreational athletes and children looked to their favorite professionals or the hero of the local team to guide their sport shoe purchases. By 1954, Adidas manufactured 670 pairs of shoes every day for this growing audience of working class sports clubs, amateurs, and children.\(^ {46}\) Horst Dassler, Adi’s eldest son, took the rivalry with Puma to a new height during the 1956 Olympics in Melbourne, Australia.

**Horst Dassler**

Adi’s son Horst was born in the town of Erlangen, near Herzogenaurach, in 1936. As a youth, he played hockey, and he especially enjoyed track and field.\(^ {47}\)

Horst joined the family business at age 20. His first assignment was to travel to Australia to promote Adidas among athletes at the 1956 Summer Olympic Games in Melbourne, which were the first Games to be televised.\(^ {48}\) Circumventing the Olympics’ amateur regulations that stipulated athletes were not to accept any monetary compensation, Horst gave away Adidas spikes for free to dozens of athletes.\(^ {49}\) The strategy was a success; Adidas overwhelmed Puma and Japanese competitor Onitsuka Tiger to claim over seventy medals won by Olympians wearing Adidas shoes (see Exhibit 3).\(^ {50}\)

Horst, whose personality resembled that of his uncle Rudi, frequently argued with his father Adi and his mother Käthe regarding his position at the company. In 1959, Horst was sent away to

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\(^{c}\) Mitläufer could be translated as “fellow traveler” or “hanger-on.”
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Landersheim, France, a town in the Alsace region on the border with Germany, enabling him to create a French Adidas subsidiary at a distance from Herzogenaurach. Horst worked hard to conquer the French market and soon began competing with the headquarters operation for orders from the U.S., Africa, and South America. At around the same time, Horst married Monika Schäfer, a trapeze artist and a Protestant, both things that Horst’s parents disapproved of (the Dasslers were Catholics); the couple soon had two children.

Competition between Adidas and Puma intensified with the following Summer Olympic Games in 1960 in Rome. Armin Dassler, Rudi’s son, who worked at Puma, was determined to fight tit-for-tat against his Adidas cousin. Puma began offering athletes envelopes of cash—hundreds or even thousands of dollars under the table—to wear their shoes at the Games. Athletes began to seek competing offers, and were frequently won and dined by both sides to win support. A dedicated hotel and gourmet restaurant were built adjacent to the Adidas complex in Herzogenaurach in 1971 to host foreign athletes, coaches, and sports executives.

Horst and Armin were highly competitive with each other, and became regularly engaged in bribery, smuggling, and shipment blockades. The brand loyalty of athletes was tested as endorsement contracts ballooned in value in the late 1960s and early 1970s. In 1968 for the Mexico City Summer Olympic Games, Adidas paid $500 to select U.S. athletes to win them over from Puma. In 1969, Puma began embracing a more selective strategy, signing New York Jets quarterback Joe Namath to a $25,000 endorsement deal, and, in 1970, Puma agreed to pay $120,000 to the iconic Brazilian football player Pelé to wear its shoes during the 1970 World Cup in Mexico.

Horst was a driven businessman who slept little and expected his employees to keep up with his pace. One of Horst’s first major successes came in 1969 when he launched the leather basketball shoe—the Superstar. Most basketball players had previously worn the American firm Converse’s canvas All Star high tops, but the Adidas Superstar offered more support to prevent ankle injuries. The Adidas Superstar was invented and manufactured by Horst’s French Adidas unit, beginning an era of major competition between Horst’s Landersheim office and Adi’s Herzogenaurach operations. By the early 1970s, 85% of NBA players were wearing Adidas shoes on the court. When Converse began giving out endorsement deals to combat Adidas, Horst countered by signing seven-foot tall future hall of famer Kareem Abdul-Jabbar in a rumored $25,000 per year deal.

Horst extended Adidas into the apparel business, which became very lucrative, commanding half of the company’s sales in the early 1970s. Adi had previously rejected the apparel business, saying “I’m not interested in rags,” but beginning in the early 1960s, German professional football clubs began requesting that Adidas make their warm up clothes and uniforms. For the 1972 Summer Olympic Games in Munich, Adidas’ three-striped outfits outfitted 80% of the athletes.

One worker noted that Horst, “just didn’t care about consultation, weighing problems and costs. He took bold decisions, then it was up to us to find the means to implement them [. . .] He was racing at two hundred miles an hour, and we were puffing behind, struggling to keep up.” However, he also showed kindness and compassion for his employees. One commentator explained:

Horst Dassler treated his employees with the same consideration he deployed for his guests at Landersheim. Although he rarely discussed private matters with other Adidas executives, he was always prepared to lend a hand. At least two employees felt indebted to Horst because he got them out of police custody when they were caught drunk-driving. Another acknowledged [. . .] that Horst had helped one of his family members out of a dire financial situation. Horst came to see another in the hospital where he was recovering from a minor injury. [. . .] Horst was surprisingly a shy person, a weak orator who avoided
the limelight. Yet he oozed a charm that captivated most of the people he met. His followers felt that he had embarked on an extraordinary adventure, and they would do almost anything to stay on board.\textsuperscript{63}

By the mid-1970s, Adidas was a sporting goods giant whose annual revenues had reached $500 million U.S. dollars.\textsuperscript{64} The company sold over 150 variants of athletic shoes in more than 150 countries (for the growth of daily shoe production, see Exhibit 4).\textsuperscript{65} Adi himself was increasingly uncomfortable with the business. He was shocked to discover that the 1974 German World Cup squad bluntly demanded cash to wear his products.\textsuperscript{66} He never resolved relational issues with Horst and wrote long and bitter letters that disowned his son.\textsuperscript{67} Adi spent his final years mostly in his workshop, still disinterested in the business aspects of his company. He once confessed that he “didn’t have a clue how many factories Adidas owned—and, frankly, he didn’t care.”\textsuperscript{68} He quietly passed away in 1978, and was laid to rest in the Herzogenaurach cemetery, at the opposite end from where his brother Rudi had been buried four years earlier.\textsuperscript{69} At the time of his death, Adidas employed over 3,000 workers in Germany. The firm’s 24 factories in 17 countries, including large production operations in France and Germany, and contracts with factories in Hungary, Czechoslovakia, and elsewhere in Eastern Europe (allowed thanks to Horst’s political connections in Moscow), had a daily production of 180,000 shoes.\textsuperscript{70}

Horst, meanwhile, was busy cultivating relationships with everyone involved in sports, and he trained his deputies to do the same. He employed relationship managers in every country in which Adidas did business to keep tabs on local sports politics and look for opportunities for Adidas to win large contracts or simply make friends. He kept a rolodex of the names, contact information, and preferred Adidas equipment of athletes, coaches, and sports officials around the world in many different sports.\textsuperscript{71} His files were once described as “better than the KGB.”\textsuperscript{72} A business associate described Horst as being “fascinated by sports personalities, top sportmen; he was really in awe of them. There was always this little boy in him who would literally get starstruck. I found it absolutely extraordinary the way the man would get so excited about meeting top sports people. And when he finally met them he invariably pandered to them.”\textsuperscript{73} Similar to the Herzogenaurach hotel and restaurant, Horst opened a private estate in Landersheim with a Michelin-starred restaurant, plenty of rooms for guests, and a “full-fledged travel agency,”\textsuperscript{74} as well as a private hotel in Paris where he could wine and dine sports royalty.\textsuperscript{75}

Horst expanded Adidas’ French operations into other businesses, some of which the German family in Herzogenaurach knew about, some of which they did not. One of his largest investments was in the French apparel maker Le Coq Sportif, in the mid-1970s.\textsuperscript{76} Although the family knew that Horst had bought 49\% of Le Coq Sportif, they did not realize that, through a friend, he also controlled the other 51\%, nor did they know that Horst had brought Le Coq Sportif to Japan and the U.K. As a French Adidas manager explained, “When someone came from Herzogenaurach, the Coq Sportif files were safely locked up in the cupboards.”\textsuperscript{77}

Horst started the brand Arena in the 1960s, originally as a company making footballs in Spain. After Mark Spitz won seven gold medals in swimming at the 1972 Olympics and promptly retired from amateur athletics, he sought out a swimwear endorsement deal with Adidas. The family in Herzogenaurach rejected the idea, but Horst saw an opportunity, and began to sell swimwear endorsed by Spitz under the Arena brand name.\textsuperscript{78} The brand grew quickly to challenge Australia’s Speedo, swimwear’s market leader, in just a few years. When the Herzogenaurach Dassler’s discovered that Arena was Horst’s company, they set up their own Adidas swimwear operation to compete with Landersheim.\textsuperscript{79} Some of Horst’s other secret business engagements in the 1970s involved the French fashion label Façonnable and the American sports brand Pony.\textsuperscript{80}
As Horst’s business associate explained, “What he was doing was building up a second sports equipment group separate from the Adidas name just in case another fundamental split [like the split between Rudi and Adi] ever came. Then of course he could forget about Adidas, strengthen his base in France and take whatever he could with him.”

The Rise of Nike

While Adidas dominated the global sport shoe market through the 1960s and 1970s by selling high quality products made in European factories, the American shoe manufacturer Nike was gaining ground in the U.S. market. The company, founded as Blue Ribbon Sports by Stanford MBA and dedicated distance runner Phil Knight, began as an importer of the Japanese Onitsuka Tiger shoes. In 1972, after several years of growth, Blue Ribbon Sports broke off from Tiger and began manufacturing its own shoes under the name Nike. The company’s competitive advantage came from outsourcing manufacturing to Asian firms—originally Japanese, then South Korean and Chinese. As Knight explained, “Adidas shoes were beginning to dominate the U.S. market and that didn’t make any sense because Germany was not the place to put shoe machinery. I thought it might be possible to take over the market with low-priced but high-quality and smartly merchandised imports from Japan, as had already happened with cameras and other optical equipment.”

Similar to Adidas, Nike’s marketing was based on getting the top athletes in any given sport to wear its shoes in major competitions. The 1972 U.S. track and field Olympic trials saw the debut of the Nike brand and its Swoosh logo. Knight noted, “It was clear to me that to see name athletes wearing Nike shoes was more convincing than anything we could say about them.”

Nike’s early focus on running shoes put it in a strong position to capitalize on the 1970s jogging boom in the U.S., which opened up a new market for casual athletic wear among a broad swath of the population. For the first time, a large portion of Americans began to care about casual exercise, and more often than not, they were wearing Nike shoes when they went jogging. By 1982, Nike sold $236 million worth of running shoes (out of total revenues of $694 million) and commanded 50% of the U.S. running shoe market (which made up 30% of the overall U.S. sports shoe market). Nike also dominated the racquet sports (i.e. tennis, racquetball, etc.) market, and had a large percentage of the basketball market. In early 1984, before he had played his first professional basketball game, Nike signed Michael Jordan to a major endorsement deal.

Meanwhile, Adidas continued to concentrate on the high-end amateur and professional runners that had been the traditional market for running shoes, and commanded just 10% of the American market. Adidas, however, had 1982 worldwide revenues estimated at $2 billion—40% from apparel and 60% from athletic shoes (see Exhibit 5).

Horst Dassler and the Creation of Sports Sponsorship

From his base in Landersheim, Dassler looked for new ways to enrich himself and his family. Adidas was controlled in equal parts by Horst, his four sisters, and his mother Käthe after Adi’s death. However, many of Horst’s ventures were kept secret from the family in Herzogenaurach and kept off the books in Landersheim. In a similar vein, the sports marketing empire that Horst built up in the 1970s and 1980s was largely kept hidden from his family in Germany.
FIFA

The Fédération Internationale de Football Association (FIFA), the organization that governed world football had been founded in Paris in May of 1904 by the football associations of seven European countries (an eighth, Germany, joined via telegram later the same day). England joined in 1905, and within a decade, teams from South Africa, Argentina, Canada, Chile, and the United States had joined. FIFA organized the 1908 and 1912 Summer Olympic Games football tournaments under the direction of FIFA president Daniel Burley Woolfall, who was from England and who, like Coubertin with the Olympics, promoted the amateur ideals of sports. After Woolfall’s death in 1918 and the horrors of World War I, the British chose to leave FIFA in 1920, rather than be part of an organization that allowed the Germans and their allies to play international football. But FIFA determinedly stayed out of politics. As with Coubertin’s Olympic movement, FIFA was wedded to the idea of the purity of amateur athletic competitions.

After losing millions of dollars invested in public companies during the stock market crash in 1929, FIFA reorganized its organization, hired its first paid employee — permanent secretary Ivo Schricker, of Germany — and relocated its headquarters to Zürich, Switzerland, in the early 1930s. Switzerland was chosen because of its central location in Europe, its neutrality, and its tax and banking laws that allowed the organization to operate with little or no transparency and no taxes.\(^d\)

In June 1974 Horst’s engagement with the commercialization of sport rose to a new level during the annual meeting of FIFA. The organization had long been dominated by the English, but that year the incumbent chairman, Sir Stanley Rous, who steadfastly stuck to a belief in amateur sports and FIFA’s longstanding policy of political neutrality (Rous was in favor of apartheid-era South Africa being allowed to participate in the World Cup) faced an unexpected challenge for the job from Brazil’s João Havelange. Havelange was himself an excellent sportsman who had represented Brazil in swimming at the 1936 Berlin Summer Olympic Games and in water polo in the 1952 Helsinki Summer Olympic Games. He had also built a large business, the profits of which he now employed to campaign for the chairmanship of FIFA by traveling all over the world and visiting national sports federations, often bringing football star Pelé along with him to provide some star power.\(^90\) He made the case that the game needed to make room for teams beyond the traditional European powerhouses, an appealing argument to African, Asian, and Latin American nations, many of which also opposed Rous’s standing on South Africa. He also promised to fund football pitches in developing countries and to organize a youth championship outside Europe.\(^91\)

Horst was a longtime supporter of Rous, but on the night before the vote he learned that Havelange had secured the support of the African as well as the Latin American football federations, partly through giving “little presents,” and that he was set to win.\(^92\) Horst met Havelange in private that evening, and, when the following morning the Brazilian was elected chairman of FIFA by a 68 to 52 vote, Horst was seen applauding.\(^93\) An informal arrangement was made that Havelange would facilitate Horst’s business in international football if Horst found the money to fulfill Havelange’s election promises.\(^94\) The World Cup was expanded from a field of 16 teams, which historically had been dominated by Europe, into a global event with 24 nations competing, making way for more Asian, Latin American, and African teams. Horst was key in funding this expansion.\(^95\)

To raise the money for FIFA’s ambitious goals, Horst had to look beyond his sports apparel business. Some large companies were interested in the potential of becoming involved in sports events, and were a potential source of funds. As he investigated this subject, he discovered West Nally, a small

\(^d\) Until 1999, Switzerland’s financial regulations also made bribery tax deductible.
London public relations agency focused on sporting events, founded in the late 1960s by Patrick Nally, a young salesman, and Peter West, a sports commentator and former professional athlete. West Nally began to market sponsorship rights of sporting events to prominent corporations. For example, in 1972, West and Nally persuaded the cigarette manufacturer Benson & Hedges to sponsor a new one-day cricket competition, which became a long-running feature of the British sporting scene.96

In 1974, Horst invited Nally to Adidas’s French headquarters at Landersheim. Nally recalled:

He talked about the sports trading wars that had been going on behind the scenes at the Olympics and of the cut-throat tactics being used by the rival shoe companies [. . .] I have to admit that at that first meeting with Horst I was a bit dazzled. There I was sitting with this very dynamic person—you could feel that immediately. Alongside his French headquarters is a private restaurant and hotel. You go there, you meet him, you are entertained with fantastic food and wine. Out of this first meeting emerged this very determined, very eager, person [who] wanted to talk with me about his vision of the future.97

The two men began to build a business around sports sponsorship. Horst kept this sponsorship business separate from Adidas; he and Nally established a company registered in Monte Carlo (another European locale that allowed tax-free operations) called Société Monégasque de Promotion Internationale (SMPI) through which funds could be passed unnoticed.98 SMPI paid FIFA for the World Cup sponsorship and broadcasting rights and then re-packaged and sold those rights to companies around the world. In 1975 they persuaded Coca-Cola to sponsor the football youth championships pledged by Havelange. The event took place in Tunisia with Coke’s advertising on the fences surrounding the fields.99 However, the real target for commercialization was the 1978 World Cup, to be hosted in Argentina, which Coca-Cola paid $8 million to sponsor.100 Nally commented, “Coca-Cola is one of the top companies in the world. Anything that Coca-Cola does has to be a success. And everybody follows Coke. If you can convince Coke to do something, then you are on your way. If you’re into Coke, you’re into the biggest blue chip company on a global basis.”101

Horst and Nally proceeded to create FIFA’s television market. “I worked with him [Horst] in 1978 to create this concept of rights for football,” Nally later said.102 He continued “These were all new ideas. We were writing the marketing rules, the event rules, how to stage the events, how to construct the development programs, our relationship with the federation [FIFA] was total.”103

After the success of the 1978 FIFA World Cup, SMPI began handling the sponsorship of major events for many other sports. Nally explained, “The basics of their commercial education were laid at Monte Carlo. The impetus to start world championships and world cup competitions in swimming, athletics, and gymnastics came from there. We changed the federations’ attitudes.”104 FIFA corporate partnership (i.e., a company could pay to be “the official soft drink, cigarette, shaving cream, etc., of the FIFA World Cup”) was officially introduced in the 1982 World Cup, beginning a dramatic upward trajectory of FIFA revenue.105

As Horst worked to commercialize and professionalize federations, he got the opportunity to place some Adidas-friendly figures in powerful positions. In 1981, Havelange and Horst replaced the general secretary of FIFA, Helmut Käser, with Joseph “Sepp” Blatter, a Swiss who had been involved in Swiss sports for many years—he led the Swiss ice hockey federation in the 1960s. Blatter had met Horst when

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96 In another example of FIFA staying out of politics, since 1976, Argentina had been ruled by a brutal military junta led by General Jorge Rafael Videla. The regime’s persecution and killing of opponents had generated widespread international criticism.
he was working in the public relations department of a Swiss watchmaker. Nally explained why Horst was interested in his potential:

Horst recognized that FIFA, with Dr. Käser […] wasn’t going to have the capability to run the new-look federation. So Horst brought in Joseph Blatter who was working for Swiss Timing [a.k.a. Longines] in those days. Blatter was trained at the Adidas headquarters at Landersheim before he went off to FIFA. He spent his time there working alongside Horst, getting to know the Adidas operation. Horst and Blatter became very close during the months he lived at Landersheim.106

Blatter originally joined FIFA in 1975 as technical director to help manage the new international development programs that the organization was rolling out with the money it had gotten from Coca-Cola.107 For the first several years on the job, Blatter was often at Landersheim. Blatter noted, “From the beginning, Horst Dassler and myself felt that we were kindred spirits. He taught me the finer points of sports politics—an education for me.”108 Others saw it as more than just an education; one Adidas aide remarked, “They had discussions in which Horst plainly issued instructions to Blatter.”109 Another added, “Horst openly talked of Blatter as a puppet.”110

The increased commercialization of FIFA led to some tangible benefits for football federations around the world. FIFA was prepared to distribute tens of millions of Swiss Francs to the nations that would participate in the 1986 World Cup in Mexico for development of associations, youth programs, football fields, and training facilities.111 The World Youth Championship football tournament that FIFA had debuted in Tunisia in 1977 and continued every two years thereafter had contributed to player development globally. More than 30 players on teams in the 1982 World Cup in Spain had made their debuts for their countries in World Youth Championship games.112 This included eight players on the team from Honduras and three players on the team from Cameroon; both of these teams made their first ever World Cup appearances in Spain that year.113

IAAF

In 1980, the presidency of the International Amateur Athletics Federation (IAAF)—the governing body of international track and field competitions—was up for vote, but putting in place a head favorable to Adidas proved to be a bit more work for Horst. Nally explained:

Horst wanted to ensure that Adidas would be the exclusive equipment suppliers to the IAAF and he wanted to keep control of the lucrative commercial marketing rights. We had the contract up until 1983 but a new and unknown president might favor somebody else.

Horst’s concern was whether he really controlled Adriaan [Paulen, IAAF president] as much as he wanted. Adriaan listened to him but he had a very independent attitude. Often ‘round the dining table at Landersheim, Horst and his political team would chat about what they should do. It went without saying that if there was going to be a major change in athletics then Horst was going to be involved in it.114

Horst’s candidate for the IAAF presidency was Primo Nebiolo, an Italian track and field official who was then-vice president of the IAAF. He enacted a three part plan to put Nebiolo in power. First, the vote for the presidency was scheduled to be held in 1980 in Moscow, but Horst used the U.S. boycott of the Olympics as an excuse to get the election postponed to the 1981 IAAF meeting in Rome, in

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1 IAFF’s name was changed in 2001 to the International Association of Athletics Federations.
Nebiolo’s home country. Second, Horst advised Paulen to announce his candidacy for reelection publicly, to discourage anyone other than Nebiolo from running in the election. Nally explained, “Adriaan’s own standing was used to block any of the other major contenders from coming forward. Once we had made it very public that Adriaan was going to run, all the other possible contenders, out of respect, declined the challenge.” Finally, Horst convinced Paulen that Nebiolo had the votes wrapped up to beat him in the race, and that he (Paulen) should bow out. Nally continued:

Horst told him, “Adriaan, this isn’t going to be good for the sport or good for you if you go out this way. Let’s structure it now so that we can all work together to make sport work.” The coup de grâce was presented in the early spring of 1981 at a meeting in a Paris hotel. At this meeting he was brought face to face with Nebiolo by Horst, to strike a deal.

Nebiolo ran unopposed and was elected president of the IAAF in 1981. Nally commented, “Horst got a tremendous buzz from controlling and manipulating.” In 1982, the organization began to allow track and field athletes to be paid for their appearances in competitions and to openly accept sponsorship deals. It later began plans to move its headquarters to Monte Carlo.

The Olympic Games

As Nally explained, however, working with FIFA and other athletic federations was just a step to get the opportunity to arrange sponsorships and broadcasting rights for the Olympic Games. He said:

This [raising sponsorship money for FIFA and other federations] was fundamental to his plan to get inside and control the sports federations. He wanted to control their development, which was good for them because they needed to develop. But what Horst wanted to do was develop them in such a way that he was the linchpin. It would be Horst who would work to elect a suitable president, work out what that president should promise, and do the deal on how they were going to fulfill their promises.

Once you’ve got into the federations you’ve got a toehold in the International Olympic Committee and that means controlling the Olympics, the biggest event in the world. Horst wanted to be the key to the whole thing. He wanted to make himself indispensable. When the decisions were made, when somebody wanted something, either money or elections, he wanted to be the only person who at the end of the day the calls were coming to.

Horst’s friendship with FIFA president Havelange, who was a member of the IOC, frequently brought him into contact with many other IOC members. One such member was Juan Antonio Samaranch, a Spanish sports minister and later the Spanish ambassador to the Soviet Union, whom he had met in 1973. The two men, “sealed a lifelong understanding if Horst Dassler helped Samaranch to reach the chairmanship of the IOC, Samaranch would hold the door wide open for his German friend.”

In the late-1970s run-up to the 1982 World Cup in Spain—the first World Cup with the expanded, 24-team format, Havelange had trouble convincing the Spanish government to allow the larger (and therefore more costly) field of teams. He turned to Horst to arrange the $23 million needed to pay for the larger event, and Samaranch to convince the government to support it. Havelange returned

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6 The cost of the expansion was £12 million in 1982, or about $23 million.
the favor by arranging Latin American, Asian, and African support for Samaranch’s successful candidacy for the IOC presidency in the 1980 vote in Moscow.125

Horst and Nally split up in 1982. Nally explained, “I was at a point of conflict. I didn’t know whether I was in this to help Horst and Adidas or to represent the best interests of Coca-Cola and Canon and my other clients. The people who were getting the benefit of the money were the federations and the person who was getting the political kudos and manipulating it all for his own companies was Horst.”126 Soon after the split, Horst formed a company in Lucerne, Switzerland, called International Sports and Leisure Marketing (ISL) to take over SMPI’s sports marketing business. ISL was owned 51% by Horst and 49% by the Japanese advertising firm Dentsu.127 Dentsu was Japan’s largest advertising firm, and had a long history of being a pioneer, having sold Japan’s first newspaper ads and TV commercials. The connections between Horst and Dentsu that led to the birth of ISL were many years in the making.

It began in 1977, when Dentsu brought sports marketing to Japan. Pelé announced his retirement that year, and came to Japan to play two pre-retirement exhibition matches with his team, the New York Cosmos, against the Japanese national team in front of a sold out crowd in Tokyo. Not only did Dentsu, which had no prior experience with football, help market the games through a partnership with a Japanese soft drink company, but it also brokered the deals for in-stadium advertising.128 At the time, Japan was in the midst of a many-decade-long export oriented economic boom, and many of its large corporations were flush with cash they were eager to spend on sports marketing. In 1979, Dentsu began to build a relationship with FIFA by managing and marketing the FIFA World Youth Championships in Japan. Soon after the tournament ended, representatives from Dentsu went to Zürich to deliver a pitch to FIFA to make Dentsu the official marketing agent for the 1982 World Cup in Spain.129 FIFA rejected the idea, instead going with SMPI, but Horst was made aware of Dentsu’s interest in sports marketing. By 1982, when Horst and Nally split up, Dentsu was managing the Japanese marketing rights for the 1984 Los Angeles Olympics. Uebberoth connected Horst with Dentsu executives, and, after all-night negotiations at Landersheim, ISL was born in the summer of 1982.130 Within the year, Horst’s connection to ISL was brought to the attention of his family in Herzogenaurach, and he divided his shares in ISL with his sisters.131

The 1976 Montreal Olympic Games had left that city $1 billion in debt, and Olympic leaders agreed that the Games would have to become less reliant on their amateur status and more open to commercialization if they were to continue to succeed. Horst began working with Samaranch on a sponsorship plan for the Olympics. In 1983, three years after Samaranch’s election and ten years after Samaranch first met Horst, the IOC voted to allow corporate sponsorship of the Olympic Games, and ISL, “was assigned by the IOC […] to develop a marketing plan for the 1988 Summer Games. Other bidders weren’t invited.”132

Horst, Fidel, and the Olympic Sponsorship

The 1984 Los Angeles Summer Olympic Games were on track to make a profit, led by Uebberoth. He had devised a strategy that called for high level sponsorship from a small number of major corporations like Coca-Cola, McDonald’s, American Express, and IBM, as well as charging television networks millions of dollars for the broadcast rights to the games (see Exhibit 6).133 Horst’s ISL watched

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1 In 1992, Samaranch pushed the IOC to allow professional athletes to compete in the Olympics, eliminating the last vestige of Coubertin’s amateur ideal from international sports.
Uebberoth’s success closely as he prepared to pitch the IOC on plans to market the 1988 Summer Olympic Games in Seoul.

Horst hoped to follow a similar strategy to Uebberoth’s Los Angeles Olympic Organizing Committee, and attract major sponsors, as he had done for FIFA. Havelange explained the impact Horst had on FIFA and Coca-Cola, and the countries hosting FIFA events:

When I became president there was hardly twenty dollars in the cash box and now it gives me great personal satisfaction to know that things have moved on from there. […] Mr. Dassler gave his total support to me. There was already a relationship of a kind between Adidas and FIFA, which was then accelerated or increased so that the development program that I had in my 1974 manifesto could be realized. Mr. Dassler opened the door for me to Coca-Cola through Mr. Killeen, who was the President of Coca-Cola. The contract was signed with Coca-Cola in London in 1975 and since then, […] FIFA has worked with Coca-Cola through a coaching development program which has served more than 40,000 participants. This illustrates the strength and influence of football in the commercial sphere. At that time, […] Coca-Cola didn’t exist in China or the Soviet Union or in the Arab countries. It was largely thanks to the FIFA Coca-Cola Cup and the obligation of host countries to accept Coca-Cola into their territories that Coca-Cola got their foot in the door, so to speak, of these countries. It was through the first under-16 World Championships, and the FIFA Coca-Cola Cup in the Soviet Union […], and in Saudi Arabia […], that Coca-Cola was able to access these important markets. It shows the value and the strength of FIFA as a promotional partner for the commercial partner.  

Meanwhile, Horst, described by one commentator as “the real boss of sport,”135 and another as “the puppet-master of the sporting world,”136 was hoping to convince his friend Fidel Castro to ignore the Soviet Union’s call to boycott the 1984 Summer Olympic Games. Major boycotts in two consecutive Olympics would limit the public exposure for Adidas’s products. Even though Cuba was a small country, every relationship counted.
Exhibit 1 Establishment of Sporting Federations for Select Sports

<table>
<thead>
<tr>
<th>Sport</th>
<th>Year Federation was Founded</th>
<th>Location at Founding</th>
<th>Later Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gymnastics</td>
<td>1881</td>
<td>Liège, Belgium</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Rowing</td>
<td>1892</td>
<td>Turin, Italy</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Cycling</td>
<td>1900</td>
<td>Paris, France</td>
<td>Aigle, Switzerland</td>
</tr>
<tr>
<td>Football</td>
<td>1904</td>
<td>Paris, France</td>
<td>Zürich, Switzerland</td>
</tr>
<tr>
<td>Swimming</td>
<td>1908</td>
<td>London, U.K.</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Track &amp; Field</td>
<td>1912</td>
<td>Stockholm, Sweden</td>
<td>Monte Carlo, Monaco</td>
</tr>
<tr>
<td>Fencing</td>
<td>1913</td>
<td>Paris, France</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Boxing</td>
<td>1920</td>
<td>Antwerp, Belgium</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Field Hockey</td>
<td>1924</td>
<td>Paris, France</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Archery</td>
<td>1931</td>
<td>Lwow, Ukraine</td>
<td>Lausanne, Switzerland</td>
</tr>
<tr>
<td>Basketball</td>
<td>1932</td>
<td>Geneva, Switzerland</td>
<td>Mies, Switzerland</td>
</tr>
</tbody>
</table>

Source: Compiled by casewriter from federation websites.

Exhibit 2 Number of Countries and Athletes Participating in the Olympics, 1896-1984


Notes: The Olympics were not held in 1916 due to World War I, nor in 1940 or 1944 due to World War II.

The 1980 Moscow Olympics were boycotted by 65 countries, led by the U.S. The 1984 Soviet-led boycott included about a dozen countries.
Exhibit 3  Adidas Timeline, 1956-1980s

<table>
<thead>
<tr>
<th>Year</th>
<th>Event</th>
<th>Achievement</th>
</tr>
</thead>
<tbody>
<tr>
<td>1956</td>
<td>Melbourne Olympics</td>
<td>72 medals earned and 33 records set by athletes wearing Adidas gear given to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>them for free by Horst Dassler.</td>
</tr>
<tr>
<td>1960</td>
<td>Rome Olympics</td>
<td>Puma and Adidas begin paying athletes to wear their shoes.</td>
</tr>
<tr>
<td>1964</td>
<td>Tokyo Olympics</td>
<td>80% of total medals, including 95% of track and field gold medals, won by</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Adidas-wearing athletes. Adidas shoes worn by 83% of all athletes.</td>
</tr>
<tr>
<td>1968</td>
<td>Mexico City Olympics</td>
<td>Payments to athletes reach new heights and become a public scandal.</td>
</tr>
<tr>
<td>1969-1970</td>
<td></td>
<td>Puma signs New York Jets quarterback Joe Namath and football star Pelé to</td>
</tr>
<tr>
<td></td>
<td></td>
<td>endorsement deals.</td>
</tr>
<tr>
<td>1973</td>
<td></td>
<td>85% of NBA professional basketball players wear Adidas.</td>
</tr>
<tr>
<td>1974</td>
<td></td>
<td>João Havelange elected president of FIFA, Horst and Nally found SMPI.</td>
</tr>
<tr>
<td>1978</td>
<td>World Cup, Argentina</td>
<td>Coca-Cola sponsors the event for $8 million.</td>
</tr>
<tr>
<td>1980</td>
<td>Moscow Olympics</td>
<td>U.S. boycotts the Games, Juan Antonio Samaranch is elected head of IOC.</td>
</tr>
<tr>
<td>1981</td>
<td></td>
<td>Primo Nebiolo elected head of IAAF, Sepp Blatter named general secretary of</td>
</tr>
<tr>
<td></td>
<td></td>
<td>FIFA.</td>
</tr>
<tr>
<td>1982</td>
<td>World Cup, Spain</td>
<td>Horst provides the financing and Samaranch the political support to expand</td>
</tr>
<tr>
<td></td>
<td></td>
<td>World Cup field to 24 teams.</td>
</tr>
<tr>
<td>1984</td>
<td>Los Angeles Olympics</td>
<td>Soviet Union calls for boycott, corporate sponsorships make Olympics</td>
</tr>
<tr>
<td></td>
<td></td>
<td>profitable.</td>
</tr>
</tbody>
</table>


Exhibit 4  Adidas Daily Shoe Product Volume, Selected Years, 1926-1983

<table>
<thead>
<tr>
<th>Year</th>
<th>Daily Production (pairs of shoes per day)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1926</td>
<td>100</td>
</tr>
<tr>
<td>1939</td>
<td>800</td>
</tr>
<tr>
<td>1954</td>
<td>2,000</td>
</tr>
<tr>
<td>1979</td>
<td>200,000</td>
</tr>
<tr>
<td>1981</td>
<td>280,000</td>
</tr>
<tr>
<td>1983</td>
<td>300,000</td>
</tr>
</tbody>
</table>


Exhibit 5  Competing Shoe Firms’ Revenue Figures, 1982

<table>
<thead>
<tr>
<th>Firm</th>
<th>Revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adidas</td>
<td>$2 billion</td>
</tr>
<tr>
<td>Puma</td>
<td>$1 billion</td>
</tr>
<tr>
<td>Nike</td>
<td>$694 million</td>
</tr>
<tr>
<td>Onitsuka Tiger</td>
<td>$400 million</td>
</tr>
</tbody>
</table>

**Exhibit 6** 1984 Los Angeles Olympics Selected Partner Companies

<table>
<thead>
<tr>
<th>Broadcasters (total revenues from all broadcasters: $286 million)</th>
<th>Official Sponsors (total revenues from all sponsors: $96 million cash and $35 million in-kind)</th>
<th>Official Suppliers (total revenues from all suppliers: $9.2 million cash and $8.2 million in-kind)</th>
<th>Official Licensees (total royalty revenues from all licensees: $13 million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC Radio: $500,000</td>
<td>McDonald’s</td>
<td>Hughes Helicopters</td>
<td>Adidas France:</td>
</tr>
<tr>
<td>ABC TV: $225 million</td>
<td>Atlantic Richfield</td>
<td>Fuji</td>
<td>Unice Florida</td>
</tr>
<tr>
<td>Korean TV Pool: $2 million</td>
<td>American Express</td>
<td>Sanyo</td>
<td>Designer Towels, Inc.</td>
</tr>
<tr>
<td>Broadcasting Corporation of New Zealand: $450,000</td>
<td>Sports Illustrated</td>
<td>Motorola</td>
<td>Easton Aluminum</td>
</tr>
<tr>
<td>Kanion Broadcasting System: $400,000</td>
<td>IBM</td>
<td>Union Caribe</td>
<td>Whamo</td>
</tr>
<tr>
<td>China Central TV: $200,000</td>
<td>Xerox</td>
<td>Windsurfing International</td>
<td>Levi Strauss</td>
</tr>
<tr>
<td>Japanese TV Pool: $18.5 million</td>
<td>Sanyo</td>
<td>York Barbell Company</td>
<td>Longines</td>
</tr>
<tr>
<td>Korean TV Pool: $2 million</td>
<td>Sanyo</td>
<td>Yodel</td>
<td>U.S. Playing Cards Co.</td>
</tr>
<tr>
<td>Broadcasting Corporation of New Zealand: $450,000</td>
<td>Fuji</td>
<td>Sunkist</td>
<td>AT&amp;T</td>
</tr>
<tr>
<td>Japanese TV Pool: $18.5 million</td>
<td>Fuji</td>
<td>Suntan</td>
<td>Vanguard</td>
</tr>
<tr>
<td>Broadcasting Corporation of New Zealand: $450,000</td>
<td>Fuji</td>
<td>Suntan</td>
<td>United Trading Co.</td>
</tr>
<tr>
<td>Japanese TV Pool: $18.5 million</td>
<td>Fuji</td>
<td>Suntan</td>
<td>Weatherby, Inc.</td>
</tr>
<tr>
<td>Broadcasting Corporation of New Zealand: $450,000</td>
<td>Fuji</td>
<td>Suntan</td>
<td>ABC Publishing</td>
</tr>
<tr>
<td>Japanese TV Pool: $18.5 million</td>
<td>Fuji</td>
<td>Suntan</td>
<td>Aladdin Industries</td>
</tr>
<tr>
<td>Broadcasting Corporation of New Zealand: $450,000</td>
<td>Fuji</td>
<td>Suntan</td>
<td>Armstrong Nurseries</td>
</tr>
</tbody>
</table>

**Note:** Foreign Broadcasters received 9,000 total complementary tickets; Official Sponsors received 585,700 total complementary tickets; Official Suppliers received 14,300 total complementary tickets; and Official Olympic Hotels received 65,000 total complementary tickets. Ticket sales revenue totaled $155 million.
Endnotes

1 Barbara Smit, *Sneaker Wars* (New York: Harper Collins, 2008), p.191. Smit’s book is the only existing study of the history of the firm, but it is not based on access to corporate archives. A scholarly study is being prepared by Gesellschaft für Unternehmensgeschichte e.V (GUG) based on archival sources, and in some instances preliminary data collected from this project has been used in preference to published sources when it seemed more accurate.

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75 Smit, Sneaker Wars, p. 61.
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77 Smit, Sneaker Wars, p. 156.
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83 Christensen and Rikert, “Nike (A).”
84 Phil Knight quoted in Christensen and Rikert, “Nike (A).”
85 Christensen and Rikert, “Nike (A).”
86 Christensen and Rikert, “Nike (A).”
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