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## Ambush Marketing Could Hit New High at Beijing Olympics

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Can a Country Known for Piracy Problems Ensure Only Official Sponsors Will Be Associated With Games?

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BEIJING (AdAge.com) -- A year before the 2008 Olympic Games start in China, organizers and corporate partners are worrying about ambush marketing.



Mengniu Dairy isn't an Olympic sponsor, but it runs sports-themed ads and is linked to the games in consumers' minds.

Official sportswear sponsor Adidas is "very concerned," said Erica Kerner, Shanghai-based director of the company's Beijing 2008 Olympics program. "We believe ambush marketing will be at an all-time high for a major sporting event. The threat is from strong, marketing-driven brands developing ambush-marketing strategies, but also from local brands that are trying to support the games and do not realize that what they are doing is breaking any rules."

Their concern is understandable, given China's poor track record in enforcing intellectual-property rights and the piracy that affects most sectors of the economy.

As the games approach, sponsors are pressuring the Beijing Organizing Committee for the Games for protection from unethical marketers. During a recent press conference in Beijing, the organizing committee's marketing director, Chen Feng, emphasized: "Only those who financially sponsor the games have the right to market their products and maximize their commercial interests."

### **Offenders already**

Chinese inspectors have found 1,556 cases of violations involving Beijing Olympic slogans, logos and other trademarks, according to China's State Administration of Industry and Commerce. Last year, there were 428 cases, up 45% from 2005.

"In the past two years, there have been over 50 registration applications by different individuals for clothing, footwear and headgear and businesses for trademarks containing the figure '2008,' all of which have been or will be officially rejected," said Liao Fei, partner at law firm King & Wood in Beijing.

The organizing committee is also requiring 2008 Olympic athletes to stop representing nonlicensed companies during the games.

"For example, [2004 Olympic track-and-field champion] Liu Xiang has to promise not to represent nonofficial sponsors during the games ... even though he is endorsed by Nike, a nonlicensed brand," Mr. Chen said.

Ms. Kerner said the committee "is taking the issue of ambush marketing very seriously. They have been very proactive with us in a number of cases so far."



Erica Kerner, Shanghai-based director of Adidas' Beijing 2008 Olympics program

### **Confusion**

However, Chinese consumers believe many companies that rushed in months or even years ago to sponsor athletes are connected with the Olympics. "There's still a lot of confusion in China

on the brands that have paid for sponsorship," said Greg Paull, founder of R3, an independent Beijing consultancy. "While [people can name] two to three different companies each, usually one of those mentioned has no direct rights."

R3 and CSM, a Beijing media-research firm, polled 1,595 Chinese in 10 cities as part of a continuing tracking study on brands linked, at least in consumers' minds, to the Olympics. In the latest results, five of the top 12 companies cited aren't Olympic sponsors. Non-Olympic sponsors China Mengniu Dairy Co., PepsiCo, Yum Brands' KFC and Nike all grew significantly in terms of awareness and purchase intent in the study.

A recent KFC campaign said "I Love Beijing" is "the best ambush example to date," said Mr. Paull. "It taps into Beijing's local heroes and encourages citizens to vote for the neighborhood that best captures the spirit of 2008. They can't mention the games directly but have found a unique way to capitalize on the fervor."

Li Ning, a local sportswear brand that is not an Olympics sponsor, has signed an apparel deal with the announcers on CCTV 5, the sports channel of national network China Central Television. The commentators, who will have their share of airtime, will be in Li Ning clothing.

In the next wave of the survey, Nike's score is likely to rise even further, as it kicks off a Run China campaign, "which is believed to be an ambush to the Beijing Olympics," Mr. Paull said. Run China promotes Nike Plus, the effort that connects Nike shoes with Apple iPods to track runners' performance.