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Business, 8/4/2008 12:14 AM

## Games ad campaigns: Biggest, Costliest, Coolest

### Reuters

BEIJING - Olympic sponsors are launching possibly the largest advertising and marketing campaign ever, aiming to etch their brands in the minds of a new generation of Chinese consumers for far beyond the upcoming Games.

The ads range from traditional print and TV to glitzy new on-line media, blanketing a vast country whose citizens place an extraordinarily high value on the Olympic ideal and presumably the companies that support it.

While the risk of a public relations backlash still looms as China finds itself at odds with much of the world on hot-button issues such as Tibet and Sudan, the hoped-for gains far outweigh any possible downside.

"On a global scale, I don't think you are going to get this kind of investment again," said Greg Paull, the head of R3, a Beijing-based media consultancy.

R3--which counts sponsors Coca-Cola Co, Adidas, Yili and Lenovo Group as clients--says the benefits for companies will be enjoyed for years after the last athlete crosses the final finish line next month.

R3 reckons all advertisers in China will spend 19 percent more in 2008 than a year earlier to about \$54.3 billion, for an "Olympic effect" of about \$8.6 billion in additional spending.

In addition, Olympic sponsors alone will spend 21.8 billion yuan (\$3.2 billion) this year, rising 52 percent from 2007, said Paull.

German sportswear maker Adidas, one of 11 national partners of the Beijing Games, is expecting its Olympic tieup to vault it past arch rival Nike Inc in the China market this year.

"Our marketing campaign for China is the largest we have ever done in a single country," Erica Kerner, director of the Beijing Olympic program for Adidas, told Reuters.

"We see this as a marketing platform that will help us to achieve market leadership in China this year," she said.

Adidas will use a 360-degree projection theatre to spread its "Together in 2008, Impossible is Nothing" slogan.

### Economics trumps politics

Nike -- which sponsors individual athletes and sports groups, but not the Olympics itself -- is perhaps underestimating the fact that over 90 percent of Chinese view the Olympics, and companies associated with it, in a positive light.

China is the world's fastest growing major economy and is seen by multinationals as a crucial market, success in which would give the winners a step up in the global battle for precious market share.

Adidas estimates China will become its second largest market after the United States by 2010, when its stores will grow to 6,300 from over 4,000 now, riding a sports and leisure boom.

But nothing in China comes easy, as Olympic backers found out earlier this year and again last month.

Organizers and sponsors of the Games were rattled when China's harsh crackdown in Tibet touched off global anti-Chinese protests leading to talk of an Olympic boycott.

"That is a big challenge for all sponsors," said Paull, the media consultant, referring

to the political risks surrounding the Olympics.

"But it is also par for the course, part of doing business in this market," said Paull.

Tibet is far from the only issue that could tarnish the Games for sponsors and China.

Beijing criticized the International Criminal Court last month after the court charged the president of key ally Sudan with genocide, adding to claims Beijing was only interested in protecting its oil investments in the poor African country.

Some Olympic athletes who have joined Team Darfur, an informal, 300-strong group created by former U.S. speed skater Joey Cheek to draw attention to Sudan, have said they may stage some form of protest while in Beijing.

The possibility foreign-based protestors or home-grown terrorists from Tibet or the restive region of Xinjiang could mar the Games, has prompted extraordinary security measures including emptying Beijing of migrant workers and tighter visa rules.

## Big business

But the political backdrop is having little impact on advertisers who are taking advantage of the positive vibes to the pre-Olympic buildup in the capital. And cost is no object.

Coca-Cola is inviting 10,000 people to Beijing for the Games and will dazzle them with what is touted as the world's largest overhead LCD screen, covering an entire outdoor plaza.

Half of Coke's guest list are clients and employees from overseas, and another large contingent will be staff volunteers from China to help with its many hospitality events spread throughout Beijing.

"Our people are really excited to be here. It is a win-win," said Christina Lau, Coke's director of external affairs based in Beijing.

"We have selected employees who have demonstrated their passion and commitment to Coke and the Olympics," she said.

Many of the on-the-ground events where sponsors entertain and market their brand directly to guests -- i.e. not through media channels -- are impossible to track and not included in traditional advertising spending.

"I hear from clients that they are spending quite a huge amount on that," said Lisa Wei, the managing partner of GroupM, a unit of WPP Group, the world's second largest media group.

"But we are unable to monitor such spending," she said.

Besides the large marketing pavilions erected in the Olympic Green aimed at brand promotion, sponsors will also be demonstrating their broader commitment to China's social goals.

U.S. healthcare company Johnson & Johnson, a first time global Olympic partner, will showcase the company's efforts to improve the country's healthcare from AIDS awareness to eye care.

Adidas has commissioned 75 artists from around world, half from China, to produce pieces that combine art and sport for an exhibit that is touring the country and will stop in Beijing before the Games.

After the Games the entire exhibit will be auctioned in Hong Kong by Sotheby's with all the proceeds donated to victims of the Sichuan earthquake.

"This is a nice way to do something good with the event even after it is finished," said Kerner of Adidas.

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