

Darfur could tarnish sponsors' Olympic dreams
The games, say advertisers, are about sports, not politics

By [Normandy Madden](#)



Nationalism is riding high on all sides at this year's Olympic Games (Photo credit: Ng Han Guan)

BEIJING—While Beijing's Olympic organizers fuss over technology to avoid rainfall during the opening ceremony on Aug. 8, a perfect storm is brewing internationally that threatens to

overshadow enthusiasm for the summer games.

Hollywood director Steven Spielberg's decision last month to pull out as advisor for the opening and closing ceremonies—because China is Sudan's leading oil customer and supplier of weapons—has given activists an opening to pressure Olympic sponsors.

There has "definitely been a lot of discussion" about China's support in Sudan and the atrocities in Darfur on online forums across China, said Greg Paull, principal at R3, a Beijing-based consultancy that conducts Olympic-related research with TNS Group's CSM Media Research division in China.

"But in general, the negative issues are going down. Whether it will impact on the Olympic Games is too early to be seen yet but so far, it hasn't come up in our tracking. Certainly, no sponsors have pulled out, and I doubt any will," predicted Mr. Paull.

The Beijing Organizing Committee for the Olympic Games (BOCOG), the Chinese government arm running the upcoming summer games, confirmed that no corporate backers have followed Mr. Spielberg's lead and withdrawn from Beijing's 2008 Olympic and Paralympic Games.

"We, and our sponsor [clients], work to stay out of the politics of the games and leave this to the organizations that deal with such issues. In our 20 years here, we have seen progress and results from engagement and dialogue and hence we believe that is the best way to ensure reforms take place," said longtime Beijing resident Scott Kronick, president of Ogilvy PR in China.

Discussion but few calls for action in China

But that doesn't mean advertisers with a lot at stake aren't feeling heat from the fallout. The 2008 Games are among the most commercial in the event's history, with dozens of sponsors and suppliers at the global, national and local level. Besides international brands like Coca-Cola, Adidas and Visa, BOCOG has partnered with companies hawking everything from dumplings and instant noodles to socks and air humidifiers.

Despite the diversity of this Olympic product mix, there is one common denominator: a dogged determination to use the Olympics as a marketing launch pad, even for China itself. In the eyes of the government and its fiercely proud and patriotic population, the International Olympic Committee's decision to let Beijing host the 2008 games gives the country a legitimacy and status it has long craved.

Multinationals and local sponsors, meanwhile, have invested hundreds of millions of marketing dollars to leverage the games as a branding platform in one of the world's largest and fastest-growing economies, particularly in the hard-to-reach second and third tier cities. And China's leading computer maker Lenovo Group, which acquired IBM Corp.'s PC division in 2005, is using its global Olympic sponsorship to introduce the Lenovo brand to the world.

The business community hoped the focus of the summer games would remain on the sports, the athletes, and the fans around the world that normally give the Olympics an aura of personal and national perseverance, triumph and social harmony.

Activist group's report card fails most sponsors

Until recently, that was working. But Mr. Spielberg's widely publicized decision to back away from the games provided a spotlight—and an opportunity.

"I find that my conscience will not allow me to continue business as usual," Spielberg said in a statement issued last month. "At this point, my time and energy must be spent not on Olympic ceremonies, but on doing all I can to help bring an end to the unspeakable crimes against humanity that continue to be committed in Darfur."

With perfect timing, a group called Dreams for Darfur sent a press release saying it plans "several high-profile campaigns to pressure the Olympic corporate sponsors to do more for Darfur, including protests at corporate headquarters and boycotting commercials during the games."

It ended the missive with e-mail addresses and phone numbers of corporate-responsibility executives at Coca-Cola, General Electric, Microsoft and McDonald's, saying, "If you want to ask corporate sponsors if they will remain

silent in the face of genocide in Darfur, the contact information is below."

Dreams for Darfur, which takes its name from China's Olympic slogan, "One World, One Dream," also compiled a report card in November 2007, ranking sponsors based on their position on Darfur. Called "And Now ... Not a Word from Our Sponsors," the report failed 13 top sponsors, including Lenovo, Panasonic, Samsung, Anheuser-Busch, Kodak, Microsoft, Visa and Volkswagen.

Three 'D' grades were given, to Coca-Cola, Johnson & Johnson, and UPS. McDonald's and Adidas received 'C' grades, because they have contacted the IOC and the German Foreign Ministry, respectively. General Electric earned the highest grade, C+, because it has provided aid as well as contacting the IOC.

Mr. Spielberg isn't the only big name criticizing Beijing. American actress Mia Farrow has long been an activist supporting Darfur refugees. A group of Nobel Peace laureates sent a letter to Chinese President Hu Jintao last month, urging the Beijing Games host to uphold Olympic ideals by pressing its ally Sudan to stop atrocities in Darfur. And Jacques Rogge, the International Olympic Committee chief, joined calls for China to do more to put pressure on Sudan, by signing a petition penned by the Crisis Action group.

Duck-and-cover response from advertisers

Even though Olympic sponsors weren't exactly caught off guard, their bland responses have ranged from "Of course it's awful" to "We don't get involved in politics." None of the marketers have indicated they will change their sponsorship plans around the games.

That duck-and-cover defense has played well in China, but is less successful abroad, where the attention has created an Olympic-sized headache for marketers. Sponsors are caught between the sales potential of China, where consumers don't connect the dots between the Olympics and their government's Sudan policy (and who are mostly puzzled by foreigners that do) and their own corporate image back home.

In western markets, many consumers expect multinationals to help protect human rights and be advocates for other social and political causes. Activists are calling for sponsors to back away from the Chinese-hosted Olympic Games—or be tarnished as an enabler of genocide.

So far, marketers are cautiously avoiding support for Beijing regarding Darfur with bland rhetoric that clearly displays their discomfort.

McDonald's "shares the concerns about those issues in that part of the world, and we have certainly been in dialogue with those groups about those issues,"

said Chicago-based Mary Dillon, global chief marketing officer for McDonald's Corp.

Coca-Cola "believes the Olympic Games are a force for positive change. While it is not the role of The Coca-Cola Company to directly involve itself in the internal policy decisions of sovereign nations, we do believe that we can have a positive impact by our continued sponsorship of the Olympic Games," says the U.S. beverage giant in a company statement.

"It is not Lenovo's role to engage in the politics of individual countries or regions," responded the Chinese PC maker in a statement. "We believe the Olympic Games are a force for peace and unity in a divided world."

And Anheuser-Busch's statement says, "The situation in Darfur is abhorrent, and we support efforts to bring awareness to this crisis in order to increase diplomatic discussions between governments within the United Nations. We have expressed our position on this topic with the International Olympic Committee."

More issues likely to be raised

But Mr. Spielberg's high-profile announcement is just the first in what's likely to be a series of human rights-related issues pricking away at the games' largest sponsors.

Minky Worden, media director of Human Rights Watch and author of the forthcoming "China's Great Leap: The Beijing Games and Olympian Human Rights Challenges," has contacted all 12 of the games' top-level sponsors and asked them to press China for reforms to no avail.

"The domestic situation there has been deteriorating in advance of the Olympics, and it's going to turn the spotlight there onto the sponsors," she said. "Darfur is just a jumping-off point."

Activist groups are using the Olympics to spotlight China's disastrous record on other human-rights issues, such as human-rights violations at home and abroad in places like Tibet and Burma, media censorship, labor malpractice, widespread use of the death penalty and large-scale destruction of the environment.

Protests already have been planned in countries like the U.S., France, Italy and Australia in the coming months, which means media coverage of this summer's games could end up looking more like a G8 summit than the world's biggest sports event.

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