

GOING FOR AN OLYMPIC MARKETING GOLD

China, and foreign companies, are learning marketing lessons from their predecessors



Scott Kronick and
Dalton Dorne

“Welcome to Beijing,” uttered a young Chinese girl at the closing ceremony of the 28th Olympiad in Athens, Greece. Her message came just before the flame was lowered in Athens and was symbolic of the spirit in which Beijing is approaching the 2008 games.

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If the Athens 2004 Olympics was Greece's opportunity to show the world the wonders of Greek culture, the Beijing Olympics is set to be China's debutante ball. The global spotlight during the next four years will shine increasingly on China and its preparations for the 2008 Olympics. No one understands this better than the Beijing Organizing Committee for the Games of the XXIX Olympiad (BOCOG). Hundreds of Chinese observers from a cross-section of government departments—including traffic management, security, sponsorship, and

venue management—were present in Athens. Each PRC official had a specific role, and many were required to file reports upon their return from Greece.

“The Beijing Olympics will not be about sport, it will be about creating a superbrand called ‘China,’ and the brand essence is progress,” commented one marketing expert in China. One thing is certain: The Beijing 2008 Olympic Games will be like none other, whether for “Brand China” or for marketers who participate.

The Olympics as a catalyst for change

When discussing the prospects for Beijing in relation to the Olympics, most observers cite what the Olympics achieved for cities such as Tokyo, Japan, and Barcelona, Spain. In 1964, at the beginning of Japan's technology revolution, observers credited the Olympics for sparking Japan's rapid consumer boom—Japanese raced out to buy TVs to watch the games. Barcelona, a sleepy provincial city in the 1980s, needed a prestige boost. The Barcelona organizing committee's campaign to make the city a star in 1992 succeeded. Event observers still remember the arrow that was shot to light the torch, the song "Barcelona," and the ceremony that celebrated the city. The Sydney 2000 games were similar, allowing Sydney to share its famous Australian hospitality with the world.

And in Athens, the 2004 Olympic Games achieved a number of records: "Most athletes in history. Most women [athletes] in history. Most national teams in history. First global torch relay. Safe and secure games, blessed by a climate of celebration and joy," listed Gianna Angelopoulos-Daskalaki, president of the Athens 2004 Organizing Committee for the Olympic Games. But Athens was also well known for barely meeting its Olympic infrastructure project deadlines.

In hindsight, the Athens Organizing Committee learned a valuable lesson about managing expectations in the lead-up to the games: The committee's failure to report infrastructure progress injured the reputation of the Athens organizers and of the city and country, to a degree. Only on the day before the games did Athens confirm for the press and the public that preparations were complete.

Beijing's moment

Clearly, BOCOG was studying Athens—and learning from its mistakes. The Athens Main Press Center opened less than one month before the 2004 games began. Beijing, however, established an Olympic News Center nearly four years before the 2008 Olympics. At the center's opening on November 1, 2004, BOCOG Vice President Jiang Xiaoyu announced in a *China Daily* article, "The media play an important role in the success of the Olympics...Beijing will draw on the experiences of previous games to provide high-quality services to the media."

BOCOG officials know it's not *what* it says, but *how* it says it, that matters and that it is crucial that the International Olympic Committee

(IOC) support each statement. In a number of announcements recently reported in the media, BOCOG officials have reached out for IOC and public support by sharing both positive and negative updates on Olympic preparations. At one point BOCOG—together with IOC Coordination Commission President Hein Verbruggen—publicly announced the temporary halting of the construction of several venues to reevaluate design and construction costs.

Beijing has also identified themes for its 2008 Olympics: people, technology, and "Green Olympics." These are all farsighted themes for the overall improvement of the country. China's determination to be progressive and innovative is only growing stronger as the games approach—it is a chance for China to show that it is more than a manufacturing country.

■ **People** This theme is part of a strong governmental push to work on social problems, such as poverty. The goal is to establish a greater economic balance, as a majority of Chinese citizens still

have yet to benefit from China's economic progress—at least to the same extent as urban coastal dwellers.

■ **Technology** China is abuzz about Beijing 2008 being the "high-tech Olympics." Du Zhanyuan, a planning official with the Ministry of Science and Technology, revealed that the government is spending up to \$157 million and companies will contribute \$217 million to 449 Olympic technology projects.

■ **Green Olympics** Though the environment has been a theme of every Olympics since 1994, Beijing has reinforced the theme's importance by declaring the 2008 Olympics the "Green Olympics" (see the *CBR*, November–December 2003, p.16). The push for a Green Beijing and a Green Olympics has already begun—according to the *China Daily*, PRC officials plan to shut down or move out of Beijing more than 130 polluting enterprises by 2005.

Companies can build marketing campaigns around these themes by publicizing their corporate social responsibility leadership. For example, if companies support environmental conservation or education programs in impoverished regions of China, they should feature these programs in their advertising and marketing campaigns. High-tech companies should advertise that they are on the cutting edge.

Corporate participation

Beijing's selection as Olympic host has piqued the interest of global and national sponsors, companies with aspirations to influence the Olympic rings both internationally and locally. The motivation for sponsoring the Beijing Olympics is completely different from that of the Athens Olympics, one Athens sponsor notes. For instance, in Athens, sponsors were interested in the global platform the Olympics provided, but were not especially drawn by local market opportunities. In Beijing, sponsorship will have a double effect. First, a company that signs up for global sponsorship will be able to link with the Olympics, aligning its brand with Olympic ideals such as "excellence" and "victory" in

WISH TO SPONSOR IN 2008?

Olympic participation is divided into three levels: Olympic partners (who pay about \$40 million), sponsors (who pay about \$20-30 million), and service providers (companies that offer their services in exchange for sponsorship). The Beijing Organizing Committee for the Games of the XXIX Olympiad (BOCOG) plans to complete its Olympic partner plans by early 2005, and is currently looking for mobile equipment, truck transport, healthcare, and Internet partners. In early-to-mid-2005, BOCOG will begin looking for spon-



sors, followed by service providers. As these levels have yet to open, companies still have a chance to become official sponsors of the 2008 Olympics. BOCOG plans to have all three levels completed by 2007.

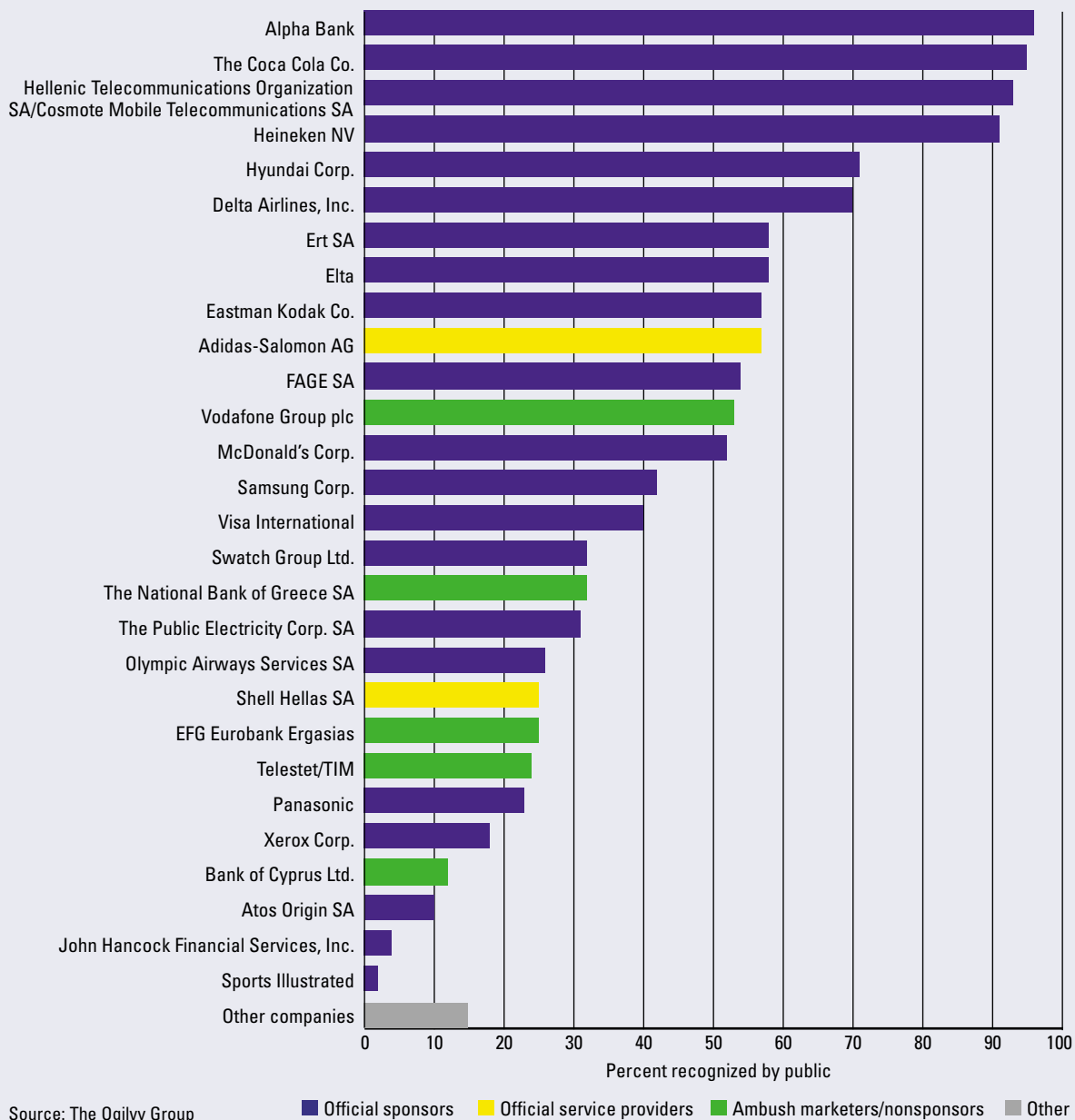
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Sources: BOCOG; Ogilvy

Olympic Marketing Awareness

In an Ogilvy Group study on public awareness of companies connected to the 2004 Olympics, Ogilvy surveyed 100 Athens residents between age 18 and 65. Official sponsors ranked the highest, especially those with long-lasting marketing communication activities prior to and during the games.



its communications. Second, the company can strengthen its presence in the China market. As one Athens sponsor put it, “Few people are interested in securing greater depth in Greece, but everyone is interested in the opening up of China.”

Momentum to secure sponsorship accelerated in 2003, when BOCOG invited companies from around the world to an Olympic marketing conference in Beijing that helped companies better understand how they could participate in the 2008 Olympics. BOCOG is currently deciding on numerous sponsors (see p.9).

Brands that become sponsors of the 2008 Olympics associate themselves not only with the Olympic ideals, but also with

what the Olympics means to China; for China, the Beijing Olympics is about national pride, dignity, and progress. The Olympics gives Chinese brands an opportunity to enter the international arena and show the world what local brands are truly capable of. And for international brands, there is no better place than the 2008 Olympics to show commitment to China while building their presence in China.

Companies presently engaged in Olympic marketing—such as the Coca-Cola Co., Eastman Kodak Co., and McDonald’s Corp.—already know the power of the games. In fact, Coca-Cola has been a sponsor since 1928. And these companies are all strong performers in China.

Companies signed up, or planning to sign up for Olympic marketing, should consider three fundamental lessons:

1 Olympic sponsorship is a marathon, not a sprint

Historically, the more experienced sponsors begin their Olympic marketing efforts at least two years ahead of the games. For example, many 2004 Olympic sponsors began seriously marketing around the games in 2002. But some 2008 Olympic sponsors began their marketing efforts five years ahead of time. Companies that have signed up for sponsorship have formed teams to specialize in Olympic marketing efforts, and these teams have begun their work. Omega SA, for example, announced its official role as timekeeper for the Beijing Olympics by unveiling its countdown clock in Tiananmen Square. Coca-Cola has been marketing around the Beijing Olympics for more than a year, and it made Olympic marketing history on August 4, 2003 when it unveiled a specially designed can to commemorate Beijing's win of the Olympics. (The red and gold can, which has a silhouette of Beijing's Temple of Heaven in the background, is entirely in Chinese and shows both the Olympic rings and the Beijing Olympic symbol.)

The point, whether a company is an official Olympic sponsor or not, is to begin early. According to Coca-Cola, the company began plans for the Beijing commemorative can nearly five years before the city was even awarded the games.

2 Promote your sponsorship at multiple points of contact

Olympic sponsorship goes much further than advertising in advance of the games or devising ways to show customer hospitality during the games. Successful sponsorship takes on a campaign mentality that forms around a central idea and uses every point of contact the brand has with a consumer.

Coca-Cola understands this well. Not only does it create customized packaging that reinforces its sponsorship, but the company's advertising, website, merchandizing, and public relations all reinforce its Olympics sponsorship and its tie to Olympic ideals. For the games in Athens, Coca-Cola sponsored the 27-country torch relay, which marked the first truly global relay. The company leveraged its sponsorship throughout, culminating in a multifaceted Olympic pin-trading center designed in the shape of a Coke bottle (see photos). From this center, Coca-Cola provided entertainment, opportunities for journalists to broadcast to their audiences, and a host of interactive activities in and around the center.

Alpha Bank, the official bank of the 2004 Olympics, adopted a similar strategy. Positioning itself as the bank for people from all walks of life, the bank worked with federations of lesser-known sports to introduce these sports to the people of Greece and Cyprus. Through a series of direct marketing efforts, advertising, and road shows, Alpha Bank succeeded in making the most of its sponsorship. This culminated with an interactive event for visitors to the Olympics, during which consumers were able to experience the lesser-known sports first hand.

Don't Try This in China

The PRC Advertisement Law, which took effect in February 1995, prohibits the use of certain themes in advertising. Advertisements must not

- Contain China's national flag, emblem, or anthem
- Use the names of state organs or their functionalities
- Make claims such as "state-level," the "highest-grade," or the "best"
- Hinder social stability or harm public interest
- Violate PRC social customs
- Use pornography, superstition, terror, or violence
- Discriminate based on ethnicity, race, religion, or sex
- Harm the environment or natural resources
- Create circumstances prohibited by law

—Scott Kronick and Dalton Dorne

3 Be innovative

Athletes are not the only competitors in the Olympics—companies face intense competition as well, and consequently must come up with innovative marketing campaigns. Adidas-Salomon AG communicated its slogan, "Impossible is nothing," throughout Asia, celebrating the Olympic spirit with impossible sprints up skyscrapers in Osaka, Japan, and Hong Kong in August 2004. The amazing display served as a platform to connect Adidas's Olympic sponsorship to a global audience via local, regional, and international media reporting on the event.

In Greece, the Eastman Kodak Co. engaged consumers throughout the country in a photo project, in which Greek citizens took photos of themselves at Kodak centers. The compilation

made up the largest photographic collage ever created, captured the Olympic spirit, and involved people from all over Greece. The press and the public gave Swatch Group Ltd., the official timekeeper of the 2004 Olympics, high praise in Athens for its artistic decoration of an entire street, known as the Swatch Iconic Centre, with Olympic memorabilia. The center hosted numerous cultural activities and events.

Restrictions on marketing activities during the games also force marketers to be more creative to get their message across. Coca-Cola found a way into the Olympic venues, a location where corporate branding was forbidden, with its big, red foam Coca-Cola hands. These applause-worthy pieces entered venues with sports fans who used them to cheer.

May the best marketing strategies win

The run-up to the Beijing Olympics will be competitive for marketers. Firms must therefore be creative to stand out. Brands, marketers, and sponsors must adopt, as Adidas has, an attitude that "Impossible is nothing."

The euphoria has begun, and the little girl at the closing ceremonies in Athens has spoken. Whether it is for the prospects of "China Inc.," for brands that are lining up to participate, or for those that may attempt an ambush marketing effort (when competitors of official sponsors find ways to associate their brand with the event), 2008 is on the minds of many in China.

In the same way the Olympics in Beijing will showcase China, world-class brands will showcase their world-class marketing strategies in China—and this may resonate with an increasingly sophisticated consumer base. 完



The Coca-Cola Co.'s 2004 Olympics pin-trading center. Photographs: Courtesy of Ogilvy

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