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Sponsoring the Games  
Marketing plans shaping up  
By [Normandy Madden](#)



Coke's Ilan Sobel and Liu Xiang

BEIJING--With the XXIX Olympic Games in Beijing in 2008 less than two years away, sponsors are eager to tap sales and branding opportunities around the games.

It will be "the most critical commercial sporting event in our lifetime, any lifetime," said Beijing-based Greg Paull, founder and principal of R3, an independent marketing consultancy that is tracking brand and star performance connected to the 2008 games with CSM Media Research.

Despite their enthusiasm, most advertisers in China have been surprisingly slow at putting together strategic activation plans. "On the multinational front, the games have not yet begun," said Tom Doctoroff, JWT's China CEO and area director, Northeast Asia in Shanghai.

As part of *AdAgeChina's* ongoing coverage of the upcoming Olympic Games, here's a look at what a few national and global sponsors are doing so far.

**Adidas**

While there is no official sportswear category at the highest

international sponsorship level, the International Olympic Committee's The Olympic Partners (TOP) program, the Beijing Organizing Committee for the Games (BOCOG) broke with tradition and selected Adidas as its official sportswear partner.

To win the coveted partnership, the German company beat its two strongest rivals in China, the global market leader Nike and Li Ning, the leading local sportswear company. Adidas also paid handsomely, investing between \$80 million and \$100 million in cash, services, products and uniforms.

"Adidas sees it as the critical sporting event to gain China dominance over Nike and Li Ning," said Mr. Paull. The games are a key driver in the company's ambitious growth plans. Adidas already has more than 2,000 stores in over 300 Chinese cities, and plans to have at least 4,000 stores in China by 2008.

The company is investing millions more in marketing, sponsorship, licensing and business development activities surrounding the games, led by Erica Kerner, director of its Beijing 2008 Olympics Program, who was featured earlier this year in *Advertising Age's* annual "Women to Watch" report.

Adidas will supply sportswear for staff, volunteers and technical officials at the Beijing Games and outfit the Chinese Olympic teams competing in Beijing. It is also the only brand licensee partner for the Olympic Games, which means other sponsors can market and distribute products co-branded with the Olympic logo, but only Adidas can sell them. Earlier this year, Adidas introduced its first co-branded retail products, such as clothes and caps, in its Chinese stores.

"BOCOG saw the value of sportswear and elevated it to the highest level," said Ms. Kerner. "That gives us more marketing rights, the ability to work closely with the organizing committee and associate Adidas with the other brands that are top sponsors through strategic marketing alliances."

Besides its relationship with BOCOG, Adidas has deals with all seven Chinese national football teams and will outfit the Chinese football team competing in the Beijing 2008 Olympic Games. It also sponsors some individual basketball players who will likely compete for China at the games.

But Adidas faces two hurdles. It has to differentiate its partnership with the Olympic Games from other events like the World Cup, because the brand is already closely associated with sports. It also faces competition from Nike and Li Ning. While they are not official Olympic sponsors, they back some of China's strongest athletes and Olympic teams, diluting the impact of Adidas' sponsorship in China's cluttered media market.

"Being a sportswear sponsor of a sporting event makes it easier and more difficult for us, compared to other sponsors," admitted Ms. Kerner. "We have to be smarter and more strategic in how we do it, so consumers remember our message and that we are the official partner."

### **Coca-Cola Co.**

The American soft drink marketer is also using the next Olympic Games to compete with a strong global rival, in this case PepsiCo, which has a strong connection with Chinese youth through hip marketing and associations with pop stars like Jay Chou.

Coke has been fighting back by partnering with the popular World of Warcraft online game, which is enormously popular among young Chinese, and now through the Olympics and its sponsorship of Chinese track-and-field champion Liu Xiang.

"For Coca-Cola, it is their singular mission to become the dominant brand that bonds with China's youth through this association," said Mr. Paull.

While the Atlanta-based company has been slow to activate its Olympic marketing platform so far, it plans to tap into the games on an "unprecedented scale" via national experiential marketing initiatives, said Ilan Sobel, Coke's Shanghai-based VP-general manager, strategic marketing and innovation in China. "This will be accomplished via a fully-integrated marketing program involving Olympic-themed advertising above-the line, on-the-ground activations and rich on-line experiences."

It launched a "Coca-Cola 2008 Olympic Pin Program" last August that lets consumers design and trade Olympic-themed pins. The company has been associated with pin trading since it sponsored the first official Olympic pin trading center at the Calgary Olympics in 1988.

The marketing campaign was kicked off by Liu Xiang, who designed three pins. China's Olympic fans can take part in a nationwide pin design competition called, "Show China to the World," in which Chinese can nominate local landmarks that capture the spirit and traditions of their hometown for pins and participate in pin design. The best designs will be selected by public vote, through Coca-Cola's online community i-Coke, and marketed together as a special collection.

### **McDonald's Corp.**

McDonald's has also been slow to move beyond the planning stages, although the fast food chain started to connect its overall children's well-being program with Olympic mascots last month in China, according to Gary Rosen, Shanghai-based VP-chief marketing & corporate affairs officer for China. McDonald's already has more than 760 restaurants in China and aims to reach at least 1,000 outlets by the

start of the Olympic Games in Beijing. So far, the company's focus has been on opening stores and boosting burger sales.

McDonald's developed a live online chat series with the popular portal Sina and [Askme.com.cn](http://askme.com.cn), a health and nutrition web site launched by McDonald's in the mainland last March. Consumers can interact with leading sport, entertainment and business figures. The first one-hour episode on Aug. 1 in Beijing featured Houston Rockets basketball star and Shanghai native Yao Ming, who signed a multiyear global partnership deal with McDonald's in 2004.

Next spring, it will hold its first Olympic Day Run in China in several years. "We're still planning how it's going to be integrated in our plans overall in China," Mr. Rosen said. "Children's well-being is on everyone's plate across the whole system so the Olympics is a natural message for other countries too, but two years for a non-host country is still a long way out from a planning perspective."

### **Visa International**

Visa, the exclusive payment card and official payment service of the Olympic Games through 2012, is yet another marketer in China that has jumped on the Liu Xiang bandwagon along with Coca-Cola, Nike, China Mobile and China's leading dairy producer Yili.

In May 2006, the credit card company launched its first marketing effort highlighting its sponsorship of the 2008 Games in Beijing with a campaign by BBDO, Shanghai that showed Mr. Liu racing a kangaroo in Australia.

The growth of charge cards in China is increasingly connected to the country's growing exposure to the outside world, so the Olympics are "a once-in-a-lifetime opportunity to lead the card market as it opens in China," said Mr. Paull.

The ownership and use of charge cards by Chinese is still relatively low. There are few credit rating facilities in China to help residents qualify for them. And only hotels and restaurants catering to international visitors take credit cards. As a result, there is low awareness about how charge cards operate.

According to McKinsey, the number of credit cards in China quadrupled from mid-2003 to mid-2005, but the total number was still just 12 million, a scant figure in a country with a population topping 1.2 billion. Ninety percent of the credit cards belong to the most affluent consumers in China--mostly residents of Shanghai, Beijing, Guangzhou, and Shenzhen with annual incomes above \$4,000.

"By working with Liu Xiang, we hope to draw more attention among consumers worldwide to the development of sports in China and the coming 2008 Beijing Olympic Games," said Richard Chang, Visa's

exec VP and general manager, Greater China.

"As the Chinese economy grows rapidly, overseas travel has become increasingly popular with consumers," said Mr. Chang. "Visa is actively working to create a good electronic payment environment, allowing more Chinese cardholders to enjoy the convenience and ease of using their Visa cards when traveling abroad."

In addition to sponsoring Mr. Liu, Visa, like many advertisers in China, is eagerly attaching its brand to different teams. Visa is now the official partner of the China National Short Track Speed Skating Team, the China National Figure Skating Team and the China National Free Style Skiing Team.

### **Haier Group**

Haier, one of the largest white goods manufacturers in China, was named the official home appliances sponsor of the 2008 Olympics last year. The company said its decision to sponsor the event, whose slogan is "citius, altius, fortius," (faster, higher, stronger) is in line with Haier's own corporate culture and business philosophy: "self-challenging, exploring, innovating."

Based on the seaside city of Qingdao, Haier, like Tsingtao Brewery, has been granted national sponsor status - a step below partner - and will help "boost the preparations" for the games, "especially the Olympic sailing events," said BOCOG executive VP and secretary-general Wang Wei at the signing ceremony. "On the other hand, sponsoring the world's greatest sporting event also provides Haier with an unparalleled platform to build up its prestige on a global basis."

Building a global company is certainly Haier's aim, but the company has done little to promote its partnership with the games. In fact, the company has had little success at marketing its own brand in general. Although lauded as one of China's most experienced overseas manufacturers, its success has depended on widespread distribution through retailers like Wal-Mart, low prices and decent product design.

"In theory, Haier is going to use the games as leverage for branding, marketing and communication," said an executive at one of Haier's ad agencies in China. "As far as we know, Haier has not developed any solid plan for the Beijing Olympics in terms of communication. We are not sure if there is a marketing platform for using the Games. The marketing function is weak, if not nil, in Haier."

*Additional Olympic sponsors will be covered in future special reports.*



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