

The Brand Gold Rush to Beijing

Interbrand, Melbourne

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Considered the biggest sporting and cultural show on earth, the Olympics are also the biggest two week branding exercise on the planet. The 2008 games were the first to be broadcast entirely in high definition TV, and garnered upwards of 4.7 billion viewers. That's a lot of collective exposure, so let's reel the official games sponsors off: McDonalds, Coca-Cola, GE, Johnson & Johnson, Kodak, Lenovo, Manulife, Omega, Atos Origin, Panasonic, Samsung, and Visa.

These are all big brands and they all did big business in Beijing. As a relatively new but massively burgeoning consumer market, China has enjoyed the strong support of the 12 global Olympic Partners and some other 45 lower level sponsors and suppliers. Throw in the official Olympic Partners of each country being represented at Beijing, and a truly mind boggling number of brands spent heaps of money to compete for the minds and wallets of consumers. And make no mistake – the competition for attention from brands on board the Olympic marketing juggernaut was just as fierce as the athletes competing for gold in the Olympic stadium.

Corporate spending on sport sponsorship globally is totaling upwards of US\$ 20 billion per annum, and growing. But sponsorship is not without its risks. The potential threat of political demonstrations, athlete doping, ambush marketing, endorsement scandals, over-commercialization, message, brand clutter, and ineffective communication are still major obstacles for building brand relationships – perhaps, none more so than at the Olympics.

To put some perspective around the costs and the risks of Olympic sponsorship,

consider Nike's ambush of Reebok at the 1996 Atlanta Olympics. In sports marketing folklore, this tactic is still considered the ambush of all ambushes. Saving the US\$ 50 million official Olympic sponsorship fee, Nike covered the city in outdoor advertising, handed out swoosh banners to fans to wave during outdoor events, and erected the colossal Nike center overlooking the Olympic stadium. These tactics severely embarrassed Reebok and the IOC, and eroded the value of their sponsorship to such an extent that observers identified Nike as the official sponsor of the games.

With so much at stake, sports properties and brands are trying harder, but corporations still have a lot to learn about the dynamics of sponsorship. And as for the spiraling cost of rights, communications, and leveraging, brand's need to be more vigilant than ever in protecting their investment and delivering a return on their objectives.

As surprising as it may sound, the Olympics are a "clean event." This means that the IOC does not permit corporate branding by sponsors. Sponsors were not allowed to display their brands on athletes competing at official Olympic venues that were expected to generate most of the exposure in Beijing.

So, what did Beijing's Olympic sponsors get for their money? And how can five interconnected rings borrowed for two weeks, every four years, command such a premium for their association?

Beijing's sponsors got the high-profile identification with a prestigious property, and also the excitement, action, and team

spirit of the games. "Yes," I hear you say, "But aren't the Olympics also about synergy between brand attributes and affiliation of shared value – and don't forget about the huge reach and frequency!"

Well, that is part of it too. But sponsorship is not about what is sexy. Nor is it about spending a lot of time, effort, and money to create an indelible link between your brand and an event such as the Olympics. It is also not important how many times you can get in front of or communicate with your target market.

Olympic involvement is more about nurturing a brand's connection by putting your target markets' needs, not your brand needs, first. Those brands that "get" sponsorship realize that it is about connecting with your audience and enhancing the experience of the consumer, not interrupting what they are viewing for exposures sake, which ultimately detracts, rather than improves, the audience's experience with the event.

Marketers talk endlessly about creating "strong and enduring relationships" with customers. But customers don't really want relationships, at least not in the same way as the brand does. Brands want to be familiar, considered, admired, edified, and trusted. Consumers, however, want to be treated well, respected, and understood – they want a satisfying experience and the reassurance of knowing that they will have the same experience every time they interact with the brand. So, that means that if we get the experience right, the opportunity to build meaningful relationships should follow.

Products and services alone, however, are no longer enough to fulfill the hearts and minds of customers. Competitors can easily deliver product parity or improvement. It is harder for them to deliver against a unique experience that you can make your own, i.e. one that reflects everything authentic about what your brand stands for. The customer experience, therefore, should be a reflection of everything that makes up your brand - not just products and services, but its attitudes, values, and key differentiators. So how does sponsorship facilitate engaging brand experiences?

When used to best effect, sponsorship can create targeted, quality encounters, forming strong and long-lasting emotional links with consumers. Unlike traditional advertising, which is effective in creating the imagery and impressions that shape a brand's identity, sponsorship makes the brand "truly come to life." Sponsorship appeals to consumers on an emotional level, allowing people to connect with a brand, which can result in higher customer retention and loyalty. The key, therefore, to a great sponsorship outcome, is interacting and engaging with your primary target audience and the ability to integrate the sponsorship with what you already do well as a brand in a highly relevant context.

It is also essential for sponsorship goals to fit the broader objectives of corporate communication strategy. In this regard, sponsorship works in synergy with the rest of the marketing mix. It gives a brand the opportunity to complement all of its marketing and brand building efforts and leverage its sales objectives by creating an integrated marketing program through the use of multiple touchpoints.

Sponsorship is the most malleable of all marketing media, and the opportunity for its effectiveness reflects the increasing proliferation of media channels and the relative difficulty of reaching particular audiences, such as youth, highly affluent, luxury brand buyers, or strategic, business decision-makers via traditional media channels.

A good example of an Olympic sponsor, which has evolved its sponsorship strategy, is Samsung. Samsung previously leveraged its Olympic sponsorship by integrating games, promotions, and strategies to reflect the core values of the brand's products and the corporation itself. By planning and integrating initiatives such as on-site activity, advertising, in store and on-line sales promotion, public relations, customer hospitality, money can't buy experiences, and employee motivation and product sampling, Samsung effectively leveraged sponsorship with corporate objectives.

Samsung has pursued its integration strategy to become a full-fledged Olympic entertainment destination. It has satisfied game attendees and viewers by conveying information in an engaging, authentic, and memorable way. Samsung increased the credibility of its products, as well as the consideration of its customer-base and brand equity through these interactive and well-designed forms of communication. And yet, at the same time, too many of its sponsorship assets and investments are not exploited to their full potential. Historically, as with Samsung, sponsorship has too often been passed off as corporate hospitality and a way to generate brand awareness – it lazily relies upon the considerable direct and indirect media exposure that the right packages deliver.

But sponsorship is not merely about association, counting logos, or raising brand awareness. It is about the experience and passion that an event delivers to its audience, fans, and participants. By tapping into this emotional engagement, brand custodians can unlock value and opportunity. However, trying to make a brand stand out among the clutter, the scandals, and the ambush, is the subject that keeps marketing directors awake at night. They know their brand has to offer something unique that will persuade consumers to buy or guarantee loyalty. And that something else is brand experience.

Carefully selected and well leveraged sponsorship properties can help to cure the marketing director's insomnia. If the marketing director is very clear about the brand's own customer segmentation, its key value drivers and marketing objectives, then sponsorship is a powerful way to stand out from the clutter and build unforgettable brand experiences.

A good example of a brand that used its sponsorship effectively is Qantas, naming sponsor of the Australian football team "the Socceroos." Qantas flew the players to Uruguay (a long, grueling and indirect commercial route) and back on a chartered flight. This well publicized gesture ensured the players could fly first class and have an uninterrupted extra days rest and preparation for the return leg of their final FIFA World Cup qualification match in Sydney. And after winning a hard fought extra time penalty shoot out, the Coach and Captain of the Australian team claimed that Qantas' support was the difference in the match that sent him and his team, and their thousands of fans, to the 2006 World Cup for the first time in 32 years! You just can't buy or create that sort of effect for a brand in any other medium.

An event like the Olympics offers the sponsor a pool of passionate and often fiercely loyal consumers, whose deep involvement in the event allows brands to tap into a sort of collective "euphoria" and develop a level of customer intimacy they could never hope for from any other medium. Through leveraging and integrated marketing as a branding platform, a win-win-win partnership can be formed between the event, the consumer, and the sponsor. However, there will be no winner in the relationship if the positive emotional tie to the experience is missing.

