



Journal of Human Sport and Exercise

E-ISSN: 1988-5202

jhse@ua.es

Universidad de Alicante

España

WANG, HUI

Analysis of modern sports marketing of post-Olympic era

Journal of Human Sport and Exercise, vol. 6, núm. 2, 2011, pp. 378-384

Universidad de Alicante

Alicante, España

Available in: <http://www.redalyc.org/articulo.oa?id=301023461002>

- How to cite
- Complete issue
- More information about this article
- Journal's homepage in redalyc.org

redalyc.org

Scientific Information System

Network of Scientific Journals from Latin America, the Caribbean, Spain and Portugal

Non-profit academic project, developed under the open access initiative


Analysis of modern sports marketing of post-Olympic era

HUI WANG 

Physical Education, Sichuan Agricultural University, China

ABSTRACT

Wang H. Analysis of modern sports marketing of post-Olympic era. *J. Hum. Sport Exerc.* Vol. 6, No. 2, pp. 378-384, 2011. There is a long history for sports as a marketing vehicle. With enormous business opportunities and expanding market, Chinese enterprises, large and small, are taking advantages of "in-depth marketing" to build their brand names with all their resources and promote sustained development of modern sports marketing. **Key words:** POST-OLYMPIC ERA, MODERN, SPORTS, MARKETING.

 **Corresponding author.** Physical Education, Sichuan Agricultural University, China.
E-mail: wanghui.cn.2010@gmail.com
Submitted for publication December 2010.
Accepted for publication June 2011.
JOURNAL OF HUMAN SPORT & EXERCISE ISSN 1988-5202
© Faculty of Education. University of Alicante
doi:10.4100/jhse.2011.62.18

INTRODUCTION

For a period of time, Olympic marketing is undoubtedly the most often discussed topic among Chinese businesses and marketing firms. Regardless of whether they are official Olympic sponsors, businesses have been coming up with strategies on how to take advantage of the Olympics for business opportunities. It has also become the main issue for brainstorming among consulting firms. With the opening ceremony of the Olympic Games coming up, Olympic marketing is coming to an end. After December 31, 2008, the majority of sponsors disappeared and returned to the same starting line as non-sponsoring companies. After this commercial bonanza, we have to ask ourselves how much return these sponsors really generated from their generous Olympic investment, and whether there are any additional profits to be made post-Olympic era. Are there any other opportunities to be tapped into?

THE VALUE OF POST-OLYMPIC MARKETING

International studies have shown that the economic impact of the Olympics lasts about 10 years. Generally speaking, it could be divided into a seven year pre-Olympic period followed by a three year post game period. Attention should be paid to both. Ignoring the aftermath of the Olympic game and stop the marketing effort immediately after the game will jeopardize the pre-game marketing effort and cost a bundle to the branding campaign.

Building a brand can not be achieved overnight. It takes a long-term effort. Major sporting events are marketing platforms with a potential to break down cultural and geographical barriers among consumers. They are eye-catching. Undoubtedly, there are enormous economic benefits to be made in sports marketing. It can also spread the brand name very effectively.

For a brand to be promoted, abandoning its sports marketing after the Olympics will jeopardize the entire investment. A short period of exposure to consumers during the Olympic Games and complete disappearance from sporting events afterwards will not create a lasting public impact. Such a branding strategy is near sighted, opportunistic, and ineffective.

In fact, many well-known brands adopted a long term strategy for Olympics marketing. As the Olympic Games long-term partner, Coca-Cola has been sponsoring the Olympic Games for 80 consecutive years. It is widely recognized as one of the most successful Olympic sponsors. During 80 years of collaboration, Coca-Cola has integrated Olympic spirit into its brand culture. It has turned the Olympic marketing into an ongoing campaign, continuously adding a variety of cultural elements into it. The end of the current game becomes the beginning of the next Olympic marketing, generating a snowball effect in their branding effort. A spirit of "faster, higher, stronger" is seamlessly integrated with Coca-Cola's culture of "optimistic, positive, challenging, and progressive". It provides a clear image for Coca-Cola's brand.

Lenovo has a very clear objective in its sponsorship of the Olympic Games from the very beginning. Turin Winter Games and the Beijing Olympics helped the company to successfully build an international image. In the post-Olympic era, Lenovo intends to take advantages of its gains from Olympic sponsorship and further its internationalization effort. To make Lenovo a household name around the world, Lenovo plans to withdraw from TOP and continue its sports marketing strategy. There will be greater emphasis on sponsoring events in strategic targeted markets such as the NBA and F1 in order to better meet its business development needs these markets.

In the post-Olympic era, for the enterprises, the key issue is how to maintain the company's visibility and expand the company's influence.

OLYMPIC RESOURCES POST-OLYMPIC GAMES

Compared to other developed countries, there is still great potential in China's sports culture. The 2008 Olympic Games is undoubtedly a very good opportunity to bring in more customers to participate in the Olympics. And the passion for sport will stay after the Olympics. Therefore, the main issue sports marketing is how to expand public participation in sports. Furthermore, there is still a great deal more Olympic-related resources waiting to be tapped after the 2008 Olympic Games. A better effort could be made by integrating these resources in corporate brand strategy, and connect to pre-Olympic marketing.

Consumer's emotional resources

The 2008 Olympic Games will generate strong support across the whole nation for sports, and a better understanding of various sports activities. This enthusiasm will last for a period of time. A good marketing strategy is to create sports marketing platforms where everyone can participate. This will greatly promote branding.

Star Power

Status of the sports stars and entertainment stars are comparable. After the Olympic Games in 2008, defending champions, the first gold medalists would receive a great deal of public's attention. There will be also more global Olympic stars and sports heroes to consumers. Using these star endorsements for the brands will help to establish trendy and vital brand images. One such example is Liu Xiang. Many new sports stars like Liu Xiang will emerge after 2008 Olympics. A combination of star power and brands will be an excellent choice for post-Olympic branding.

Post Olympic resources

The greatest aftermath of Olympic Games is its stimulation of public enthusiasm for sports. A sports and fitness surge create a solid foundation for sports marketing. There are many more sporting events after the Olympics, such as the Asian Games and the World College Student Games. The lower threshold for sponsorship and great Asian impact for these events are great opportunities for Chinese businesses mostly targeting Asian markets.

Seizing post-Olympic sports marketing resources will create a synergistic effect for brand building, and achieve a continuous value chain for brand penetration.

Olympic marketing will continue to appear in commercial promotions. The success in Beijing Olympics marketing efforts will push more enterprises to engage in Olympic marketing with a systematic and strategic vision.

Post-Olympics in depth Marketing

Reflection and summary of pre-Olympics marketing

Olympic marketing focuses on the Olympic Games. It should take into consideration of consumer support to and participation in the Olympic Games, and integrate branding, service, and corporate culture. For those wishing to move up in the value chain, they need to consider their post-Olympic business models. Items on the corporate agenda should include: have they utilized Olympic resources in their brand positioning? After the Olympics, do corporate branding strategies need to be adjusted? What is the

direction for modern sports marketing after the Game? Is it necessary to continue sponsorship of other sporting events?

In the post-Olympic era, the first task is to evaluate the effectiveness of previous marketing efforts. After all, Chinese enterprises are new to sports marketing and very inexperienced in using Olympics as a global marketing tool. It becomes critical to conduct this evaluation.

For expensive Olympic marketing, what is important is to find out whether there are any improvements in terms of brand awareness, recognition, and corporate image in the minds of consumers. In the 2008 Olympic Games marketing environment, there are both sponsors and non-sponsors. Many non-sponsoring enterprises have also engaged in Olympic marketing activities. These kinds of marketing to some extent interfere sponsor's brand promotions. Therefore, marketing becomes even more challenging for sponsors. Those businesses capable of achieving their targets amid this complex environment of both sponsored and non-sponsored marketing activities, through a clear, systematic marketing strategy, are the real winners in the Olympic marketing.

Assessment is not made for the sake of assessment. The purpose is to define objectives for the next phase. Businesses focusing on sports marketing as an important component of marketing in general attaches a great significant to this assessment. Samsung has an evaluation system on the Olympic Games marketing. There are four components: credibility, preferability, awareness, reputation. For the 2008 Olympic Games, Samsung developed an evaluation system along with consulting firms for their sponsorships. Statistics of these assessments came out two to three months after the Game. Based on the evaluations, Samsung can revise its objectives and apply them to the follow-up marketing activities. Similarly, Lenovo sponsorship has a very clear objective from the very beginning of the Olympic Games. Once realizing the internationalization of the brand, it no longer invests in the Olympic Games. In the post-Olympic era, Lenovo turns to other events for sports marketing in order to promote its brand. Taking advantage of internationalized brand from Olympic sponsorships to further its oversea strategy can only be achieved through timely assessment and evaluations. Otherwise, continuous investment may not generate returns.

In-depth analysis of brand value

More relevance between a brand and its sponsored sporting events, the better returns there will be from Olympic marketing. And continuous marketing of the brand on the Olympic platform post Olympics becomes logical choice. For those businesses and brands not relevant to sports however, they need to consider a shift in marketing strategies. Without this relevance, it is difficult to transfer consumer enthusiasm for sports into their products.

Sports marketing is a long term process. What needs to be considered first is the relevance of the industry to sports, such as sporting goods, IT communications, beer, sports drinks etc. They are commonly associated with sports. The next is a matching between the brand and sporting events. Does the brand a spirit of "vitality", "hard work", "carefree" and "freedom"? When choosing to become an Olympic sponsor, Qingdao Beer considered its strategic positioning in several aspects. The first is the degree of strategic match. Qingdao beer itself is an international brand, and the Olympics is an international event. The two match well. The second consideration is relevance. The 2008 Olympic has a slogan of "One World, One Dream". Tsingtao Brewery's brand advocates "Passion creates Dream". Again, a good match. The third aspect is profitability. The Olympic Games itself is a business operation. While promoting the Olympic spirit and disseminating the Olympic culture, businesses have to consider cost and returns. It is just as critical to

increase brand awareness and reputation to drive growth and profits through Olympic marketing. Therefore, it can be expected that companies such as Qingdao Beer will succeed through the use of sports marketing to grow their brand.

In the post-Olympic era, a brand will not be as visible as during the early and mid stages of the Olympic Games. Many brands have to return to their traditional marketing systems. For them, sports marketing is much more than brand recognition. While influential sporting events are good marketing platforms, a brand has to look beyond, to make use of sports passion, fighting spirit in their branding in order to build a dynamic image.

Post-Olympic era sports marketing has to be focused. Sponsorship must switch from a shotgun approach to targeted campaign in order to strengthen the brand's core values. Lenovo strives to build a high end brand image in the post-Olympic era through global sponsoring of F1, golf, NBA and other sports events. Therefore, to give up the Olympics does not mean abandoning sports marketing. Only an integrated approach can extend a brand.

Post-Olympic marketing strategy

Post-Olympic market research and objective definition

The purpose of market research is a systematic collection, analysis, and summarization of markets, opportunities, and decision making. Modern sports marketers need to know and understand who will be consumers of their existing products and products still under development. They also have to know and understand their opponents and potential rivals. A full understanding of consumers and competitors is essential for marketers to make the best strategic decisions in order to bring the business to its final victory. Marketers classify consumers and competitors through research. Such a classification differentiates different types of consumers and competitors to identify a targeted market, namely a consumer group.

Formulate a scientific and clear strategies and tactics

Once a decision is made to use a sporting event, a scientific and clear strategy and tactic has to be defined based on marketing plans in order to achieve the desired marketing objectives. First of all, what is the objective for this sports marketing effort? Is it brand building or pure sales promotion? Secondly, how to market? Naming rights, sponsorships, or others? There are also issues in coordinating media and publicity.

Attention to returns

Successful Olympic marketing generates a substantial return to its sponsors. In the 1984 Los Angeles Olympics, Jianlibao invested half of its revenue to sponsor Chinese Olympic delegation. In return is its supremacy in Chinese beverage industry for 10 consecutive years. After the 1996 Atlanta Olympic Games, Coca-Cola's profit jumped 21 percent, reaching 967 million U.S. Dollars. After joining the Olympic TOP program, Samsung's telecommunications product sales rose from 3.9 billion U.S. dollars in 1998 to 5.2 billion U.S. dollars in 1999. After 2000 Sydney Olympic Games, its sales increased 44%, and brand recognition from 5% to 16.2%.

Expert analysis, corporate sponsorship, and participation in Olympic activities are 3 ~ 10 times more effective than traditional advertising in raising brand awareness. "Once on the bandwagon of Olympic games, gold will start to roll in". However, for many previous sponsor of the Olympic Games, their sponsorships generated very limited returns. A huge investment in sponsorship was not effective in enhancing their brand values.

Recycle Olympic sponsorships

Olympic is a glittering advertisement. While the rights for sponsors will disappear after the Beijing Olympics in 2008, the title of sponsorships should be preserved.

Olympic Games has a good public image and a unique social appeal. The Game, Olympic athletes, and the Olympic spirit are held in high regards worldwide. This respect also spills over to Olympic sponsors on their corporate brands. For the 2004 Athens Olympic Games, surveys found that, sponsors of the Chinese Olympic team are perceived to have "powerful Chinese brands", and these brands are "trustworthy" and "socially responsible".

CSM Media Research and ShenSan Consulting conducted the fourth round of the survey on Olympic benchmarks. They found that Olympic sponsors have a high degree of acceptance among consumers. Among the respondents who know about sponsors, some 76% would preferentially to purchase from Olympic sponsors. Obviously, Olympic marketing built and raised Olympic sponsor's brand images. Their values will last. The prestige and reputation attached to Olympic sponsor's brands will generate long term and maximum returns after the Game.

Re-use of international platforms

Sponsoring the Olympic Games appear to be a matter of cost. In reality, it is a match between brand and Olympic Game spirit. Olympic Games is an international marketing platform. As a quadrennial global sports event, it attracts the world's attention for a short period of time. According to statistics, broadcasting for the Beijing Olympic Games is the biggest in scale with the most enthusiastic response. According to the IOC director of television marketing Timothy Ram, the "biggest scale" refers to the longest broadcasting, the most diverse means of broadcasting, and the most extensive reach of audiences. Coverage of the Beijing Olympic Games is three times the amount of the Athens Olympic Games. Broadcast of the Olympic Games ranges from traditional television, radio, to a greater emphasis on Internet and mobile phones. Estimated audience for the Opening ceremony worldwide is 1.2 billion viewers. More than four billion people watched, listened, or read about Olympics. Such a high degree of visibility and publicity is unmatched by any other public relations activities.

Olympic Sponsors have a active dialog with the world through Olympic Games. Not only it demonstrates their strength and social values, but also enhances their international recognitions. There is broader and broader room for business collaborations based on Olympic Games. It opens up and presents numerous opportunities for business development. It can be expected that, in the post-Olympic era, Olympic sponsors will become more internationalized by taking full advantage of the dividends from Olympic Games.

Compete for sports stars

Olympic Games had just lowered the curtain and gold winning athletes returned. It can be expected that, after the Beijing Olympic Games, defending champions and the first time gold medalists will be the focus of attention. Their celebrity status will be comparable to entertainment stars. For those who want to promote their own brands using sports stars, the number one consideration in the post-Olympic era should be whether sports stars match their corporate brands, and find such stars to further their brands.

Compete for media resources

Media resources has always been strategic high ground for branding. During the Olympic Games, television, radio, newspapers and other major media are the main channel for the audience. Some new media forms also emerged in this period. In such a competitive era, information saturation is already

overwhelming the audience. There is also a shift in public preference to media. Attention to emerging media, researching people's new media preferences, and opening up a new publicity platform will serve businesses well to win audiences.

At the same time, there will be new platforms in the existing media after the Beijing Olympics to meet the business needs of post-Olympic marketing. Olympic sponsors should grab the opportunities, identify the platform, and conduct timely marketing.

Post-Olympic era is a critical period of time for re utilizing the Olympic Games resources and identifying additional marketing tools. During this period there will be a large number of marketing innovations. Due to the limited talent from this author, this article represents only an overview in the hope that it will provides some ideas for businesses in their post Olympic marketing.

REFERENCES

1. XIA H. *ERKE and strategies in sports marketing*. China's sports marketing network. May 2006. [[Back to text](#)]
2. ZHAI HH. Current situation, issues, and strategies in Chinese sports marketing. *Market research*. 2005; (8):43. [[Back to text](#)]
3. WEI J. *Corporate cultural marketing 21 century marketing model*. China Marketing Network. February 2005. [[Back to text](#)]
4. MENG-YING WY. Mistakes and countermeasures in Chinese enterprises sports marketing. *Markets and marketing*. 2006; (2):55. [[Back to text](#)]
5. WANG YL. *21 century operational strategy for branding*. Beijing: People's Posts & Telecoms Press; 2003, 190. [[Back to text](#)]
6. HAWKINS D, BEST R, KONY K. *Consumer Behavior*. Institution Industry Press; 2001. [[Back to text](#)]
7. SHI-JIE Y, CAI D. Consumer economics. *Economic Science Press*. 2000; 59. [[Back to text](#)]