



Master's degree thesis

EVM950 Event Management

Brand positioning / brand developing through sport
sponsorship

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Preface

This thesis is a part of the master study program MSc in Event Management from Molde University College.

I have to admit that research on marketing topic was time demanding and exhausting, and support of my family, friends and many other people who contributed to my personal development was crucial, and I are highly grateful for this perfect background. I thank all of you.

To understand sponsorship marketing from signal theory as a basis on the topic was quite eye opened by this unique experience and gave a great reward. Besides interesting findings, I also feel that a successful sponsorship marketing plan requires marketers who are able to smell changes of the targeted market quickly with their long term market detecting capacity. Thereby, I show my honest respect to those who have committed themselves into marketing. In addition, I am thankful to those who are behind study program of Event Management at Molde University College, all professors who I met during my study. Last but not least, thanks to my mater thesis supervisor, Professor Harald Dolles, he guided me to better organize this thesis with his great patience during the thesis completing period.

Shizhen Zhou

Summary

Sport sponsorship is widely used as a marketing tool by corporations. By supporting a sport event, activity, organization or sport starts, the unrelated partner get a better way of influencing consumers' purchasing intention which helps companies increase brand awareness, generate brand value, to foster brand loyalty or to shape brand image. This thesis pays attention to the sport sponsorship in the context of an emerging market. Studying sponsors involved in the case of 2014 Nanjing Youth Olympic Games, I analyze their sponsorship as marketing signals sent and try to deduce their sponsoring intention, in terms of branding. And then I try to highlight how they arrange this sponsorship marketing, finally evaluate the potential positive return on the investment. To answer the research questions, I, first, outline what signal theory is, locating it to form the brand alliance with Youth Olympic Games as well as signal evaluating model based on different previous theoretical perspectives. Then I conduct the qualitative analysis on narratives of four domestic sponsors (i.e. 361 Degree, China Telecom, Tencent and Suning Commerce). Finally, this thesis concludes that sport sponsorship is an effective way to signal product quality to the outsiders, or new market by associating with other high quality brand. In addition, sport sponsorship opportunity promotes firms' brand develop further.

Key words: sport sponsorship; brand positioning; signal theory; brand alliance.

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Abbreviation

YOG Youth Olympic Games

OG Olympic Games

NYOGOC NanJing Youth Olympic Games Organizing Committee

IOC International Olympic Committee

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1. Introduction

In the business world, the word “brand” has always been heard from the mouth of businessmen as well as customers. In the feudal era of China, there was no TV, Internet, or radio, via which the business men could advertise or promote their business in a broad area. Affecting the customers’ purchasing decision was not easy as it is today. Then the ancient Chinese sellers attracted the customers by making their own stores a powerful image in the mind of their target customers. The historical stories state that, at the previous time, there was a phenomenon that some restaurants and hotels decorated with celebrities’ painting or calligraphy, or offered the performing and storytelling to upgrade the image of the stores as arty, with which their stores could be well-known. In this way, the customers, particularly the educated or wealthy people, were attracted, and the customers’ satisfaction and loyalty were guaranteed surprisingly. If I dig out the reasons of why, it can be found that, even at that time, the most people’s purchasing decisions were affected by the name of the store, or the fame of the store owners, partly because they believed these store images could associate the stores with distinct values, while conveying the some specific information about the items the store sold. Transforming this circumstance in the modern business language, what the ancient Chinese business men did is actually positioning their own brand, shaping the values of products, and signaling product information to their targeted consumers.

Indeed, the business philosophy of building and positioning brand of a business has been rooted in the business world for thousand years. Coming back to the modern era of the People’s Republic Of China, companies are always in the pursuit of developing, strengthening or repositioning their companies’ brand, i.e. making the “big fame”, trying to hit the market from regional to national, from national to international, and transferring their brand from so called “made in China” to an international brand. Fortunately, nowadays, all of these can be achieved via various channels of marketing communications, such as mass media (television, radio, magazines, newspapers, billboards, websites, etc.), social media, employee, and sport and cultural events, etc.

The question of why the “brand positioning” is significant has been explored in depth by the academics (Aaker 1996, Krizanová and Stefániková 2012). As the foundation of brand equity and the core determinant of the optimal competitive brand strategy, a great brand position is unquestionably crucial for the firms, and it is supported by the associations and images about how people perceive a brand or how a firm is trying to be perceived(Aaker 1996). Then the question remains how to position or develop a brand, in other words, how to reach these brand associations and brand images. Typically, advertising on the TV, radio, printed media, now even on the Internet social network, as marketing communications are made in the hope of influencing the consumers’ purchasing decision and brand positioning(Li et al. 2011, Alden, Steenkamp, and Batra 1999). However, since the cultural problem is involved, it is difficult to construct the brand associations with a

widely understood and recognized set of symbols in a worldwide area in the method of advertising (Alden, Steenkamp, and Batra 1999). Sports are widely accepted as “no country boundaries”. In order to reduce the risk related to the culture problem, firms have entered into the sport sponsorship arrangement since the 20th century, commonly aiming to increase the brand awareness, to establish, strengthen, or change the brand image with brand equities of sport events(Gwinner and Eaton 1999). Among various sport events, international mega sport event like Olympic Games is commonly acknowledged as incomparable, no matter in terms of event size, or brand value of the event. In fact, the impact of this event generates is incomparable, but also uncertain. Usually, such a huge amount of dollars needs to be invested to associate with this event property, while the return on the investment might reach to the long term like company or product branding in this case, which often cannot be calculated or difficult to show with figures. Thus, only the well-developed international corporations have capacity to take this risk to bear the expensive Olympic sponsorship fee, or, in other words, they are the only ones who could possibly enjoy the benefits Olympic Games bring. The birth of Youth Olympic Games (YOG) enables more companies to make their dream of associating with the Olympic rings, Olympic value coming true at a comparatively lower price. In fact, YOG has really attracted young brands to show off during the Games, no matter in 2010 Singapore first Summer Youth Olympic Games, in the 2012 first Winter Innsbruck (Austria) Youth Olympic Games, or in the upcoming 2014 Nanjing (China) second Summer Youth Olympic Games.

Despite there is an enormous amount of research on sport sponsorship, far less research cover sponsorship issue in the emerging or developing market context, as for example in the Chinese culture and market(Söderman and Dolles 2010). In contrast, the Chinese marketers show their increasing interest in the sport sponsorship. Statistically, in the Sydney Olympic Games, the Chinese National delegation received about 70 million RMB (about 8.6 million Dollar) sponsorship fee (including cash and in kind) from various Chinese and foreign companies(Wei 2011). Dramatic growth happened in 2012 London Olympic Games, the amount of sponsorship fee was up to 3 billion RMB (about 0.5 billion Dollar) from 62 companies(Zhang and Zhou 2012). This enthusiasm of using sport event as a brand promotion platform peaked in the period of 2008 Beijing Olympic Game, the first international mega event which was settled in China. Among 12 TOP Olympic partners, Lenovo bid and won the global TOP Olympic sponsor successfully, being the first Chinese company listed in the Olympic TOP sponsors; 11 Chinese companies became the Beijing 2008 partners; 10 Chinese companies were Beijing 2008 sponsors; and 15 Chinese corporate won as the exclusive suppliers, 17 Beijing 2008 Co-exclusive suppliers. Totally 65 companies exposed their brand name under Beijing Olympic (Söderman and Dolles 2010). These figures expose the fact that more and more Chinese firms put the sport sponsorship up to the marketing strategic level, so that the research on the sponsorship in the context of Chinese market is needed. Furthermore, since YOG is a new born event, there is rare researcher focusing on the brand benefits it could bring. Most of the research in the field of YOG focus on issues like YOG promotion or make the comparison with

original Games (Hanstada, Parentab, and Kristiansena 2013, Judge et al. 2011, Kristiansen 2012). This made the research related to YOG sponsorship in the Chinese context valuable and urgent. Thus the purpose of this thesis is to study the case of upcoming 2014 Nanjing Youth Olympic Games with three research questions, i.e.:

(1) What are the sponsoring intentions of the sponsors of 2014 Nanjing Youth Olympic Games, in aspect of the brand positioning/ brand development?

(2) How these sponsors match up their brand with the concept of the YOG?

(3) To what extent sponsors might develop, strengthen, or build their brand by sponsoring the YOG?

The structure of this thesis is arranged as follows. Firstly, background information on the thesis topic is introduced in the second chapter. In the following chapter, the basic theoretical background about what signal theory is given, and in relation to develop the brand alliance network, which involves actors like:(1) the YOG sponsors/suppliers; (2) The YOG; (3) the host country/city; (4) the ambushers. The signal evaluating model is also introduced in the third chapter, consisting of two parts: signal interpretation and signal quality evaluation. In the fourth chapter, the background of host brand-the YOG is given, for the analysis of what YOG is about help to clear the marketing signal sponsors sent. The methodology - sampling strategy, sample data is described in the fifth chapter. In the sixth chapter, the brand positioning/developing intentions of four specific sponsors are analyzed from their individual sponsorship history, or company development, respectively. Finally, I wish to provide insight into the marketing move adopted by sponsor YOG.

2. Background information on the thesis topic

In this chapter, the background of 2014 Nanjing Youth Olympic is introduced to offer the basic information on how Nanjing city is and to understand the distinct message signalled by Nanjing Youth Olympic Games Organizing Committee to local community, consumers or sponsors with the specific concept of Nanjing YOG. Meanwhile, another significant knowledge reader can get from this chapter is about the background of the Chinese sport market. This information will explain the situation in which companies tend to use sport sponsorship for brand promotion.

2.1. 2014 Nanjing Youth Olympic Games

Nanjing is the capital city of Jiangsu province locating in the middle east of China, which nicknamed as an important gateway city of this country. Neighboring with the Yangtze River makes it a national shipping and logistic center. Historically, Nanjing used to be one of the four ancient capitals of China with thousands year history. This could be said that 2014 Nanjing Youth Olympic Games will be another cultural exchange happening between Chinese culture and Olympic culture. The Youth Olympic Games is expected to promote Nanjing exchanging overseas more frequently, increasing international cooperation as well. Furthermore, based on the experience of Beijing, the sport industry in Nanjing area will experience a growth with the upcoming Youth Olympic Games, which will play as a positive role to promote the international high-end sports resources gathering in Nanjing as well as further developing the related industries in Nanjing such as tourism, leisure, trade, culture etc. YOG sponsors might be able to take advantage of this chance or impetus offered by the Youth Olympic Games on city development.

The concept of Youth Olympic Games varies based on the city in which it is organized. Thus, there might be some brand fits between sponsors and the new concept of 2014 Nanjing YOG. The president of Nanjing Youth Olympic Games Organizing Committee (NYOGOC) and the Secretary Municipal Committee of the CPC, WeiZhe Yang (2014b) put forward that 2014 Nanjing Youth Olympic will be an event which is “youth and energy, participating and sharing, cultural, intelligent, green and low carbon, safe and economic”. More specifically, that is to complete a wonderful and unforgettable event which sets the young people as the majority; being characterized as the combination of culture, sport and education; using the internet network as a platform; driven by the spirit of being a host; leaving long term legacies; rebuilding the city; improving people’s quality of life; promoting city development. With the upcoming YOG, NYOGOC and government of Nanjing city wish to erect Nanjing a modern international humanitarian city by perfecting an infrastructure construction; applying new technologies, new energy in the Youth Olympic projects; growing up with the Olympic relevant sport or cultural education activities.

2.2. Chinese sport market

The trend of using sports sponsorship in marketing might be partly driven by the changed Chinese sport marketing. Since more and more international sport events have settled in China, such as the F1 Shanghai Grand Prix, Shanghai Rolex Master, China Open, China Tours of major European football clubs etc., through this decade, the sport behavior of common Chinese has affected and the enthusiasm towards sport activities has lighted among the Chinese people. In 2008, the previous research conducted one month before the Beijing Olympic by CSM Media Research/TNS Sport shows that 85% of urban Chinese were practicing at least one physical activity or sport on a regular basis. And it also demonstrated that this figure had risen continually since TNS Sport started to measure the attitude and relationship of Chinese to sports since 2003. In the report, Pierre Justo (2008), Managing Director of TNS Sport China, explained one of the key reasons for increasing participation in sport in China was people's desire to show off. After Beijing Olympic Games, although the accurate number of population of sport participant is not discovered, it has been estimated that the value created by Chinese sports industry and related industries had increased from 15.7 billion dollars in early 2006 to 35.5 billion dollars in 2012, which might reflect the potential of the Chinese sport market. The boom of Chinese sport market lets the firms notice sport market as an increasing segmented market with its huge potential purchasing power.

“In China, sport is seen as an upmarket activity which allows people to show off their economic and financial status. Sport is becoming increasingly important to the Chinese. As this way of thinking is not expected to change any time soon, we can expect to see an increase in the practice of less popular sports like tennis, or even golf, with new facilities being built every day. Extreme sports activities could also come into vogue.” Statement from Pierre Justo 2008 (CSM media research 2008)

Although sport sponsorship might bring potential consumer with their unpredictable purchasing power, the huge amount of sponsorship investment stops Chinese companies' dream to be related to the Olympic Games after Beijing Olympic. The widely perspective on the Chinese sport industry is that, after 2008, China sport market has entered and would stay in the so called “the later era of Olympic” until the next Olympic Games coming to China. In this era, there would be no international major event with tremendous brand power like Olympic Games occurred in China. Meanwhile, economically, the cost of being associated with the Olympic Movement arises in another country. On the other hand, affected by the economic crisis from 2008, in recent years, Chinese economic slows down its crazy increasing speed, instead keep developing at a stable rate. This condition is continuing to challenge sponsor's' views regarding the potential for return. The upcoming 2014 Nanjing YOG allows companies in Chinese area connecting their brand with the Olympic, the Olympic rings, one of the most recognizable symbols in the world, to achieve brand promotion or brand development at a reasonable price.

Emotionally, partly because of the patriotism, Chinese people pay strong attention to the sports or events which are able to show off China as a powerful sport country worldwide. For instance, during the period of Beijing Olympic, it is estimated that within the two weeks, over 1.12 billion Chinese audience watched the games or the Olympic related news, 0.8 billion viewers enjoyed the Olympic Opening ceremony at the same time (the historical peak had been 0.3 billion TV audience watching the Chinese New Year Ceremony) (Li 2008). Even until now, Beijing Olympic ranks as the second most popular Olympic-related searching key words on Baidu searching engine, while the Youth Olympic Games places as the third (shown in figure 2.2.). At this point, the upcoming YOG as an international major event might attract broad attention from Chinese people, which could result in a high sponsors' brand exposure.

Figure 2.2. Search interest in “Olympic” related key words

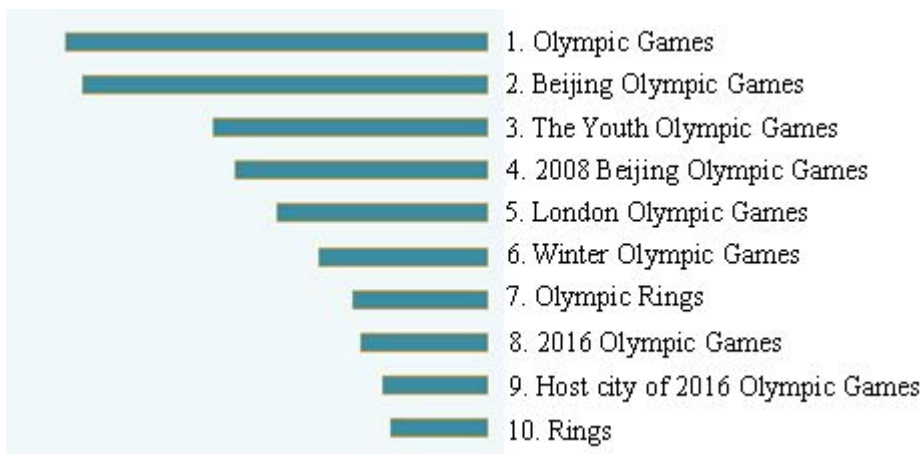


Figure is made based on the searching popularities of Olympic related keywords conducted by Baidu index. (Made on 20.02.2014)

What is more, there is an “Olympic dream” in the mind of Chinese people, and there is no sign that the “Olympic fever” is decreasing. In fact, during the 2012 London summer Olympic, the average audience rating per day on CCTV 5 still arrived 7.2%. Although this figure got slightly decrease compared to the local organizing Beijing Olympics, it still was one of the highest figures on average Olympics audience rating per day (Zhang 2012). As a new member of Youth Olympic Game, although its own brand influence is uncertain, it is expected to make the Chinese adults Olympic dream continue and at the same time illuminate the Chinese teenager’s Olympic dream. In this situation, YOG sponsors might intend to benefit from “Olympic fever” regenerated by local organizing 2014 Nanjing Youth Olympic Games. Due to this strong emotional bond, YOG sponsors might get a high brand recall.

In addition, thanks to the technological development, the events broadcast channels become more diverse, ranging from the traditional mainstream media, national sport media-CCTV 5, numbers of regional sport medias, to the Internet social media, such as Weibo, Wechat etc., sport events gain a lot of media coverage with the logo of sponsors, which allow the name of sponsors to show off in front of the sport population more frequently.

2.3. Summary

The background information on thesis topic is given in this chapter. When firms choose a sport event to sponsor, a market analysis is suggested to make to predict the potential outcome from sport sponsorship, or to fit their sponsorship plans with their business products and services. Similarly, to analyze market background offers a signal or a cue to detect the sponsors' sponsoring intentions, or to predict how their brand could develop from sponsorship, based on the specific background about the event concept, the current state of the industry from the sponsored event, and its targeted market. The brief overview on Chinese sport industry in this chapter helps to define the opportunities these sponsors take from industry development from which they hope to success. Physically, new sport events are being welcomed across China within this decade, which has promoted the prosperity of Chinese sport industry. And meanwhile sport events provide firms chances to gain positive benefit from sport sponsorship as a long term branding process. Economically, the financial environment is no longer rewarding entrepreneurs solely on the label of the "made in China". They will need to survive upon skills from other disciplines, including marketing, to succeed. Nanjing YOG is an opportunity for Chinese companies to chase their dreams, or to brand themselves in the later era of Olympic. Socially, the highly emotional involvement in sport event, especially in Olympic Games, of Chinese people forms a bridge between sport event partners and potential consumers. Technologically, recent advances in technology have greatly enhanced the ability of sponsors to advertise on different marketing communication channels. They help sponsors gain more potential consumers from the prosperously developing Chinese sport market by using new media as a method of sponsorship promotion. Moreover, in order to get positive returns from YOG sponsorship, sponsors might need to read and match up their brand position with Nanjing Youth Olympic Games which comes with the slogan-"youth and energy, participating and sharing, cultural, intelligent, green and low carbon, safe and economic", which I will further analyze in the sixth chapter.

3. Theoretical framework for research

This chapter helps to understand what signalling theory is, which provides the logic rooting in the YOG sponsorship. Based on signalling theory, in the second part, the concept of brand alliance is given, and the YOG brand alliance model involved in four influential actors is developed to discuss how they might interinfluence each other, or in other words, how they could benefit from others. Finally, in order to assess the market signal sent by YOG sponsors, another model built up based on outcomes from previous research in this chapter is the signalling evaluation model.

3.1. Signaling theory

3.1.1. Why are market signals needed? : From consumers' perspective

In 1970, Akerlof (1970) published his paper in which he analyzed the used car market, and first put forward the concept of information asymmetry and lemon market. In his story, used cars come in a variety of quality levels, some turn out to be lemons. Sellers tend to know more about the product quality than the potential buyers. If the buyers believe they cannot depend on the reports from the owners, while they really want a high quality car, they would just offer a lower price to protect themselves from being cheated. At this price, sellers of lemons can enjoy more consumer surplus and be more motivated. However, on the other hand, the honest sellers of superior quality cars would not receive a fair price for their cars, therefore, gradually; the market becomes a lemon market where better quality cars are driven out. This differential level of information between the sellers and buyers is the well-known problem of “information asymmetry”. Taking root in the idea of information asymmetry, signaling theory holds the opinion that how the two parties in the economic market communicate is to transmit the signals or cues which convey the information beyond the activity itself and explore insights into the unobservable (Herbig 1996).

Therefore, marketing signals sent by firms, not only YOG sponsors is to address the problem of adverse selection happening in Akerlof's story. In this way, these firms could protect themselves being hurt by the lemons. Moreover, to achieve brand positioning or brand developing with sport sponsorship may allow firms inform their consumers about product quality and product's position, which is the opinion suggested by part of research in the information economic- one of the sub-branches of signalling theory. From this perspective, brands can function as a heuristic marketplace signal in assessing product quality (Alhabeeb 2007, Herbig 1996, Rao and Ruckert 1994). One of mainstream arguments in information economic on brand equity is that if a branded products with falsely claim about high quality turn out to be of poor quality, they will suffer penalties from consumers by losing return on their brand investments, their reputation for high

quality, or both (Montgomery and Wernerfelt 1992, Wernerfelt 1988). Another part of the work suggests that brands may signal product positions credibly (Erdem and Swait 1998a). More specifically, when consumers are uncertain about product attributes, the content, clarity, and credibility of a brand may serve as a signal of the product's position, which may increase perceived quality and decrease information costs and the risk perceived by consumers (Erdem and Swait 1998b). *"These effects, in turn, increase consumer-expected utility. This increased expected utility is the value of a brand signal to a consumer"* (Erdem and Swait 1998b).

3.1.2. Why are marketing signals needed? From competitors' perspective

Likewise, marketing signaling sent is about firm-to-firm. In much of literature, scholars argue that these specific market signals from the personal seller will also be interpreted by the other sellers, i.e. their competitors in the industry (Heil and Robertson 1991). Heil and Robertson (1991, 403) define the market signal as *"the announcements or previews of potential actions intended to convey information or to gain information from competitors."* This information generally directly or indirectly displays the signal sender's intentions, motives, goals, or internal situation (Heil and Robertson 1991). Generally, these definitions reveal that one of the major potential benefits from signaling to competitors is preemption (Heil and Robertson 1991). In other words, a signal sender could build a position of competitive preemption with the market signals (YOG sponsorship in this case), whether in a new product, or in a new technology, or in a new market, or in new plant capacity. This market signal would alert competitors to those features of a marketing activity which communicates the firm's intentions, motives or commitments (Herbig 1996).

Besides, marketing signals may be also very significant and valuable in the search for industry norms on pricing, advertising/sales, ratios, discount levels, depending on the sender's level of market dominance and ability to enforce sanctions (Heil and Robertson 1991). In short, marketing signals sent by YOG sponsors represent the information of signaller emit to industry.

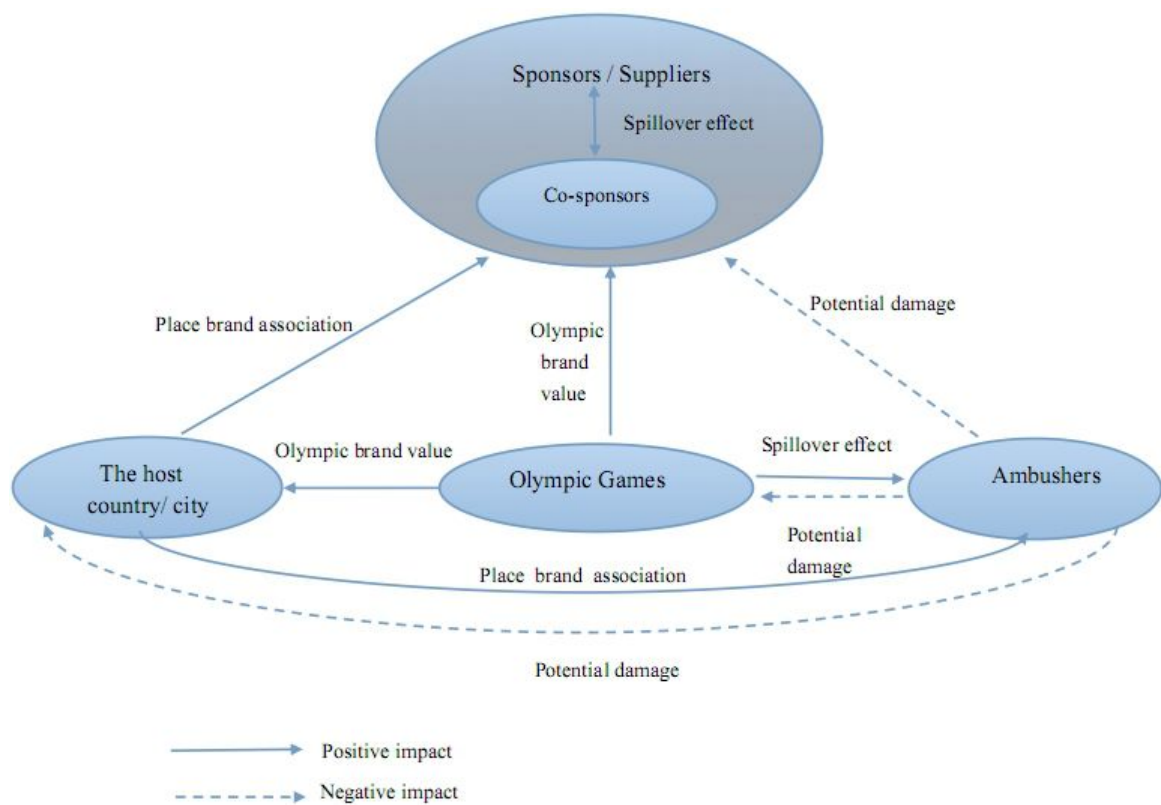
3.2. Brand alliance with Olympic Games

Based on Kirmani and Zeithaml's statement (1993), high advertising cost might be perceived by consumers as a cue to infer quality when product quality information is missing. At this point, by paying the high sponsorship investment on YOG, sponsors might expect to signal the product quality information to their consumers. However, their sponsoring intentions could not simply be considered as a generous advertising investment on sport sponsorship, since being YOG sponsors make them associated with other brands, which is *"two or more brand names are presented jointly to the consumer"* (Rao, Qu, and Ruckert 1999), i.e. they are involved in a brand alliance due to sport sponsorship (see

Figure 3.2.). The property brand-Youth Olympic Games, host city, sponsors, and ambushers ally together symbolically by associating brand names, logos, or other brand assets in marketing communication efforts.

The reason to bond with another brand is because, according to the literature, sometimes, what happen in the reality is that, a brand might not successfully signal its high quality alone (perhaps because, when it first entered the market, it is a new brand and therefore has no reputation)(Rao and Ruekert 1994). In this circumstance, it would be appropriate for it to enter into a brand alliance with another brand that can assist in credibly signaling high quality to the marketplace. More specifically, when consumers have less or no accurate information regarding the brand’s true quality, a brand alliance can be an effective strategy to signal unobservable quality (Rao and Ruekert 1994, Voss and Tansuhaj 1999).

Figure 3.2. The Olympic Games brand alliance



Source: Own figure

3.2.1. Sponsors

Generally, in the case of Olympic sponsorship, researchers were aimed at exploring or probing into the interaction between one sponsor brand and the property of Olympic Games (e.g., Coca Cola's sponsorship of the Olympic Games; McDonald's sponsorship of the Olympic Games; General Electric's sponsorship of the Olympic)(Crader and Santomier 2011, Davis 2012). So were practitioners. The interviews conducted by Seguin and O'Reilly (2008) expose that the common belief holding by company executives is that Olympic Games remains as one of the most tremendous brand equity worldwide, and hence associating the brand name with the Olympic movement provides partners with benefits which are not available in other sports properties. Like John McLarty, director of Olympic and Sports Marketing at Bell mentioned in Davis's (2012) book that,

“You cannot really.....associate yourself with a stronger brand than Olympics, and allowing us to strengthen our brand by associating with the rings and associate with something as important as Vancouver 2010 is incredibly important to us.” (John McLarty, director of Olympic and Sports Marketing at Bell 2012)

3.2.2. Co-sponsors

However, the mega event like Olympic Games is generally sponsored by several major corporate brands, each of which is entitled as an OG partner. These sponsors occupy a salient position with regard to brand presentation at the same time(e.g., the co-sponsorship of Coca Cola and McDonald's). In other words, these partner brands are presented side by side on an equal sponsorship hierarchy level(Wiedmann and Gross 2013). They all appear with the Olympic rings, share a perimeter billboard or any other ad space in sponsorship. Because of this, brand image transferring occurs not only between the sponsored event and sponsors, but also between co-sponsors. Ruth and Simonin (2003) highlighted the significance of the interplay between the sponsors themselves, and then continued by Wiedmann et al. (2013) who announced the direct spillover of attitudes and personality traits between brands simultaneously sponsoring the same property from an all-brands-embracing view. As a result, pairing with a co-sponsor may make a stronger or weaker sponsor brand's image depending on the expediency of the image conveyed by that ally.

3.2.3. The host country/city

Olympic Games is infrequent and resource-consuming. But why countries or cities are actively engaged in the bid with the support from public and private sectors. This requires us to understand to legacy of Olympic. It is summarized by Preuss (2007) that such an endeavor to host and manage Olympic Games gains examples of tangible positive legacies, for instance urban planning, sport infrastructure building, tourism increasing, additional

job or business and so on. In addition, Olympic Games might also come with intangible legacies which is difficult to identify and measure, including urban regeneration, enhanced international reputation, improved public welfare, reshaped destination image, renewed community spirit, better interregional cooperation, and progressed education or society etc.. However, at the same time, Olympic is criticized for the negative legacies, like its potential white elephant effect, over expanded city, crowded traffic, potential criminal, environment pollution etc.

Although the question of whether or not hosting Olympic Games is valuable is still in the middle of discussion, this Game, unquestionably, helps the hosts branding their countries and cities. In the Chinese marketing context, Beijing Olympic Games could offer as an example. This is to say that, after the Games, China has upgraded the national image worldwide powerfully. Beijing has been shaped its city image as an international, traditional and modern mixed, green city via host an Olympic Games(Sun and Paswan 2012). Likewise, it seems China has been effectively co-branded with the Olympic Games to elevate the its visibility and the salience of its marketplace on the world stage(Greyser 2008). Getting benefit from this change, sponsors of the Olympic Games, especially the domestic sponsors, can also take advantage of the success from this change in the host to add brand associations, and get an opportunity to develop in depth. For instance, the Chinese company- Lenovo has been worldwide recognized due to its only TOP Summer Olympic sponsor experience during the 2008 Beijing Summer Olympic; and also the success of Beijing 2008 Olympic was found to have a significant impact on the American consumers' attitude toward products in general, and also the TVs and clothing that were made in China (Sun and Paswan 2012). Another renowned case of the impact on sponsors generated by the host city is about the empire of Samsung which had started expanding to international market from domestic market since 1988 South Korean Summer Olympic Games.

3.2.4. Ambushers

Apart from the ingredients in the Olympic brand alliance mentioned above, there is a group of brands which is easily neglected, but actually involved. These brands are ambushers. Brands in the ambush market enjoy the spillover effect of Olympic brand as Olympic legal partners, but without bearing financial cost, which turns to create negative impacts on the brand alliance, such as weakening the brand image of official sponsors, threatening to the Olympic property, and consequently damaging the IOC brand(Payne 1998). Results from previous studies indicate that the ambushers surrounding the Olympic brand directly or indirectly distract the consumers' attention, make them difficult to distinguish sponsors from non-sponsors which turn results in low recall of sponsors. Consequently, the efficiency and effectiveness of an Olympic marketing program may be diminished and the value of the Olympic brand decreased (Seguin and O'Reilly 2008).

3.3. The benefit of Olympic brand alliance

With an assemblage of brand names collectively appear in front of the consumers, YOG related firms might send their signals to outsiders, such as (1) a variety of goals such as augmenting or enhancing current set of brand associations(e.g. overall quality, image, awareness, particular attributes); (2) the strategic movement like differentiating and positioning their brands and securing competitive advantage in the market place in an effective and efficient way; (3) the ambition to enter new market; (4) the intention of adding value to the firm's existing product mix, and reducing the cost of building brand awareness or penetrating distribution channels (Norris 1992, Rao and Ruekert 1994, Park, Jun, and Shocker 1996, McCarthy and Norris 1999)

Indeed, to ally with sport event like Youth Olympic Games, indeed, is not something new. Apart from theory on signaling and brand alliance, numerous researches have been adopted in the field of how sport sponsorship can influence the brand equity of sponsors (See Table 3.3.). Sport sponsorship is widely believed to influence consumers' perception of a brand and lead to more purchase intention for sponsors. Basically and essentially, sport sponsorship as a mean of marketing activity consumes a certain account of company cost, so whether immediate or long term benefits of sport sponsorship are expected to be generated with. More specifically, the mechanism of sponsorship can be considered as a process of value transaction, such as product and service bartering, direct financial support, or indirect investment for some marketing initiatives, in result it might promote brand awareness, or create impacts on consumer's perception on brand equity or corporate image, which eventually leading consumers to engage in desirable (from the sponsors' perspective) behaviors (Cho et al. 2011, Pope, Voges, and Brown 2009, Mason 2005). Its short term impacts can be noticed from the sponsors' sales increasing. For instance, Farrell and Frame(1997) asserted that the positive impact on shareholders' wealth from sponsorship, actually exists, although it seems limited to a short term effect—that is, limited to the duration of the sponsored event itself. Consumers purchase more sponsored products during a sports event than they otherwise would, as sponsorship increases the effectiveness of a sponsor's traditional advertising efforts during the sponsored event. At this point, one thing need to be mentioned is that, as Mason(2005) stated, the highly involved fans seem more receptive to sponsorship. From this perspective, the potential benefit from YOG would be affected by the consumers' passion towards this event. Considering the long time stretch, most of researcher as well as marketers connect the benefits of sport sponsorship with sponsored brand building. Sponsorship is also a very effective tool to associate brand with the sports in creating the strong feelings about the brand in the heart of consumers, leading to, first, and the brand awareness increasing. That is when consumers are emotionally involved with a sponsored property and identify with it, this can lead to a strong sense of attachment with related sponsored brands(Woodside and Summers 2012). Besides, in another paper, the author described sports sponsorship as a tremendous role on building higher brand image which leads to more purchase intention(Tanvir and Shahid 2012). For one thing, sponsorship shows positive emotional attachments, such as the

passion, excitement, spirit, emotions, feelings and excellence, when the brand values associate with the values of sport. Another mainstream opinion on the advantage of sport sponsorship is about the issue of brand image transferring between the sponsors and sponsored events. The holders of this perspective announced sponsorship opportunities enables firms position or reposition their brands, for a general transfer of associations from sponsored event to the sponsor takes place for all sponsors, regardless of industry types (Alexander 2009). In this perspective, the image fit between sponsors and sponsored events plays an essential role in the image transferring process, which directly affects the outcome from sponsorship.

Table 3.3. Benefits of sport sponsorship

1. Consumer purchase intention influencing
2. Brand awareness increasing
3. Brand value/ association creating
4. Sponsor/brand attitude affecting
5. Sponsor/brand image transferring

As Mason (2005) and Woodside and Summers (2012) claimed above, to what extent sponsors can take advantages from sponsorship activities is partially determined by consumer’s attitude toward the sponsored event, which means individual attitude toward a certain event has a significant influence on the brand awareness/associations, perceived quality, and brand loyalty of the event sponsor(s)(Mao and Zhang 2013). Taking this perspective into consideration, it is commonly acknowledged that Olympic Games is unique. It is, arguably, the biggest international sport contest with strongly brand equity. Compared to other sport events, Olympic Games come with strong brand quality, highly fans involvement and emotions, and, the most glorious part, Olympic virtue. Thus the benefits for the Games’ sponsors provided by this unique, special event can be called extraordinary. And this is what companies’ exclusives firmly believe on the value of Olympics in reality as well. Examples of interviews conducted by Davis (2012) are shown as below.

“Olympic brand equities include being at the pinnacle of its category; having universal appeal; standing for excellence; having broad-based consumer awareness and acceptance; having global reach with local impact and participation; and standing for leadership.” (Thomas B. Shepard, former executive vice president, Global Merchant Partnerships & Sponsorship, Visa International 2012, 5)

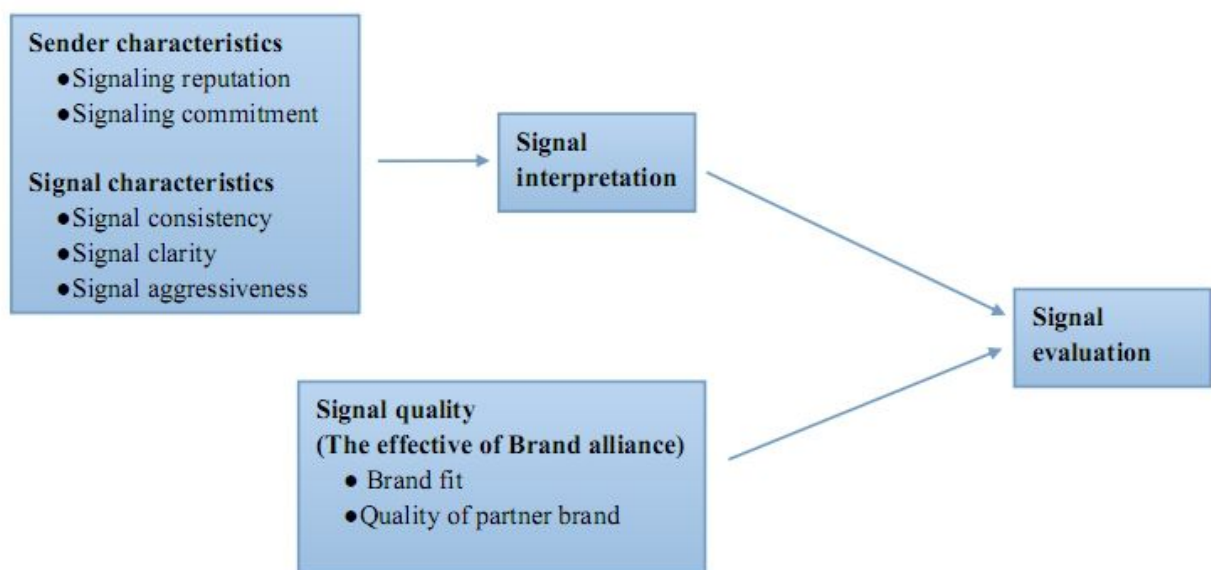
“The coca cola company supports the Olympic Games primarily because we share the values of Olympism that, in addition to embracing the vision of a better and more peaceful world, encourage the discovery of ones abilities and promote the spirit of competition, the pursuit of excellence and a sense of fair play.” (Statement from Coca Cola Company 2012,

“(Becoming a TOP sponsor) is going to be a big step forward for us in the direction to be a real global company.” (Gian-franco Lanci, president of Acer 2012, 149)

3.4. Signal evaluation

YOG sponsors as marketing signal senders, in this case, choose to communicate (or signal) the information via establishing brand alliance with Youth Olympic Games. Then the next question is how to evaluate the value of this marketing signal sent. I try to draw the signal evaluation model based on the literature (Figure 3.4), consisting of two parts: signal interpretation and signal effectiveness evaluation.

Figure 3.4 Signal evaluation model



Source: Own figure

3.4.1. Receiver's interpretation process

To read a marketing signal, the first thing need to be evaluated is the credibility of the signal based on the history of the sender and the previous transaction, interpret it in the light of experience of reader(Heil and Robertson 1991). They discussed that the receiver's interpretation process is affected by the sender's commitment level and reputation. More specifically, “*signal commitment level refers to the sender's ability to create the*

perception of incurring non-recoverable costs and hinges also on the market importance to the signal sender where the competitive market signal is recorded,.....,and it also depends on the channel used for signal communication.”(Heil and Robertson 1991). And generally, a firm’s signaling reputation is based on the its willingness and ability repeatedly to perform an activity in a similar fashion over time(Herbig and Milewicz 1993). It is judged by its fulfillment history for prior signal commitment. High consistency, or reliability, yields a low error estimate of its future actions. Consumers use reputation as a means of inferring quality of the product. Companies, often use reputation and credibility as a means of predicting the future actions of competitors(Herbig and Milewicz 1993).

The signal interpretation process also depends on the characteristics of signal sent. In short, these include the signal clarity (i.e. is it able to be read quickly and with minimum error by the reacting firm); the signal consistency (i.e. does it confirm the signal has sent previously from the same firm); and receiver's perception of the signal's perceived aggressiveness (i.e. whether it threaten the receiving firm’s livelihood or whether its ratio of receiver - cost to sender - benefit is very much at odds with industry practice(Heil and Robertson 1991).

3.4.2. The effectiveness of brand alliance

Focusing on the issue of how consumers evaluate the brand alliance, the concept of “fit” has been mentioned on the effectiveness of an allied brand in the previous researches (e.g. (Park, Jun, and Shocker 1996, Hao, Hu, and Bruning 2009). Despite the lack of consensus among branding researchers regarding the definition of “fit”, the idea of fit always refers to the degree of proximity/strong affinities between participating brands consumers perceive in various respects(e.g., product fit, brand fit, personality fit, symbolic complementarity, functional complementarity, attribute overlap, or goal congruency)(Hao, Hu, and Bruning 2009). Narrowing the fit down to the brand developing aspect, it usually refers to the brand consistency between host brand A and partner brand B(Hao, Hu, and Bruning 2009). It is said that a firm that desires to link its brand to another brand through a brand alliance should rightly concern the fit between the two brand’s markets, positioning, and image associations (Park, Jun, and Shocker 1996, Ruth and Simonin 2003). According toBroniarczyk and Alba (1994), when the host brand and the partner brand are presented jointly, both brands’ specific associations are likely to be elicited. Besides, consumers have affect associated with host brand and partner brand, which is evoked when they encounter a brand alliance(Boush and Loken 1991). Hence, if the two brand images and associations are not consistent, confusion may result about why the brand alliance should be formed, which in turn will reduce or eliminate the likelihood of successful affect transfer from the partner brands to the brand alliance(Hao, Hu, and Bruning 2009).

Apart from the concern about brand fit, from the partner brand perspective, the brand quality of host brand is taken into account as well. According to the signaling theory, unobservable product quality can be signal through a brand alliance, when a firm’s

consumers lack of accurate information regarding the brand's true quality (Rao, Qu, and Ruekert 1999, Voss and Tansuhaj 1999). Through examining the effects of a brand alliance on the brand equity of the partner brand, Washburn, et al.(2004) argue that consumers tend to assume that a high equity brand would likely form alliances with other high equity brands, therefore increasing the value of the alliance and consequently enhancing each partner brand. For a firm, the one with established brand reputations will not likely establish alliances with low quality products, which may lead to negative outcomes such as losses of brand equity and profits(Hao, Hu, and Bruning 2009).

3.5. Summary

In this chapter, there are two main theories contributing to answer what are sponsoring intentions of YOG sponsors, in the aspect of branding their company: signalling theory and brand alliance theory. According to signalling theory, because of the information asymmetry which lies in the nature of the relationships between seller and buyers as well as the company and its competitors, the sponsoring purposes of YOG partners could be simply considered as to communicate with consumers, or sponsors' competitors, for addressing the problem of adverse selection. To shape brand name or gain brand reputation by sending the marketing signal of participating YOG, essentially, these firms tend to inform consumers their product quality, in this way, the possibility of being hurt by lemons in the market decrease. Meanwhile, since YOG sponsorship as a marketing signal would be interpreted by signalers' competitors at the same time, sponsors might want to alert the other firms in the industry with YOG sponsorship, which could allow sponsors build a position of competitive preemption, whether in a new product, or in a new technology, or in a new market. However, YOG sponsors do not appear alone. They are shown in front of consumers in a way of branded bonding with Youth Olympic Game, co-sponsors, Nanjing city, and ambusher. According to the previous research on signaling, the ability of individual signal sender to solely brand their product quality is limited, particularly if sender is a new brand, or it has almost no reputation in the new market, getting involved in a brand alliance can make YOG sponsors signal unobservable quality to consumers in an more effective way. Four significant actors in YOG brand alliance work collaboratively, which simultaneously arises two questions, i.e. how they match up with each other to chase max potential positive outcome?, and how to evaluate the marketing signal send by sponsors from YOG sponsorship? The signal evaluation model developed in this chapter covers the theoretical framework to answer these two questions. More specifically, signal needs to be interpreted based on sender characteristic (i.e.signaling reputation, signaling commitment) and signal characteristic (i.e. signal consistency, signal clarity and signal aggressiveness). The other process in the model is to assess the signal quality,, in other words, the effectiveness of brand alliance. This requires signal receivers to investigate the degree of brand similarities between sponsors and other actors in brand alliance. Meanwhile the brand quality of host brand should be taken into consideration, since it affects how consumers would judge its partners. The quality of host brand determines the value of alliance and consequently enhances each partner brand. Thus to answer the third

research question requires me not only to interpret the YOG sponsorship, to detect the brand fit between sponsors and sponsored brand, but also to investigate the brand quality of Youth Olympic Games. In next chapter, the YOG's brand quality is further discussed and evaluated.

4. The property brand - Youth Olympic Games

As the YOG is a new international event, for sponsors, the benefits it could bring to is uncertain. The question of whether or not this amount of investment is worth make the firms hesitated in front of the sponsoring bids. In order to attract more firm to participate, on the side of the organizer of the YOG, as the Singapore government minister Vivian Balakrishnan (2010) stated that, first, sponsors need to know the concept of Youth Olympic Games and what is it about. Similar opinion asserted by Davis (2012), that is “*marketers need to pay attention to the traditions and achievements of organizations with which they wish to associate if their companies are to meaningfully understand how their own company fit alongside the host brand*”. Thus this chapter pays attention to brand equity of YOG by evaluating the brand quality of Youth Olympic Games with the concept of Youth Olympic Game, its brand positioning strategy as well as its brand image shaped so far. This is on the purpose to lay the groundwork to discover how sponsors match up their brands with sponsored event.

4.1. The development of Youth Olympic Games

YOG as an extension of the Olympic brand is considered as the new horizon for Olympic movement. With growing global concerns on the issue that the young generation is increasingly spending less time on sports and more time on sitting in front of television and computer screen, the concept of YOG was first put forward by Austrian industrial manager Johann Rosenzopf in 1998. Then it was responded and founded by Jacques Rogge, the previous IOC president, and eventually became a reality on 25 April, 2007. It carries the hope of the IOC for fostering a new base of Olympics fans and athletes who would become supporters of the traditional winter and summer games as they matured.

Since the YOG was born from a splendid family with global influence, this new brand coming with Olympic rings has stand up in the center on the worldwide sport stage immediately. In 2010, the first ever Summer Youth Olympic Games was successfully organized in Singapore, a youth, small and multi-cultural nation. It attracted over 3600 athletes from 205 countries; 45000 articles were written by more than 1700 journalists; first YOG was broadcast in 160 territories and it was estimated six million viewers watched online videos of the YOG and four million people visited the Games’ Facebook page(Singapore Youth Olympic Games Organising Committee and Ministry of Community Development 2010). Similar with the regular Olympic Games, the first Winter Youth Olympic Games happened at the Innsbruck (Austria) in 2012, two years after the summer Games, contributed by approximately 1100 athletes from 70 countries. Nanjing, a city locate in eastern China with a population of more than 7.5 million, has been elected as the second city to host the Summer Youth Olympic Game in the duration from 16 to 28 August in 2014. As new IOC President Bach (2013) said during his first official visit to

Nanjing, “Nanjing is a vibrant city and will play a fantastic host next summer to the 3,800 athletes from around the world.”

The sponsors in the first summer and winter Youth Olympic Games

Even though the YOG is a relatively young mega event, still its impacts could not be denied, because of these stimulating figures, sponsors intend to use the inaugural YOG as yet another promotional vehicle to connect to a broader, younger, and potentially newer audience (Davis 2012). Thus apart from the worldwide sponsors who can enjoy the sponsor package which include the original Olympic Games and Youth Olympic Games, the other marketers also start considering to arrange YOG marketing in their a marketing plans. The first summer Youth Olympic Games at Singapore gained the supports from 71 companies in total, including 9 worldwide partners, 6 official partners, 19 official sponsors, and 38 official supporters (Singapore Youth Olympic Games Organising Committee and Ministry of Community Development 2010). Unlike the popularity of the summer Youth Olympic Games in Singapore, it seems, in Innsbruck, the first winter Youth Olympic Games witnessed a “cold treatment” among the business world, 12 worldwide Olympic partners and 15 official sponsors and suppliers participated in this Games (Wikipedia 2014).

4.2. The brand of Youth Olympic Games

4.2.1. Brand concept/ brand positioning of the YOG

Brand positioning stands for the brand information which IOC wants to transfer to its target market, while determining how the Youth Olympic Games differentiate from its competitor brands (Figure 4.2.1). From the fact that London won the final bid of 2012 Olympic hosting right in 2005 with the bidding slogan “inspire a generation”, to the establishment of the Youth Olympic Games and the building of sport-based programs, like the Olympic Youth Development Centre, supported by the IOC in the Lusaka and Zambia, it seems the IOC is concentrating on its role on “education of youth through sport”, these days. With the aim to bring together talented young athletes between ages of 14 and 18 from all over the world, unlike the original Olympic Games, the YOG is mainly developed to promote the sport movement in the youth generation, and to connect with the positive elements of the Olympics and the youth sports. When proposing this event, Rogge (2007) referred to “*the Youth Olympic Games will be innovative Games made to measure for young people with sports events carefully chosen to protect the health of the young athletes, but also the Games made to inspire them with the incorporation of all the Olympic symbols.*” Then, the IOC defines eight objectives for the YOG: (1) bring together and celebrate the world’s best athletes; (2) use the event as an arena for a unique and powerful introduction to Olympism; (3) educate the youth on the Olympic values; (4) have the youth share and celebrate the different worldwide cultures; (5) reach youth communities

throughout the world to promote Olympic values; (6) raise awareness among young people of sport and sport practice; (7) act as a platform for initiatives within the Olympic Movement; and (8) be an event of the highest international sport standard for young people (IOC 2011).

Figure 4.2.1. The brand concept of Youth Olympic Games

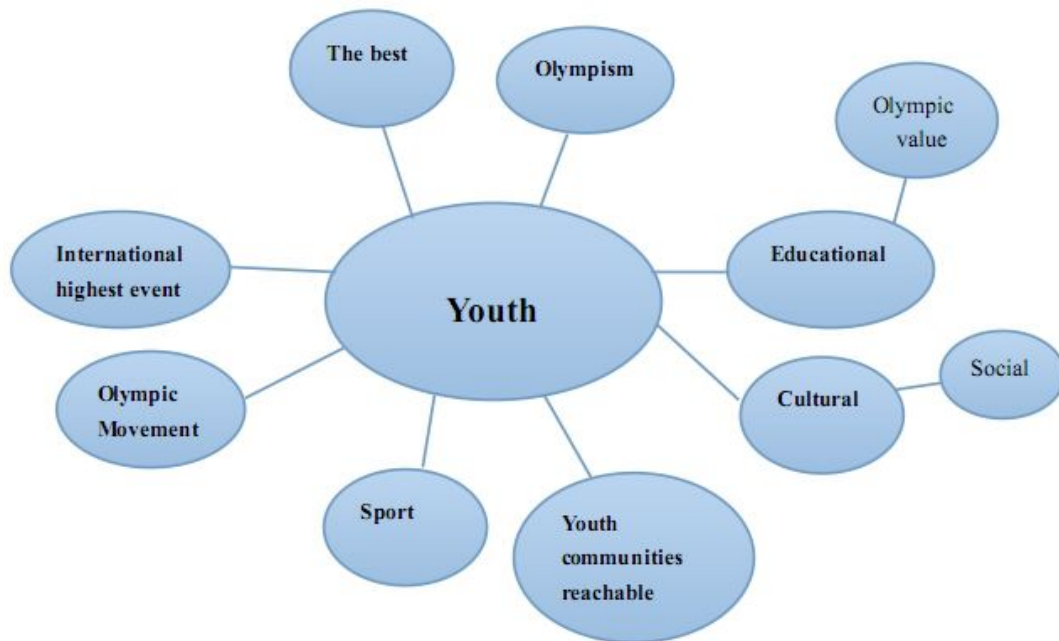


Figure 4.2.1 is made based on the statement about the concept of Youth Olympic Games from the IOC official document. (IOC 2011)

4.2.2. The comparison with the tradition Olympic Games

It can be easily noticed that the traditional Olympic Games with its own splendid and tremendous international influence has no specific age limit for taking part in (This depends on each International Sports Federation and the rules it lays down for its sport), the concept of the YOG seems meaningless and has no brand competitiveness. So why does IOC push this concept into a reality with efforts? Indeed, research on this question is scarce. One voice coming from the scholar believes that, as a part of the expansion of IOC’s festival calendar, the Youth Olympic Games could be seen as another step in consolidating and enhancing the premier Olympic brand(Gold and Gold 2011). Meanwhile, for labeling this new youth event “Games”, instead of festival (there are some youth Olympic festivals, for instance, European Youth Olympic Festival and the Australian Youth Olympic Festival(Hanstad, Parent, and Kristiansen 2013), the IOC is aiming to raise the associations to the Olympic Games (OG). These arguments determine the fact that this youth brand inherits some concepts of the original OG (Olympic Value, Olympic

Movement), while at the same time there are also some factors making it a difference (Table 4.2.2).

Table 4.2.2.a. the concept differences between YOG and OG

	The Youth Olympic Games	The Olympic Games
Target group	The youth	All age groups
Core elements	Education ≥ Culture ≥ Sport	Sport ≥ Culture ≥ Education
Sport programme	New sports introduced	26 sports (summer); 7 sports (winter)
Other programmes	CEP; Young Ambassadors Programme; Young Reporters Program; Athlete Role Models	
Finance/marketing	Economic friendly	Resource consuming

Compared to the OG, the YOG is more “education and culture oriented”. Gilbert Felli, the IOC’s Executive Director of the Olympic Games stated in official document (IOC 2009) that *“the IOC president wanted to do something for young people but not just stage another sport event, since there are enough of those already. Our vision is to stage a sport event that has culture and education at its core. By doing this we hope to reach as many kids as possible so we can encourage them to play more sport and play it in the right way.”* In order to differ from the other youth sport events, education and culture are intended to form a key component of the Youth Olympic Games with the on-field competition.

In order to fulfill the vision, and to correspond to an increased interest and need by the young generation, some innovations are made based on the regular Games by the IOC. First, among the sport programme, new sports has been introduced on, like 3 to 3 basketball, head to head canoe-kayak, and combined BMX/ Mountain Bike, while some of events feature mixed gender teams and teams with mixed nationalities. These actions create the new values on this sport event; it becomes more exciting, more fun, and more cooperation-oriented. Moreover, the Culture and Education Programme (the CEP) as another innovative element of the YOG runs alongside the sport competition. From this “fashion” programme, the young athletes and participants are able to learn something about the Olympic value, the benefits of sport, healthy lifestyle, anti-doping, and the social responsibility; and share their Olympic experience with people from different cultures from around the world, and also can communicate with their peers, families, communities by new media, including Facebook, Twitter, and YouTube. The previous IOC president, Jacques Rogge (2007) admitted that the CEP is intended to promote the YOG contributed more in the fields of culture, fun, education than the “normal” Games.

In the organizational aspect, unlike the traditional Games which is characterized as

gigantism(Preuss 2004), the YOG is positioned as moderate size(IOC 2011a), thus hosting the YOG is more economic friendly. “No new venues should be build,....., with regards to transport, there will be no requirement to upgrade road and railway infrastructure as the transport system of the YOG will be based on a single and common shuttle service for all accredited persons.”(IOC 2007) This encourage more moderate cities appear as the new faces in the Olympic movement, allowing the Olympic influence a broader area potentially in the long term (shown in table 4.2.2). This indirectly announces the significance of exploring youth markets from the perspective of the IOC. Promoting Olympic movement in the emerging markets has been written on the IOC’s strategy.

Table 4.2.2.b. the host cities of Youth Olympic Games

Year	Olympiad	Host City	Previous Olympiad experience
2010	1 st Summer YOG	Singapore	No
2012	1 st Winter YOG	Innsbruck, Austria	1964, 1976 Winter Olympic Games
2014	2 nd Summer YOG	Nanjing, China	No
2016	2 nd Winter YOG	Lillehammer, Norway	1994 Winter Olympic Games
2018	3 rd Summer YOG	Buenos Aires, Argentina	No

4.2.4. Brand image

So next question remains as to what extent these brand positioning attributes of the YOG, a new brand from the IOC, have been achieved successfully? In other words, what comes to the mind of its target consumers when the name of the Youth Olympic Games is mentioned? Since the concept of the Youth Olympic Games is comparatively new, the answers are only found out from the IOC’s public presentations, and a limited number of studies.

Before the first Summer Youth Olympic Games, Gilbert Felli (2009) proposed that the mission of the YOG was made based on the outcome from a global research conducted by the IOC, in which showed that young people recognize and appreciate the Olympic values, such as respect, excellence, friendship, fair play, cooperation, decision-making, teamwork, skill development and leadership. This uniqueness of the Olympic value is detective from the athletes’ pre-game interviews. Timea Babos, the junior girl tennis player from Sopron, mentioned in her interview that “*if you are a sportsperson, playing in the Olympic Games is always one of your dreams. I think everybody is so excited for 2010*” (IOC 2009). Dominik Schulz, the junior German boy tennis player defined his Youth Olympic dream as a real honor to represent his nation in the first ever Youth Olympic Games, “*I am always very proud to present my country.*”(IOC 2009) While in the mind of Angela Donald,

Youth Olympic Games stands for a new challenge (IOC 2007). In shorts, as Davis (2012) concluded that the Youth Olympic Games is about to pursue the Olympic dream, which is the common theme sharing with the younger fans and athletes. From their statements, one thing can be deduced is that, at first, as a member of Olympic family, brand image of regular Games has partly passed down on the Youth Olympic Games.

With the extent of time, thanks to CEP, the distinctiveness of the Youth Olympic Games shows out, particularly in terms of the education and multicultural communication. It makes the image such as educational, cultural, and social in the mind of athletes from the first 2010 Summer Youth Olympic Games in Singapore. According to the official report, during the first 2010 Summer Youth Olympic Games, all young athletes took part in at least one CEP activity, about 2000 of them completed all the seven CEP formats, participating in a range of activities which developed teamwork, mutual respect and friendship, and 80 percent rated their experience as “awesome”(Singapore Youth Olympic Games Organising Committee and Ministry of Community Development 2010). Not only the participants of the YOG who translated the value of YOG as the value of respect, youth-future, culture, education and sport competitions, but also the Singapore city as one of the stakeholders paid its attention officially on the cultural meaning of YOG. As the Singapore’s Minister for Community Development, Vivian Balakrishnan (2010) said that “*indeed, the YOG not only placed Singapore on a new growth trajectory for pursuing sports excellence, but also strengthened the sport culture.*” (Singapore Youth Olympic Games Organising Committee and Ministry of Community Development 2010)

At the mid of 2010 Summer YOG and 2012 Winter YOG, Judge et al.(2011) applied a brief six-question survey to assess the preliminary awareness and opinion data on the 2012 Winter YOG. This survey exposed that 45.6% respondents associated the theme of YOG with teaching of Olympic value, 27.9% responses were about to motivate young athlete, following by source of national pride and education through sport answered by 16.2% and 10.3% of respondents respectively. These research suggest that the Olympic Value, motivate, education, cultural are all the primary image of the YOG brand.

Next comes to the first Winter YOG in Innsbruck in 2012, Hanstad, Parent, and Kristiansen (2013) observed and explored the similarities and differences between YOG and OG through collecting a variety of stakeholders’ perspective about the 2012 Innsbruck Winter YOG. They concluded that from an external perspective, the YOG had the general “look-and-feel” of the OG, and highlighted the CEP as a main feature of the YOG. Meanwhile, by studying how Norwegian Olympic Youth Team witnessed during the first Winter YOG, “competing” was also mentioned as the image of YOG in another study (Kristiansen 2012).

Based on the outcomes from these studies, a brief table of brand image of the YOG could be made (see table 4.2.4).

Table 4.2.4 Brand image of the YOG

Brand image	The Youth Olympic Games
Image based	Olympic movement; Olympic dream; Olympic value; International/global; youth; future; challenge; competing, professional
Functional based	Educational/social responsible; cultural; social; cooperation;

4.3. The brand challenge of the Youth Olympic Games

Inevitably, the Youth Olympic Games has evolved with challenges and critics. One stream of concern criticizes the YOG might push the youth touching the negative side of adult sport beforehand, such as cheating, doping, over competitive. Another trends of what is already negative about youth sport, such as early specialization, overtraining, lack of qualified coaches, doping, and low awareness might be fostered (Judge et al. 2011, Hanstada, Parentab, and Kristiansena 2013). The survey conducted by Judge et al. (2009) also found out that these were some negative opinions about the YOG, including potential drug use, too expensive, too much emphasis on winning, not prepared, not enough interest/publicity, which were quite opposite from the YOG brand positioning. These entire make sponsoring the YOG became a gamble with the highly risk.

4.4. Summary

Youth Olympic Games designed by IOC to promote the sport movement in the youth generation positions as youth, education, sport, etc, (see in Figure 4.2.1). It differs from original Olympic Games by locating CEP programme alongside with on-field sports. Some innovations on sport programme are made to keep it attractive among its consumers in a fashion way. Beside, because of its low host cost, it makes it possible for more small or medium sized city to host, which allows potential sponsors get close to the Olympic brand. In terms of brand image, since it is a member of a high brand quality family-Olympic family, Youth Olympic Games inherits the brand value from original Olympic Games, and at the same time possesses its unique brand images like education, social, cultural and so on (see Table 4.2.4). One the other hand, the challenges it faces generate negative impacts on its brand quality to a certain degree, which causes the concern on if these challenges would weaken the potential outcome from the alliance.

5. Sample characteristics and methodology

This chapter mainly covers the methodology applied in this thesis, and the characteristics of sample collected. The introduction of used research analysis techniques and limitation of research can be discovered from this chapter as well.

5.1. Methodology

In this thesis, the qualitative study is adopted on a small sample of sponsors, for sponsors' feelings, thoughts, intentions, ad behavior that took place in the past can be obtained only through qualitative data collection method (Aaker et al. 2011). Moreover, the qualitative data collection method is useful for it makes it possible for I to look at and test a broad range of interconnected processes or causes, and then get potential outcomes. In this thesis, qualitative data collected in the combination of secondary data from Internet website, e-newspaper, official files from the sponsors, and previous interviews with sponsors, and historical research.

5.2. Sample characteristics

The data was collected mainly covering the articles published in 2013 and 2014, randomly in 2011 and 2012 (Nanjing succeed the bid of the Games on 10/2/2010). In detail, 256 internet articles, previous interviews and advertisements from YOG sponsors and YOG activities were collected from Chinese websites; totally 355 excerpts and advertisements clippings mainly from 5 Nanjing local digital newspapers: Nanjing daily, Jinling Evening News, Oriental Guardian, The weekend, Jiangsu Business; and national newspapers, such as the Beijing morning paper, Chinese securities network, Chinese Sport Paper etc. Meanwhile, the company internal newspapers from 361 Degree, China telecom, Tencent, and Suning Group have been paid attention in the hope to get a full appreciation of brand strategy both in the short term and in the long term as well as the brand reputation of the companies. The data was limitedly collected from the Chinese Newspapers and Chinese website with almost 100 per cent written in Chinese and does not cover other marketing channels such as TV, radio, etc.

Applying the longitudinal analysis on collected material covering advertisements, articles and press releases during the period 2011 to 2014, the intention is to discover relationships between variables that might nest the answer of three research questions mentioned at the first of this thesis, i.e. (1) why do the firms intent to be sponsors of YOG in the context of an emerging market; (2) how can companies match up their brand strategy with the concept of YOG; (3) to what extent sponsors might develop, strengthen or rebuild their brand image through sponsoring YOG. With the longitudinal analysis, it allows the

researcher to study the same group of individuals over an extended period of time(Söderman and Dolles 2010).

5.3 Applying the research framework

This thesis analyzes the collected data by narrative analysis, and thematic analysis is used as the first step to select the story plots. Thematic analysis with qualitative design was applied to match the collected data with five actors brand alliance network with the Youth Olympic Games (see Figure 3.2) as well as the signal evaluation model (see Figure 3.3). Thematic analysis is a foundational method for qualitative analysis and it characterized as a tool to use across different methods(Boyatzis 1998). Thematic analysis offers a flexible way in which I am able to report sponsors sport sponsorship experience. The flexibility of thematic analysis enables researcher organize and analyze a rich and detailed, yet complex account of data into a limited number of themes which adequately reflect their textual data, as suggested by Braun and Clarke(2006). It provides the opportunity for researchers to move beyond calculating unambiguous words or statements or expressing the ideas. There are two primary ways in thematic analysis: in an inductive or ‘bottom up’ way, or in a theoretical or deductive or ‘top down’ way. This research is adopted the latter one driven by my theoretical or analytic interest in the area, i.e. analyst-driven. The data in this case is collected on specific research questions in a structure or predetermined framework being used to analyze data (shown in Table 5.2.1). This predetermined frame consists of several themes. These themes tend to capture something important about the data in relation to the YOG sponsors background, and research questions, and represent some level of patterned response or meaning within the data set (Braun and Clarke 2006). In this case, with the wish to provide a rich thematic description of entire data set, so that the readers are able to get a sense of the predominant or important themes, I identify and code the themes into three main categories, company brand status (to explore the research question of sponsoring intention of firms), short term effect of YOG sponsorship (to link with the second research question: how these sponsors match up their brand strategy with the YOG sponsorship), and as well as its long term effects (try to figure out the third question of to what extend sponsoring brand could benefits from this sponsorship). All 600 articles as well as relevant material (including interview, previous interview, advertisements) were studied and labeled initial codes at first, then searched for and defined the themes (see Table 5.3.).

Table 5.3. Predetermine thematic framework

Brand status <ol style="list-style-type: none">1. Company brand reputation or brand position strategy.2. The consistency of sport marketing activities.
Short term effects <ol style="list-style-type: none">1. The potential sponsoring intention of sponsors.2. The brand images sponsors plan to highlight, ahead, during or after the Games.3. The brand image influencing factors related to Nanjing city.4. The potential existence of ambush market.
Long term effects <ol style="list-style-type: none">1. Long term brand objective

5.4. Reliability and validity

Reliability is consistency of observation, labeling, or interpretation. However, thematic analysis alone is often criticized its weakness in reliability due to wide variety of interpretations from multiple researchers. As Braun and Clarke (2006) note, “*the flexibility of thematic analysis - which allows for a wide range of analytic opinions, - means the potential range of things that can be said about your data is board*”. To maintain reliability of thematic analysis, Boyatzis (1998) argues the consistency of judgment is needed. One of two basic forms in which reliability of thematic analysis appears is consistency of judgment over time, events and settings, which is attained when the same observation at two different times or in two different setting is made. Thus, in order to maintain the consistency of judgment, the events, actors, and locations are separated from selected codes. Then these events, settings are organized into a narrative/a story to look for the consistency over time. Finally, they are judged based on the signal evaluation model (see Figure 3.2). Each story will make up of a sequence of actions and events along a timeline, content an identifiable voice which could reflect the specific point of view from which the author views a selected number of events(Søderberg 2006). With the consistency over time and event, narratives are constructed the same themes differently and interpret the actions of the selected actors from brand positioning or brand developing point of view. With a narrative analysis, a narrative focusing on the action of the sponsors the interpretive power will be boarder. This thesis focuses on some necessary characteristics of narratives of YOG sponsors and describes the story- work through a great deal of selected empirical evidence. It will cover the crucial questions such as the company vision, strategy and company brand development processes. Via narrative analysis, how sponsors use sponsorship actions to interpret the brand strategy in the context of specific social, historical, and cultural locations.

The stability and quality of the data obtained is generally judged according to not only reliability, but also validity aspects. Without validity, reliability is meaningless regardless

of its quality information, for validity determines whether how truthful the research results are. Therefore, in order to provide validity in research findings data triangulation method is used. Data triangulation method refers to a method to use multiple data sources in a single research study (Johnson 1997). In this thesis, multiple data sources covering data at different times, at different places, and with different people are provided while using the observational method. The use of these data sources has strengthened the validity of this thesis and confirmation from the reliable resources. Therefore to support my thesis I have collected data from direct observation, previous interviews, and necessary documents provided by the company, and other relevant reports to establish truth and gain trustworthy sponsors' narratives.

5.5. Limitations

However, I admit that this randomly data collection is mainly from the Internet and small range of e-newspaper in a limited period (mainly in 2013 and 2014, randomly in 2011 and 2012), and also does not cover other marketing channels, like printed media, TV, radio, etc. Meanwhile, the application of the subjective predetermine thematic framework for data collection gives rise to a certain loses in flexibility of analysis which can bias and limits the interpretation of the data, resulting in losing the likelihood of other potential variables. Therefore, the primary data obtaining through open questions interview with sponsors might push this marketing research further.

6. Findings and analysis

This chapter first provides the information about YOG sponsors, then structuring four narratives of selected sponsors in which to expose their sponsoring intentions, how they match up their brand with YOG.

6.1. Sponsors

Since the second summer Youth Olympic Gamesit announced its visit to Nanjing, China, the Chinese market has been ready to show their great warmth to this Olympic event. They tend to believe this event will be the biggest international multi-sport event occurring in China even in the next ten years. Until the march of 2014, 10 worldwide Olympic partners, 5 official partners, 3 exclusive suppliers, 7 official suppliers, totally 25 firms signed the cooperation contacts with 2014 Nanjing Youth Olympic Games (Figure 6.1.).

Figure 6.1. The sponsors of 2014 Nanjing summer Youth Olympic Games

Sponsors	Industry	Sponsors	Industry
Worldwide partners			
Coca Cola	Food and Beverage	Dow	IT service
GE	Energy, Technology, etc.	McDonalds	Food and Beverage
OMEGA	Luxurious watch	Panasonic	Electric Items
Samsung	Electric items	Visa	Financial services
P&G	Consumer goods	Atos	Chemistry
Official partners			
361 Degree	sport goods	China telecom	Tele communication
Suning Commerce	Electrical items retailer chain; hotel; real estate	ICBC	Bank
Tencent	Internet/ media		
Exclusive Supplier			
Crystal CG	CG (computer graphic)	Grevol	office furniture
PwC	Assurance, tax and advisory services		
Supplier			
New Oriental School (Nanjing)	English training; English translation services	G&D Law Firm	Law services

Jiangsu Sundry Law Firm	Law services	China Translation and Publishing Corporate	English translation services
Novobabel	Multilingual service	Mango city	Travel Services
TBC	Internet-based training services		

According to the head of the marketing department of Nanjing Youth Olympic Organizing Committee, Daoqiu Kuang, the sponsors' fee are different for different levels, varying according to the sponsoring categories and the industries the sponsors are from. Correspondingly, different rights and benefits are awarded to sponsors. Primarily, these sponsors' benefits include, Daoqiu Kuang (2011) stated, (1) use of Nanjing Youth Olympic Games marks (e.g. emblem, mascot, the title or other signs), designations for the purposes of advertising and market promotion; (2) Hospitality opportunities at the Olympic Games, including tickets, accommodation, transportation etc.; (3) the exclusive sponsorship rights in the sponsoring categories; (4) the right to show their company logo on TV ad space and billboards during the live events; (5) the preferred option to sponsor various theme events during the Games period.

6.2. Analysing narratives: four examples

Apart from worldwide sponsors who enjoy the Olympic sponsorship packages, 361 Degree and China Telecom had signed the sponsorship contract draft in 2011, and then officially became YOG partners in 2012 in the same year with ICBC (Industrial and Commercial Bank of China Limited) and Tencent. Nothing about when Suning participated in YOG sponsor program is found, but its sponsoring inclination can be detected from a previous interview with its CEO at the moment when Nanjing won the bid. In 2014, the names of other suppliers have appeared on the Nanjing YOG homepage.

This thesis discovers that these sponsors launch a wide range of YOG related programs. Among them, domestic partners are the most actively participants who organize a verity of marketing activities linked to YOG over a time span once they participated. Apart from a few worldwide sponsors (see Table 6.2) nothing about the YOG marketing events organized by worldwide sponsors who are missing from the table is found. Similarly, there is no finding about what YOG suppliers did with YOG sponsorship from the internet news, but 6 of them have renewed their homepages and have put YOG relevant information or YOG logo on there (i.e Grevol, G&D Law firm, Jiangsu Sundry Law firm, Novobabel, Mangocity, TBC).

Table 6.2. YOG marketing activities of worldwide sponsors

company	activities	participant	market	Time
Coca Cola	“Have fun in YOG”	Popular sport stars/ pop stars, the youth	Jiangsu province	09/2012
Dow	Venues construction	Chinese Olympic Committee, Nanjing Youth Olympic Games Committee	Sports facilities (Dow, 2012)	10/2012
McDonalds	Youth English speech contest	The youth	Nanjing city	04/2014
OMEGA	The countdown clock establishment	Resident of Nanjing city	Nanjing city	8/2013
Visa	Cooperation with Jiangsu bank	Resident of Jiangsu province	Jiangsu province	12/2013

In the following sections, stories about sponsors have been traced to interpret the signal of YOG sponsorship sent. These stories will look at how the sport marketing push these brands further develops through their sequencing of selected events and actions, the explanation of these moves from primary actors and the causal links they establish through their employment. I will also try to picture the links between the identities involved in the YOG brand alliance based on the collected qualitative data. The four domestic sponsors analyzed below are chose because, compared with other sponsors/suppliers, they response and act actively with 2014 Nanjing Summer Youth Olympic Games sponsorship. Very different plot structures and identity constructions can be made based on their company brand development history. Their narratives depict very different images of YOG sponsoring company and specific results they might get from YOG sponsorship.

6.2.1. 361 Degree company

361 Degree company is one of the two sponsors (the other one is China telecom) which decided to invest in the YOG in 2011. Applying the signaling evaluation model (see Figure 2.3), in order to get a full story of what does this sponsorship mean to 361 Degree company, I starts with a previous interview collected from the news about 2014 Youth Olympic Games partnership contract signing ceremony, and then traces back the sport sponsorship history of 361 Degree (see Figure 6.2.1) to understand and then reflect this sponsorship activity on the organizational context in which it happened.

“361 Degree as a sports brand, although it possesses a certain brand awareness/recognition, compared with other International sport brands, like Nike, Adidas, even some domestic brands, its brand domination is still unoptimistic. Being the sponsor of The Youth Olympic Games is a crucial step in our brand developing strategy. The Youth

Olympic Games is an international sport event specializedly designed for the young, symbolizing as vigor and enthusiasm. This theme happens being perfectly fit with 361 Degree concept. In addition, this Games targets the youth generation as we do. Meanwhile, it will be the biggest event in China in the next 5 or even up to 10 years. Thus as a young as with Youth Olympic Game, we want to become the partner of Nanjing Youth Olympic, for we believe that this platform will make our brand awareness growing.” Statement from ChenYe Zhu, the president of China area in 361 Degree company, 2011 (Dong Fang Wei Bao 2011)

Like other Chinese firms in the sport industry, 361 Degree company had only been called as ‘made in China’ product manufacturing company, rather than a brand from China. In 2003, the founder of this firm, Wuhao Ding, realized that, in order to maintain this company sustainable, the brand management must be settled down at the company long term strategic level. Thus, at the same year, this company started its own brand construction mainly targeting the youth at the age from 16 to 45. Its brand name was registered in the fashion of Arabia number -361, for the company believed that Arabia number as a common world language which would make this brand easy to understand, identity, and recall around the world. They wished this brand could rapidly open up the market, or even hit the international market. Meanwhile, bright orange as logo color, as Wuhao Ding (the president of 361 Degree company) stated, can make this brand accepted and recognized as soon as possible among teenagers (China.com 2010).

Shortly after this brand name decided, this new brand spends the following three years to increase its brand awareness. Apart from sponsoring a variety of local/regional sport events, there were three sponsorship decisions which attracted the attention of the youth step by step. One was to sponsor the “Super girl show” in 2005 (the most popular TV show at that time), which in turn resulting in making 361 Degree widely recognized. Another one of work bringing a huge sponsorship success was to work together with CCTV5 jointly to create a national street basketball tournament. This event lasted for more than half a year, being broadcasted by total 12 television stations, including the biggest national sport event broadcasting television station CCTV5. This sponsorship decision helped out 361 Degree to gain the heart of basketball lovers, which directly boosted the product sales. Although, in 2006, the brand awareness experienced a stimulating increase, as a sports brand, 361 Degree was unaware about mainstream sports. Change happened in 2006, which changed the whole perspective of doing business. In the November of 2006, 361 Degree beat the international sports brands, and became the first national sports brand who won the title of “CCTV2007-2008 sports broadcast partners”. This bidding success entitled 361 Degree to expose their name on the CCTV in the prime time, meanwhile allowing themselves being recognized by more sport fans as well as becoming one of the best successful Chinese sports brands. In this stage, brand slogan “To be yourself” was widely promoted in the thought of contenting the commonly psychological need of teenagers, i.e. seeking their own identity.

Because of Beijing Olympic Games, 2008 could be called as the milestone of China's development, which create dramatic impacts on Chinese sport industry at the same time. In this year, the "Olympic dream" had sprout out in the heart of 361 Degree. In the previous interview with WuHao, Ding (361 Degree CEO) in 2008, he announced the significance of Olympic marketing for the first time, *"after so many years of development, Chinese sports industry have experienced a comparatively huge upgrade. We hope that all the brands can have a breakthrough (in this year). In 2008, the national brands face the developing opportunity Olympic Games offered. This opportunity will push the Chinese sport brands into a new chapter of emerging in the international competition between brands."* (China.com 2010)

At that time, the main branding goal of 361 Degree company was still to increase its brand awareness, however now they selled their brand to the common Chinese people, not just sport fans. ChenYe Zhu, the president of China area in 361 Degree company recalled their 2008 branding memory in 2012, *".....4 years ago, during Beijing Olympic Games, what we focused on was how to take advantage of this Games to increase our brand awareness and to build up our brand reputation...."* (Li et al. 2012). During 2008, the firm sponsored the world champion team-Chinese national badminton team, which gained themselves brand exposure during matches. Moreover, with its new brand slogan "China, to be yourself" during the Olympic Games, 361 Degree set foot on its own way towards Olympic marketing strategy.

In the plot construction of story of 361 Degree corporate, the focal crisis is related to the challenge from foreign sport brands. The Contradiction between the strong willingness to show off individual social status with their increasingly purchasing power and the "low-end" brand image of most of the domestic sport brands makes the part of Chinese consumers turn to foreign brands, especially to the ones which act as local. From 2010, more and more the international sport brands have entered the small or medium-sized cities, which leads to domestic sport brands have been losing their the marketing share in their previous dominant markets. Thus in the hope to hit back and shape the brand image internationally, some domestic brands with comparatively high domestic market share have started to conquer overseas. So does 361 Degree.

Taking the longitudinal perspective into consideration, the sport sponsorship activities are aligned with the 361 Degree's strategic intention of being international brand. It is because of not only the fact that Chinese market is becoming fiercely competitive, but also the need of its own long term brand development. In the brand history of 361 Degree, 2008 was the turning point. And then in the following years, 361 Degree consecutively became the official sponsor of international sport events including 2010 Guangzhou Asian Games, 2011 Shenzhen World University Games. It also signed up with the international sport organization-Asian Olympic Games Committee. By these actions, 361 Degree was trying to enhance its brand influence in the Asian area first. *"After supporting the Asian Games,*

many dealers from another Asian countries show us their great interest towards our brand. They keep touching with us and clearly announce their interest of being 361 Degree Asian area dealers. It can be said that, this event gives us a big jump in increasing our brand awareness to the Asian market fast.” Statement from Zhao Feng, the director of 361 Degree (China) Sports Marketing Department, 2012 (Zhang and Zhang 2012). Besides, in the third period from 2009 to 2011 (until 361 Degree signed up to be the official partner of Youth Olympic Games), with its increasing brand influence, it has taken the society responsibility to promote the sport lifestyle in China. A series of sport sponsorship activities, alongside with changing brand slogan to “Asia, One more love”, had been done in the hope of integrating the educational element into brand image.

“The so-called ‘one more love’ represent the attitude of how we are going to communicate with the people from other Asian countries, or even all around the world. As one of Chinese outstanding sport brands, it is our responsibility to exhibit the virtue of sport. We not only encourage people to show their sincere and committed love towards sport, but to the work, study, life, or people and things around. We believe this one more ‘passion’ will make everything achievable.” Statement from WuHao, Ding, 361 Degree CEO, 2009 (China.com 2010)

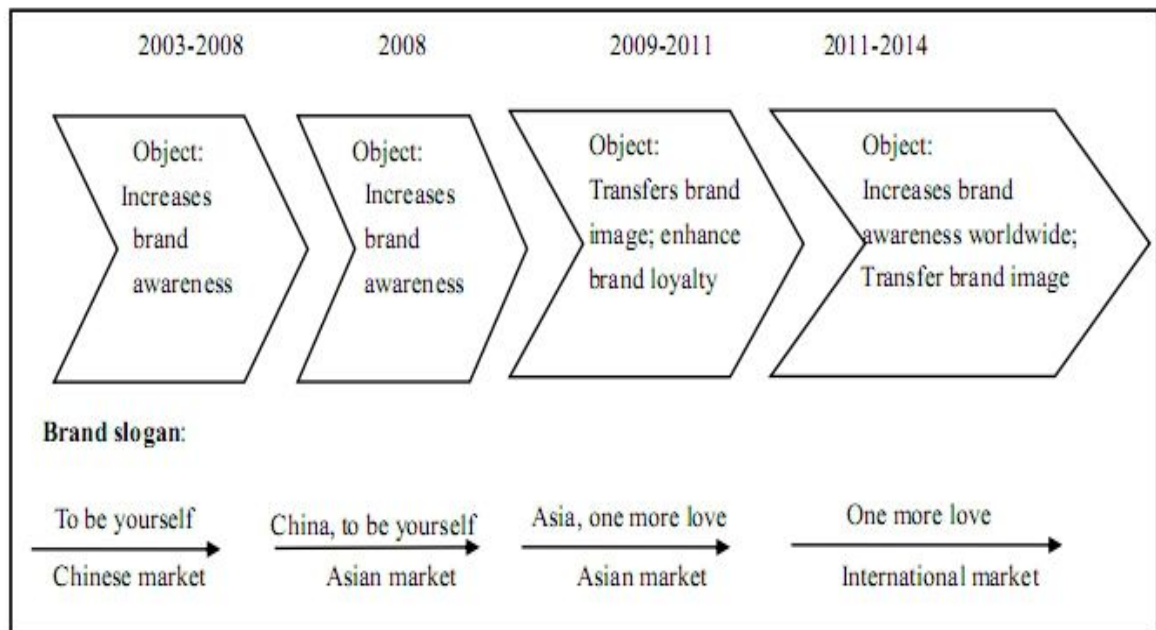
In addition, a new sub-brand, 361 Degree kids, targeting the kids from 3 to 14 years old has hit the new market from 2009. Its multi-brand strategy is on the way.

Keeping the resolve of being international, from 2011, 361 Degree was looking for the international sport events and sport persons with strong brand quality to cooperate with. In 2011, they contracted Sun Yang, NBA stars: Kevin Love and Stephon Marbury, The World Curling Federation, Swedish National Curling Team and so on, to show their superiority lead in the sport professional area. In the same year, they made their so far the most dramatic Olympic marketing move, i.e. to become the official partner of 2014 Nanjing Summer Youth Olympic Games. They expected the YOG could bring international element into brand equity. In the following year, 2012, 60 seconds of advertisement with the brand slogan “One more love, in London”, which highlighted the moment when their spokesman, Sun Yang, won the swimming golden medal during London Olympic Games was published both on TV and Internet. In this way, they intended to “*create emotional association with consumers, enhance brand loyalty, and strong brand professional characteristic*”. Statement from ChenYe Zhu, the president of China area in 361 Degree company, 2012 (Li et al. 2012). In 2013, in order to capture another group of teenager consumer (from 16 to 25 years old), 361 Degree company created another sub-brand, innofashion. Its product positions were entertainment, fashion, and leisure. And finally, from this year, 361 Degree company basically completed their brand images which are able to satisfy different needs of the youth.

Affected by the “cold winter” in Chinese sport industry, according to official report from

361 Degrees company, in 2013, 439 stores had been closed in the second quarter, store sales had suffered from declines continuously in the first two quarters. On the other hand, 361 Degree has accelerated its expansion in overseas markets. *“Although we had established and completed our distribution network in Southeast Asia, Russia and so on, we would not stop here. 2014 will be an important turning point for us, for we plan to accelerate developing in overseas markets. To open up overseas markets is one of the 2014 six strategic deployments of 361 Degrees.”* Statement from Zhao Feng, the director of 361 Degree (China) Sports Marketing Department, 2013 (China Sport Network 2013). Zhao Feng (2013) also disclosed that considering the fact that Taiwanese brands have achieved wider internationally recognized than the ones from mainland of China, 361 Degree has decided to set up its R & D center in Taiwan area in order to satisfy particularity of the overseas markets on product awareness and demand

Figure 6.2.1. 361 Degree’ sport sponsorship history from 2003 to 2014



By selecting events based on image or functional similarities, as previous research suggested, that the firm can leverage their sponsorship dollars, in terms of image transferring (Gwinner and Eaton 1999). With intention to gain brand influence by associated with YOG, as the only sport brand among five official domestic sponsors, it seems the brand concept of 361 Degree is superb fit with the Youth Olympic Game (shown in Table 6.2.1). The most important similarity is that both of them share the same chosen markets, i.e. teenagers. They are all youth communities reachable. At this point, there is a good fit between the 361 Degree company and sponsored property to capture their affective association, to create positive effects on the sponsor awareness increasing. More interestingly, to cater the psychological need of teenagers, both of them turn to

empower “amusement, fashion, leisure” in their brand positioning element list. With the establishment of innofashion, the match between the YOG and the product become stronger, and then, theoretically, resulting image transfer will be more pronounced (Gwinner and Eaton 1999). Finally, they both carry the social responsibility to promote the healthy lifestyle.

Moreover, it seems the impact of Nanjing city as a host is not been taken into consideration by 361 Degree. Additionally, unfortunately, there is a legal ambusher in the YOG brand alliance in the case of 361 Degree, i.e. another domestic sport brand-Anta, the official partner of Chinese Olympic Committee. Since Anta can promote its brand with Olympic rings as 361 Degree, it might cause consumers’ confusion to recognize YOG sponsor, and might generate negative impacts on 361 Degree’s YOG marketing.

Table 6.2.1 The brand fit between 361 Degree and the YOG

Brand	361 sport	361 kids	361 innofashion
Image based	sport, youthful, professional	sport, youthful	Fashion, entertaining, leisurely
Functional based	Educational/ social responsible		
No similarities	International/ global		

6.2.2. China Telecom

Unlike 361 Degree which has to face challenges from various sport brands, in the case of China Telecom Corporation (referred as China Telecom thereafter), it stays in comparatively less competitive industry, since there are only three Telecom service companies in China (the other two are China Mobile and China Unicom). In other words, Chinese telecom service industry is under oligarchy monopolized market structure. As a result, all of these three companies compete with each other to gain the exclusive marketing arrangement in order to expand their dominant regional markets in China area as much as possible.

First, looking at the Chinese political background, the so called “Intelligent city¹” programme has been launched by Chinese government since 2010. In this programme,

¹ Intelligent city: with the application of information and communication technology (ICT), this programme aims to make city life more intelligent; use resources efficiently; achieve cost and energy savings; improve service delivery and quality of life; reduce the negative impact on the environment; support innovation and low carbon economy

telecom companies are encouraged to cooperate with the local governments to upgrade the urban information infrastructure. Correspondingly, the one who wins the bid has the right to operate. Thus inevitably, these three telecom service companies are highly interested in this “city battle”. Based on previous experience, the relationship between the government of event host city and China Telecom as event sponsor is quite interesting and sensitive. More specifically, within recent 5 years, China Telecom sponsored and successfully offered a series of integrated information service and communications security tasks for the 2010 Shanghai World Expo, the 2010 Guangzhou Asian Games, the 2011 Shenzhen Universiade, 2011 Xi’an World Horticultural Exposition etc,. By taking advantage of the sponsorship marketing, China Telecom had signed contract of this “intelligent city” program with the host governments and had completed the network construction in the host cities. In Shanghai, Guangzhou, Shenzhen, Xi’an, main districts in city center, event venues, news center, traffic dispatch center, hotels, airports, part of main road area have been covered 3G wireless internet network sites constructed by China Telecom. This company enhanced its brand influence in these areas. Turning back to the YOG sponsorship, China Telecom became the official partner instantly, the contract between China Telecom and the government of Nanjing city was accomplished. In the same year, China Telecom signed strategic cooperation agreement with the government of Jiangsu Province. China Telecom wishes, through sponsoring the Nanjing 2014 YOG, they can gain dominant market share in Jiangsu province, especially in terms of internet business.

“We plan to invest in 50 billion RMB to upgrade the broadband and cable lines in the Jiangsu Province area in next coming three year, and do our utmost to contribute the success of 2014 Nanjing Youth Olympic Games. Our goal is to let the world share the joy of the Youth Olympic Games conveniently with our highly qualified network in Nanjing.” Statement from TongQing Gao, General manager of China Telecom Jiangsu company, 2011(Dong Fang Wei Bao 2011)

“To satisfy the need of to achieve ‘Intelligent city’ from various local/regional governments, we aim to become the top integrated internet service provider.....we strategy to develop the Chinese information infrastructure with our efforts, and help to construct ‘Intelligent city’”.(China Telecom 2014b)

In the contract signing ceremony, the marketing theme “Intelligent Youth Olympic Games, Fly your dream” was defined by China Telecom. After one year, China Telecom introduced a new service product, Tianyi Young which has the similar pronunciation with its Olympic marketing slogan in Chinese.

“Tianyi Young is a brand which targets young customers. This brand positions as young and fashion, providing differentiated mobile Internet communications experience. With this brand, our customer can share their life experience and exciting moments. We advocate wireless internet lifestyle.” (China Telecom 2014a)

Tianyi Young has been promoted closely connected with Youth Olympic Games. The events organized by Nanjing Youth Olympic Games Committee, such as volunteer recruitment, YOG theme song online champion election activity is titled by this new brand. Olympic marketing technique also has been applied on its another new product. Two years after, in 2013, three telecom service companies gained license simultaneously with which they are allowed to provide and operate the 4G (4th-generation) internet service. Three telecom companies have entered the war around 4G internet service. Being benefited from sponsor right of 2013 Nanjing Asian Youth Game as well as 2014 Nanjing Youth Olympic Games, according to the news, until April of 2014, China Telecom has established 20000 4G (4th-generation) public wireless internet sites within Nanjing city, covering the city center, hotels, city attractions, metro stations, public bus, sport villages, venues etc, while over 5000 public wireless internet sites are in the plan, hopefully to complete all of them before the Games, as one of managers from China Telecom stated (Zhang 2014a). By these actions, so far China Telecom still leads in 4G internet service market share in Jiangsu province.

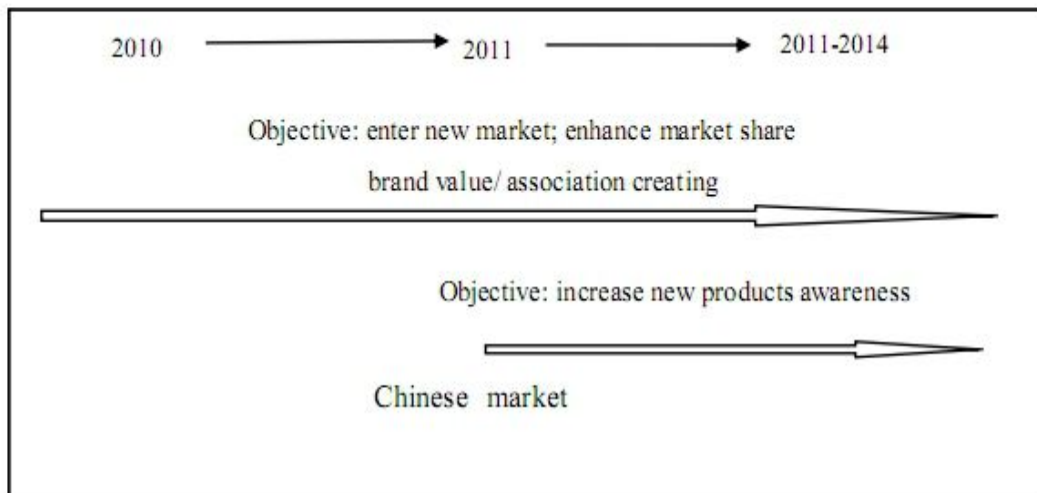
As one of the three oligarchs in Chinese telecom service market, and also being determined by its nature as stated-own, when it becomes strong enough, China Telecom supports the international events hosted by China for arriving its social responsibility, for instance showing the Chinese technology power to the foreigner. It sponsored 2010 Guangzhou Asian Game. That was the first time for Chinese national telecom Service Company to be in charge in the international sport event. During the Asian Games, the brand slogan, “Information technology, let every man embrace the Asian Games” was introduced while internet service of different kinds it provided was named as “Global, high speed, full time, and all directions”. In 2011 Shenzhen Universiad, China telecom defined the meaning of this sport sponsorship as “*China Telecom Group will do our utmost to support and guarantee a perfect information service for Shenzhen Universiade,...., contributing a successful Games is the glorious task which the party and the country deliver to us.*” Statement from Wang Xiao, the general manager of China Telecom, 2011 (Cheng and Yue 2011). In the example of Nanjing YOG, China Telecom intended to show its advanced technology with the connection with the Youth Olympic Games. They named their 4G internet technology exhibition booth as “Intelligent Youth Olympic” in 2013 Beijing International Telecommunications Exhibition. They invited youth ambassadors of Youth Olympic learning Chinese modern information technology development by its 4G services.

“We will actively participate in the various relevant cultural education activities of the Youth Olympic Games in Nanjing, whenever pre, during or after the event. We promise to provide good service for Nanjing YOG by our outstanding R & D team with great effort.” Statement from TongQing Gao, General manager of China Telecom Jiangsu company, 2011(Dong Fang Wei Bao 2011).

“Supported by our network infrastructure and rich operating experience in the Shanghai World Expo, the Guangzhou Asian Games and Shenzhen Universiade, China Telecom will take our responsibilities to guarantee information technology flawlessly during the Youth Olympic Games. Additionally, we will immerse ourselves in the Youth Olympic Games promotion activities, contributing to make Nanjing Youth Olympic a successful and intelligent Game.” Statement from RuiWen Ke, China Telecom deputy general manager, 2012 (XinHua News 2012)

Even though it lost the opportunity to collaborate with Beijing Olympic in 2008 (China Mobile won at that time), China Telecom actively sponsored the international sport events in China to strengthen its brand power these days (See Figure 6.2.2).

Figure 6.2.2. China Telecom’s sport sponsorship history from 2010 to 2014



In the case of China Telecom, it is easily noticed that three brands, i.e. the YOG, Nanjing city and China Telecom, closely bond with each other through this sponsorship. They all aim to gain a certain benefit from others. From the side of Youth Olympic Games, since its target group grows up in the so called “information era”, internet is essential in their daily life. Whether or not Nanjing YOG could be widely participated by consumers largely depends on the communication service and internet security network service offered by China Telecom. For Nanjing city, with the help of the other two, athletes from around the world, sports officials, coaches and spectators can have a wide knowledge of the informatization development in Nanjing and China, and then set a better international city image. Moreover, Nanjing can achieve a breakthrough in the process of constructing “Intelligent Nanjing”. As for China Telecom, it match up its own brand promotion with YOG sponsorship into informationized development of Nanjing city, informationized requirement of Youth Olympic Games (see Table 6.2.2)

Table 6.2.2. The brand fit between China telecom and the YOG brand alliance

Brand	China Telecom	YOG	Nanjing City
Image based	Intelligent, youthful		
Functional based	Educational/ social responsible		
No similarities	International/ global		

6.2.3. Tencent

The story of Tencent is much about the competition among these four Chinese website companies (i.e. Tencent, Sohu, Sina, NetEase). Among the four largest and most influential website companies in China, undoubtedly, Tencent holding limited (referred as Tencent afterwards) is the one whose marketing strategy seeks the sport above all else and actually leads in this area. In 2005 November, Sohu announced to become the 2008 Olympic Games sponsor, which opened up sponsoring war among the portal sites. When HuaTeng Ma, the chairman of Tencent, explained the reason of why Tencent did not collaborate with Beijing Olympic Games in 2008, the words was “3 years ago, Tencent had not yet developed, we were too young.”(Xu, Li, and Xiao 2008). Tencent started its sport sponsorship project since 2008. In 2008, Tencent won the 2010 World Expo official sponsor together with Sohu at the same price. In the same year, NetEase beat Tencent and Sohu, and became the official sponsor of 2010 Guangzhou Asian Games. Coming to 2010, Tencent won the 2011 Shenzhen Universiade official partner, worked jointly with CCTV.com (homepage of Chinese national television station) to broadcast 2010 South Africa World Cup online, and used Lionel Andrés Messi and Ricardo Izezon Dos Santos Leite as spokesmen. Simultaneously another website company- Sina first signed the three years cooperating contract with Chinese Olympic Committee. In 2012, Tencent participated in the 2014 Nanjing YOG Official partner programme. The other group of data is about the advertising revenues of these four companies. It is said that, in terms of advertising revenues, these four ranked almost equally before Beijing Olympic Games, Tencent were even slightly behind others. However, both Sina with 0.2908 billion dollars (2010) and Tencent with 0.23378 billion dollars (2010) achieved beyond since 2010 (Fang 2011, Sina Technology 2011), which completely rewritten “the original picture of top four website kingdoms”. The battle between website companies kept changing. In the period of 2012 London Olympic Games only, Tencent had obtained up to 41 advertisers, including the multinational companies like Coca cola, BMW, P&G, McDonalds, Nike, VISA etc; Sina got advertising orders from 26 companies, although the Sina’s advertisers list included some multinational corporate such as BMW, OMEGA, LG, Sina had been chosen as online advertising platform by less amount of international companies to advertise than Tencent; followed by NetEase with 17 advertisers and Sohu with 13 advertisers (Zhong Guo Jing Ying Wang 2012). It can be said that, during London Olympic Games, Tencent received the overwhelming victory, leading website companies. With this big success in advertising revenue, Tencent welcomed the YOG to China with its great warmth.

“From the Beijing Olympic Games to the London Olympic Games, and from the World Cup to the European Cup, Tencent is committed to provide the exhaustive coverage about mega sport events worldwide with our internet service, to achieve developing with sports jointly,....., we will continue using our online social products, such as Tencent weibo, Wechat, Tencent news, Tencent video, and mobile phone app etc as platforms to share this exciting event with 0.7 billion Tencent users. With the previous experience we got from London Olympic Games, we believe that 2014 Nanjing Youth Olympic Games will be another opportunity for us to develop better, which will make Tencent keep surpassing beyond other website companies.” Statement from ShengYi Liu, Vice executive president of Tencent, 2012 (Tencent Sport 2012)

Selected events and data above reveal the fact Tencent emphasis the significance of sport events, which provide the background information to analyze the YOG sponsoring intention of Tencent over a long time span. From the data, it can be noticed that there are two turning points in the history of Tencent: 2010 and 2012 (see Figure 6.2.3). Back in 2009, website companies widely believed that in the next coming 3 years, the population of Chinese internet user would boom, and then would enter a stage in which the figure will increase at a stable rate. Meanwhile, Chinese internet industry also asserted that there were several blue markets worth to explore, such as Internet increment service, value-added services, online advertising and online game and so on. According to the 2010 annual report from four biggest website companies, about 80% and 50% of revenues of NetEase and Sohu were from online game, only about 20% and 30% from online advertising, respectively (Fang 2011). Completely opposite situation can be seen in the case of Sina with more than 75% revenue from advertising, following by Tencent ranked as second (Fang 2011, Sina Technology 2011). Apparently, at that time, NetEase and Sohu were aiming at the online game market while Tencent and Sina were more concentrating in gaining profits from online advertising. HuaTeng Ma, the CEO of Tencent set up their own goal to get profit from online advertising market in 2009, he offered the interview that *“We do not want to just look at the our profits on the book, we look to the future, we would like to see the long-term benefit”*, *“online game market might suffer from bottleneck in few years, but and online advertising market has no limit.”* (Yan 2009, Xu, Li, and Xiao 2008). ShengYi Liu (2011), the vice executive president of Tencent, realized that, with the development of internet, internet media as new marketing channel possesses unpredictable promoting power, so that more and more companies will think about how to fit their marketing strategy with the change. Correspondingly, media brand awareness and brand influence are considered as two main significant metrics by advertisers when they choose the media channel to throw their money in. Fortunately, with its most popular social chatting product-Tencent QQ, compared to other three, Tencent has its own advantage in brand awareness in the youth generation. However, reaching profits by its own brand influence is not a one-day job. To make itself differentiate, Tencent chose to connect with sport, since it viewed the international sport events as business bringer, which at the same time determined the ranking between website companies. Tencent has been very generous and creative in terms of sport marketing. In 2010 World Cup, apart from investing a huge

amount of money in celebrities endorsement and online broadcasting, Tencent developed its integrated social marketing platform allowing customers to touch the event and to interact with sport stars daily and closely via its products, such as, Tencent video, Tencent news, Tencent QQ, QQ zone, Tencent Weibo, Wechat and so on. This closer relationship between consumers and Tencent attracted more and more internet users to visit, and to participate in the online interactive events it organized. For its advertising customers, they also communicated with Tencent users via Tencent's social platform. This sport social marketing model Tencent developed really increased the attractiveness of this company among internet users as well as its potential advertising consumers. *"We did not just organize brand titled marketing events only during 2010 World Cup. It is estimated that to drive sales, to keep user quantity, to accumulate the user database is the real needs of advertising customers."* Statement from YongZhi Wang, The chief manager of Tencent Sport program, 2012 (Liu 2012). In the past, advertisers would just pay to title the popular online events or make an eye pleasing homepage advertisement only to seek brand exposure. Nowadays, advertiser can promote their products/ brands online in more diverse and interactive way on the online social platform. Thus, with the increasing popularities of social network, for advertisers, the question turn to become whether or not the media channel make the positive interactive communication with potential consumers. The value of online social platform under the name of website companies becomes another metric to evaluate online sport marketing. The Sina company confirms this conclusion that *"in previous, brand business in Internet marketing most cares about PV (page views), UV (independent visitors) which were used as indicators of the brand exposure. Currently, these indicators are out of date, they start caring more about how many internet users notice the brand, and if the positive communication with them has been built"* (Xin and Ji 2012). During London Olympic, although more website companies participated in Olympic marketing than ever, the intense competition was between Sina and Tencent, for they are the only two holding "the online social network"-Sina Weibo and Tencent Weibo respectively, for which they are weighted as one of the most important marketing channels, in the era of "social marketing". Additionally, unlike Sina and Sohu which performed comparatively cooler than Beijing Olympic, Tencent still insisted on its business rule, *"Olympic Games marketing is a game of 'high input, high output; small input, nothing output'"*(21st Shi Ji Jing Ji Bao Dao 2012), who grew passionately into Olympic marketing. In 2012, except the copyright of Olympic Games video bought from CCTV.com, it launched 10 original Olympic programs, and produced 10 Olympic short films with Olympic champion alongside with its Internet social marketing model. By these actions, Tencent really forged its brand strength, and let sport becoming a part of its brand value. *"Tencent made this YOG sponsorship decision two years ahead. It is not only determined by sports gene in our body, but our advantage in sports field."* Statement from Wang Juan, Deputy Chief Editor of Tencent.com, 2012 (Dong Fang Zao Bao 2012)

In order to keep being a leader in the field of sport, Tencent ambitiously made a huge move to be the official partner of Chinese Olympic Committee from 2013 to 2020 immediately at the time when the three years cooperation between Sina and COC ended up.

This contract lends weights to Tencent to win in terms of Olympic marketing in the next two Games cycle. The rights Tencent got from this contract includes to gain the first-hand event information, to participate Olympic related events, to support Chinese National delegation team, to use the logo of Chinese Olympic Committee, etc,. All of these will undoubtedly make Tencent a larger commercial information and communication platform at a fast speed.

“Tencent has focused on offering latest information about the major sport events. We are committed to building a comprehensive communication platform for Chinese Internet users, with which they can participate in sport competitions, learn sports spirit,.....,we believe we will get benefits from connecting with Chinese Olympic Committee. We hope to integrate our resources to create an online feast which will attract national attention on the Olympic movement as well as the Olympic spirit. Taking this opportunity, we will further establish leader status in the industry.” Statement from ZhongHuai Sun, the vice president of Tencent, 2013(Sun 2013)

Like the other two companies mention above, it is not surprising to get the plot about new product issued by Tencent. On 28th of August, 2013, the twelfth regional portal targeting the market in Jiangsu province, js.qq.com, was introduced by Tencent. This is another step in the Tencent’s developing strategy of “national portal site+ regional portal site”. Similar with its other regional portal, consumers from Jiangsu province could search and get information about local life like local news, real estate, automobile, health and other life-related issues. The significance of building up regional portal is about to grow up together with customers, and integrate the needs of regional user. Moreover, on this new-established regional website, Tencent has opened up an exclusive “Nanjing Youth Olympic Games” channel to provide timely, interesting event information for the user. Therefore, apart from showing the determination to further develop regional market, Tencent also hope to enhance its advantage in sports marketing with Youth Olympic Games promotion in national and regional level on its social platform combined with js.qq.com

“Since ju.qq.com has been issued in August, it rapidly becomes the most popular portal site in Jiangsu area, attracting 20 million visitors within just three months. We will keep perfecting our online social platform. With 7 years’ experience, we will center js.qq.com in our social platform to exhibit vivid moment of Youth Olympic Games for the Chinese internet user.” Statement from Chen Lin, the director of regional portal center and general manager of YOG program, 2013(Chen 2013).

Figure 6.2.3. Tencent’s sport sponsorship history from 2008 to 2014



As a matter of fact, sharing brand similarities as seen in table 6.2.3, the cooperation between the Youth Olympic Games and Tencent will achieve win-win situation. The YOG itself as a new brand is facing the criticism of being weak at its brand awareness. With the favor of Tencent, YOG gets the opportunity to appear in front of internet user by a wide range of social products, with which not only strengthen its brand awareness at least among youth Chinese people, but also promote Olympic movement and Olympic spirit. To some degree, YOG can at the same time complete its social, educational, cultural objectives. On the other hand, it is impossible for Tencent, a company which firmly believe the strength of sport events in brand value creating, to give away this sponsorship opportunity to other three biggest website companies surpassing. With the sponsorship contracts with Youth Olympic Games and Chinese Olympic Committee in hand, sport has become an indispensable element in brand value of Tencent, which might generate the spillover effect on its advertising consumers, and that is what the advertisers looking for. Moreover, because of js.qq.com, residents of Jiangsu province & Nanjing city can enjoy more convenient and more local internet life, which makes the link between Tencent and local market tighter.

Table 6.2.3. Brand fit between Tencent and the Nanjing YOG

Brand	Tencent
Image based	youthful, social, fashion, entertaining, leisurely, sport
Functional based	Social, educational
No similarities	International/ global, brand influential(in Chinese market)

6.2.4. Suning Commerce

Suning Commerce (referred as Suning thereafter) is a local company with strong brand influence in China, even in the Asian area. According to the research from Interbrand (2014), Suning even gains the title of “2014 the best global retain brand”. As a brand strong like this, Suning Commerce stated serving 2014 Nanjing Youth Olympic Games as social responsibility completion.

“The upcoming Youth Olympic Games will offer Nanjing city an opportunity to advance its city development, make Nanjing an internationally attractive city. Our company will further increase investment to build a modern first-class service platform for providing both hardware and software service to guarantee the success of 2014 Youth Olympic. Besides, we promise that, from now on, our subcompany- Suning Estate Company will complete 6 or 8 high Stars Hotels, which hopefully will greatly improve the accommodation capacity of Nanjing city.” Statement from Jingdong Zhang, the CEO of Suning Group, 2010 (Wang 2010)

Why does Suning invest just to take social responsibility? As a matter of fact, Suning wishes to enhance its brand image by this action (i.e. “sincere service, sunshine service”) and make the emotional connection between Suning and China society. In essence, for retailing companies, what they are actually selling is service they offer, rather the physical goods they exhibit. The service from retailing brand determines their core competitiveness, which eventually make them differentiated. In these two decades, Suning sticks to provide excellent service. They position their brand as “sunshine service” from 1999. With their business growing, Suning has become a retaining company which services millions of Chinese consumers, has over 10 thousand chain stores with about one hundred thousand employees, more than 20000 suppliers. As a large company like this, being part of public events has been written into Suning’s company culture. *“When private enterprises is small-sized, what it consider every day is how to survive, but once the company expand into large-sized, its brand should be closely connected to its employees and community. We believe social stability and prosperity determine the survival and development of Suning.”* Statement from Jingdong Zhang, the CEO of Suning Group, 2010 (Yi 2010). Since 2009, Suning regularly issues corporate social responsibility report, establishes the social responsibility management model in accordance with the characteristics of domestic retail industry and firm characteristics, and takes social responsibility into their daily operation and management. To achieve what they believe, a series of charity activities with their brand slogan “sunshine service” has been launch, which indirectly increases the awareness of their service brand among Chinese people. Meanwhile, they actively take part in the public activities. The relevant news about how Suning Group immersed themselves into serving public events can always be found. For instance, they contributed to venue construction, organizing their employees to volunteer the Games during 2005 Ten National Games in Nanjing; they passionately promoted Beijing Olympic Games in the

forms of compiling “Olympic Handbook”, producing a short film so called “China, go ahead ”; they showed their attitude as one of the private enterprises on the stage of Shanghai Expo, participated in venue construction, and donated about 10000 folding chairs; in Guangzhou Asian Games, they became the official supplier.

“International contests are the perfect stage to show our national economic strength, national virtue. Thus as the host, it is the responsibility to every company or citizen to serve Asian Game. We will do our best to provide the professional, dedicated service, and make the people from other countries enjoyable in Guangzhou.....at any moment which fully attracts people’s attention, being celebrated by the community; Suning will do what we can to assist the event, to achieve our responsibilities. We believe this kind of event will bring back service capacity and service quality upgrading for us, while it can stimulate staffs’ sense of social responsibility and sense of honor, so as to provide better services for consumers.” Statement from Weiming Sun, the associate director of Suning Group, 2010 (Quan Jing Wang 2010)

However, the nature of Suning business decides that Suning also needs to brand itself attractive among suppliers, also then only focusing on consumers. Taking 2014 Nanjing Youth Games as a specific case, it cannot deny that Suning support this major sport event partly due to this event will happen in the city in which Suning was born. There is a close connection between Suning Company and Nanjing city. They develop hand in hand. More specifically, from the economical point of view, the development of Nanjing determines how many investors will pay attention to local companies or how much they would like to invest in. Thus the questions like whether or not Nanjing is well developed, whether or not Suning get the support of Nanjing government, affect the Suning’s attractiveness among suppliers. In the Suning supplier Investment Conference, Nanjing government made a speech that *“in the past 20 years, Suning develops with the support from the various suppliers, becoming a large-scale comprehensive business group, setting its business in the field of retailing commerce, real estate, electronic commerce. This year, it has been listed among the top 500 enterprises of the world. Suning has driven Nanjing turned to an important center of the national electrical appliances. It also strengthens our economic increase, and logistic industry development, supporting Nanjing become international. From the side of Nanjing government, we will support the development of Suning as we always do.”* Statement from JianYe Ji, the mayor of Nanjing city, 2011 (Ma 2011) Thus, to some sense, Suning serves to brand Nanjing city in the way of supporting YOG, which might brand themselves in the mind of suppliers consequently.

Additionally, even though I did not find any official interviews about whether or not Suning is trying to reshape their brand image, or achieve brand transferring through YOG sponsorship, there is a plot which is interesting but worth to mention. In the same year when Nanjing won the final bid, coincidentally, Suning introduced its B2C online shopping platform-Suning E-go, and started its e-commerce. To target the youth who is

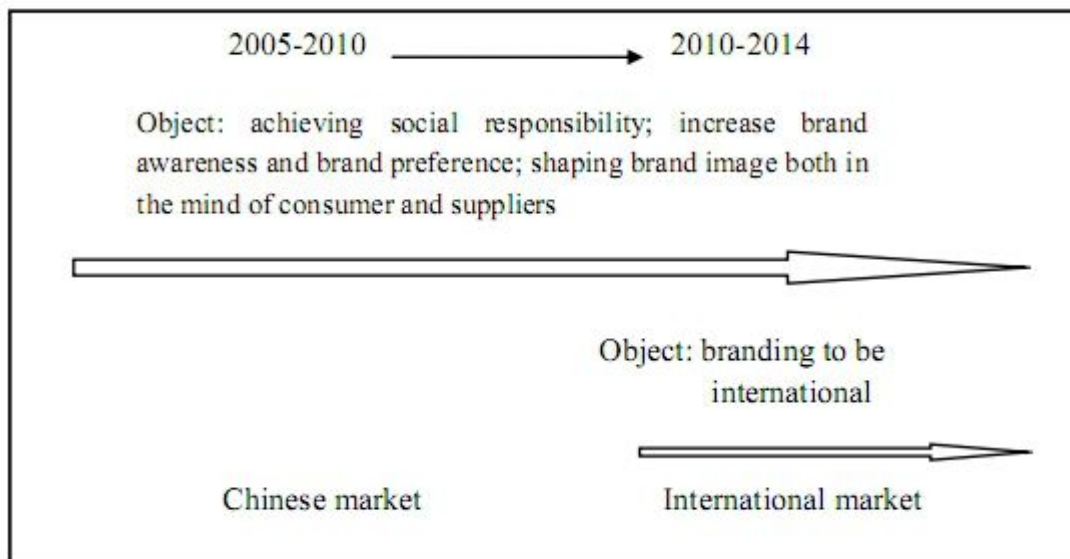
widely considered as “internet generation” and to cater their specific psychological need, showing their personal identity, this online shopping platform-Suning E-go advertised its brand attitude as “dare to dream, dare to show, dare to move”, and signed Jay Chou, the most popular pop singer in Chinese speaking area, as spokesman.

“Dare to try, dare to challenge, dare to break through’, is Jay’s style, he is on behalf of the youth, and the fashion. And as a youthful and fashion brand, ‘dare to dream, dare to show, dare move’, is the brand attitude of Suning E-go. E-go goes through a series of branding activities to express this attitude, ‘dare to youth’,.....,the similarities between E-go and Jay make us fit in perfectly with each other.” Statement from Li Bin, the vice executive president of Suning E-go, 2013(Suning 2013)

Before 2013, online and offline shopping platforms were organized separately by two organizations, named as two brands, operated by different systems in Suning corporate. Both of these brands received rapidly growth. In the period from 2010 to 2013, Suning E-go officially launched afterwards quickly placed as the third best online shopping platform in China while Suning Appliance enhanced its dominate market share and crossed national border. In this period, without the apperception of unbalanced development of the Chinese market, foreign appliance retailing brands, such as American Bestbuy, German Media Market, failed to adapt local business climate, and withdrawn from Chinese market successively. On the other hand, Suning Appliance became the major shareholder of Japanese appliance retailing brand-Laox and complete merger and acquisition with Citicall Appliance Ltd. Hong Kong. In 2013, Suning changed its corporate name from Suning Appliance to Suning Commerce, strategically applied O2O (offline to online) retail mode (i.e. traditional brick-and-mortar retailers walk together with business-to-customer e-commerce platform in deep cooperation and integration). Consumers can enjoy the same products at the same price both at their offline stores and online shopping platforms. Since 2013, its online and offline shopping platforms became the two shopping windows, two platforms of a company, and these two can share resources like back-end inventory, logistics, information and services etc. Suning voices a new brand slogan “achieve technological transformation, provide intelligent service.” To pursue its expansion overseas, the first ambitious move made by Suning in 2014 was to lay out its R&D Center in Silicon Valley, USA. It is the first stop of Suning Commerce R&D Center and also Suning’s first overseas research institute. In February, Suning became the first Chinese electrical enterprises which obtained the permit of international express delivery business operation. Suning completed its international brand strategy step by step. *“Looking to the future, Suning will continue and deepen the ‘technological transformation, intelligence service’ brand strategy, building a technology, international, multi-brand. We aim to get sales up to hundred billion dollars, including ten billion dollars from overseas and achieve a world-class brand leader.”* (Suning 2014) Interestingly, from January of 2014, the YOG logo has been found in Suning’s print ads on both its offline stores and online shopping platform.

Limited by the research schedule, apart from print ads, how Suning will organize its marketing activities with the YOG sponsorship during the Games is not detectable so far. However, according to previous news, Suning always got sales increase, particularly television sales, during the major sport events like Olympic Games, World cup, Asian Games etc., through a variety of marketing activities linked to the specific event. Based on this information, another thing can be deduced is that Suning understands how to make itself associate with the specific event to gain more profits. In fact, from the beginning of 2014, Suning has promoted its O2O platforms in several cities to mainly attract outdoor sport merchandise suppliers. It seems, with the YOG sponsorship, Suning is about to strongly hit the retailing market this year.

Figure 6.2.4. Suning’s sport sponsorship history from 2005 to 2014



From the Suning’s sport sponsorship story (see Figure 6.2.4.), there is a bidirectional effects between Nanjing city and Suning commerce. Suning wishes to take advantage from Nanjing city that would be branded by YOG for to make it attractive among consumers and suppliers. Meanwhile, to support Nanjing YOG is actually to brand itself, to enhance the brand increase and brand preference towards “sunshine service.” For considering YOG as the social responsibility-taking event which aims to educate the youth as well as to promote sport development, at this point, Suning shares the similarity with the YOG, as being social responsible. In 2010, the birth of Suning E-go reflects the determination Suning has to transfer from traditional retailing to intelligent O2O retailing brand. Suning online shopping platform also forge tighter links with the markets YOG targeted. These two brand properties, i.e. Suning and Nanjing YOG connect with each other closely (Table 6.2.4).

Table 6.2.4 Brand fit between Suning and the YOG brand alliance

Brand	Suning commerce	YOG	Nanjing city
Image based	Youthful, intelligent		
	Fashion, entertaining, leisurely		
Functional based	Educational, social responsible		
No similarities	International/ global		

6.3. Cases summary and comparison

These four companies gain benefits from sponsorship, regardless of the industry type. The sport sponsorship appeared to be reasonable well timed with these four sponsors growth. For example, for 361 Degree company which is from sport industry, its brand nature decides that it has to employ sport marketing to shape its brand perfectly. Indeed, going through its brand development, I can always find plots of how it participated actively in different sized sport events of different types. In this way, this company has really grown up from a Chinese manufacturing plant to a Chinese sport items brand step by step. It can also be said that 361 Degree company's well-planned sport sponsorship strategy fosters its brand awareness increasing, and brand image transferring, which push it to develop further. The 2014 Nanjing Youth Olympic Games provides 361 Degree a unique opportunity to stimulate the consumers' interest overseas.

In the second case, maybe because it is a state owned company, or maybe also because it is one of the three oligarchs in the Chinese Telecom service industry, China Telecom enjoys more opportunities to sponsor international events occurring in China than the 361 Degree, and these opportunities are not only from sport events but also from other types. This company believes it is its social responsibility to support these resource-consuming events, to show the Chinese power to the world. Thus in Nanjing, China Telecom promises the outstanding information technology support to make sure the smooth running of Youth Olympic Games, which is expected to contribute the Nanjing city development at the same time. Besides, China Telecom is looking forward the positive returns from YOG sponsorship on its own. It concentrates in how to enter new markets, how to enhance new products' market share, and how to create brand value by using YOG sport sponsorship.

Tencent, serving as another example, explains how a Chinese company immerses itself into sport marketing. However, unlike 361 Degree company which is targeting international market, Tencent is trying to increase its brand influence, whether in the Chinese market, or in the regional market. This is because as a website company, its brand power could make its brand profitable, particularly making profit from online advertising market. Interestingly, at the same time when Tencent is pursuing enhance its brand influence from the YOG sponsorship, Nanjing Youth Olympic Organizing Committee is

looking forward the cooperation with Tencent can bring attention on the YOG from most of the people.

The last case is related to Suning Commerce, a Nanjing-born company. One of the reason of Suning contribute to sport event is as same as the China Telecom which focuses on achieving a socially responsible brand, in this way, Suning is able to win brand awareness and brand preference toward the service it sells. In addition, locating in Nanjing city, which is expected to be branded by the YOG, to a certain extend, Suning and Nanjing city develop jointly with the same goal, i.e. to be international.

To sum up, these sponsors all intend to signal their distinct brand information to their consumers. Meanwhile, one difference which can be easily distinguished from their own YOG brand alliance structure is that there are different visible actors appearing in sponsors' own YOG brand alliance. More specifically, 361 Degree is positively affected by the Youth Olympic Games, while damaged by a legally detectable ambusher from sport industry. China Telecom, Tencent and Suning commerce is involved in a triangular relationship of interaction with Nanjing city and the Youth Olympic Games. Another difference is related to the specific market which sponsors intend to reach. International market serves as the new market targeted by 361 Degree and Suning Commerce, while China Telecom and Tencent intend to knock the door of the regional market. However, one concern arises from these cases is that why 361 Degree is so eager to go to oversea and shows less interest towards local market? It is understandable that Suning pays more attention to explore international market with the YOG sponsorship as it has home advantage. At this point, 361 Degree becomes the only one among four sponsors selected who neglects the regional market. Is it just simply because the research schedule is so limited that I could not cover 361 Degree's regional market plan? Or the question comes does the Chinese sport product industry still stay in the "cold winter", so 361 Degree is forced to enter the international market to relieve the pressure from highly competitive Chinese sport market?

7. Discussion and conclusion

This chapter represents the discussions of my research paper, the added value of this research to the development of theory, and opportunities for further research.

7.1. Discussion

Because hosting an international major event is resource-consuming, firms are always encouraged to contribute international major sport events in many ways. Correspondingly, they react variously with their distinct marketing strategy. China has becoming popular among international major sport event organizers, and the Chinese sport marketing has changed, which require firms to reassess their sport marketing strategy. The upcoming Nanjing Youth Olympic Games carries on the extraordinary Olympic brand value with truly stimulate the interest of potential sponsors. Driven by the various sponsoring purposes, there are 25 firms involved in Nanjing Youth Olympic Games sponsors club, part of them has no Olympic sponsoring experience. Thus it is interesting and worth to investigate and to interpret the YOG sponsorship as the marketing signal sponsors sent, while to analyze the possible benefit they could get, in the context of changed Chinese market.

I start with the first research question: ” *What are the sponsoring intention of sponsors of 2014 Nanjing Youth Olympic Games, in aspect of the brand positioning/brand developing?*”

This thesis finds out that sponsors rate increasing brand awareness, and creating a great brand reputation from the Nanjing Youth Olympic Games as the two main reasons for engaging in YOG. First, sponsors intend to increase their brand awareness in the new markets they target. More specifically, worldwide sponsors like Coca Cola, McDonalds, Omega, and Visa are focusing on acting more local, so that they could be broadly recognized and accepted by Chinese customers as they did during 2008 Beijing Olympic Games (Söderman and Dolles 2010). They are trying to be bigger than others in Jiangsu province in terms of market share. Like these Olympic Games official partner, the Chinese domestic sponsors’ stories directly or indirectly reveal their intention of which to communicate with new segmented markets. By issuing new product/corporate image associated with Olympic Movement, or Olympic values, these brands are trying to leverage their sponsorship investment towards increasing sale in the markets like the youth, the sport market. For several branded ambitious sponsors like 361 Degree, Suning etc, they long to place their brand overseas market with the brand recognition the Youth Olympic Game might bring along. But the question remains, whether sponsors’ intention could be recalled by consumers by this one-time sponsorship experience. Indeed, it is found that these domestic companies, such as 361 Degree, China Telecom, Tencent, Suning, Crystal CG, Grevol and so on, had sponsored almost every major sport events occurring in China

recently. It seems they do have an ongoing sport marketing strategy while a certain positive impacts have been created based on their narratives. This phenomenon can help to deduce that sport marketing requires companies to make a clear sport marketing strategy, and must insist it over a long time span. Otherwise, sponsors might just gain limited benefit in terms of branding themselves from their one time sponsorship experience. Paying the sponsorship fee is just a starting point (Grohs, Wagner, and Vsetecka 2004). On the other hand, another concern on Chinese sport market from the phenomenon mentioned above arises. That is the way to promote companies' brand by using international sport event sponsorship, to some sense, has been blocked by some specific companies. This could be a barrier for the new brand to conquer sport market. Meanwhile, it is difficult for young brand to win out from the bid for partnership, which leaves other brands to rethink about how to arrange their sport sponsorship strategy.

Second, it is understandable that companies aim to make themselves a good fame by Youth Olympic Games participation appearance. Since the Youth Olympic Games was born with the goodwill of IOC, most of worldwide sponsors had announced to cooperate with IOC closer to promote the Olympic development, and to spread the spirit of sport as they already did. At the same time, surprisingly, it seems they did not expect the positive return from YOG sponsorship investment no matter in Singapore, or in Innsbruck, instead pushed this concept into the future. As Hamilton (2012), the vice president of Dow Olympic Operations, stated in Innsbruck, *"While our marketing efforts around the 2012 Youth Olympic Games are limited, we are using this opportunity to forge important business relationships to hopefully participate in the construction and delivery of future Games. And we're reaching the right people with the right messages."* In Nanjing, even until April of 2014, only a limited amount of YOG related marketing activities in which highly emphasizing the Olympic spirit and Olympic Movement are discovered from worldwide sponsors. Thus worldwide sponsors might just simply continue what they believe about the concept of Youth Olympic Games in Nanjing, and make them socially responsible. So do domestic YOG supporters. In the Chinese cultural context, Nanjing Youth Olympic Games being its second time as Olympic family visiting China, although to what extends this YOG could leave positive legacies to China or Nanjing city still remains in doubt, domestic sponsors tend to responsibly serve Nanjing Youth Olympic Games for making a successful YOG ever. The reason of why corporate tends to make themselves socially responsible could be complicated. Simply, it is recognized that it had something that corporations wanted: a name for enhanced reputation. Being a socially responsible brand make their brand more meaningful to the customers, establishing an emotional bridge between the company and local community, by which might lead to an improvement in consumer beliefs, attitudes, and intentions towards brands. As a result, they can be further separated from their competitors by such an emotional link (Davis 2012).

With the sponsorship agreement in hand, the next step is to investigate how these sponsors use this marketing opportunity, i.e. *"how they match up their brand with the concept of the*

YOG”. Based on the signal evaluation model developed in the third chapter, the “match-up” between sponsors and sponsored event partly influence the outcome from YOG sponsorship, which means the second research question plays as an positive role to define “*to what extent sponsors might develop, strengthen, or build their brand by sponsoring YOG*”.

So, how these sponsors match up their long-term branding strategy with the concept of YOG? or is sponsoring 2014 Nanjing Youth Olympic Games a productive decision? The questions are hard to detect, when only investigating the online material in a limited research schedule. However, one thing can be sure is that these Nanjing YOG supporters would not sponsor this event if there is not brand fit between them. This is partly determined by the changing Chinese marketing context. These days, China has capacity to host more international events than it used to with its development. To show off nation’s status by hosting the international major events with their own, China opens its arm to various international sport events. After 2008 Beijing Olympic Games, a series of international sport events has taken place in this emerging market, for instance 2010 Shanghai Expo, 2010 Guangzhou Asian Games, 2011 Shenzhen Universiade, 2013 Nanjing Youth Asian Games and the upcoming 2014 Nanjing Youth Olympic Games etc.,. Firms face numbers of sponsorship opportunities to choose, therefore the competition between companies to get the sponsor agreement is not that fierce like few years ago, instead firms could concern more about if the event matches up with their brand developing strategy. Because the event-sponsor fit to certain degree determines the positive effect of sponsorship on sponsor recall as well as brand transfer(Grohs, Wagner, and Vsetecka 2004). Thus, after the sponsoring agreement has been signed, it is predictable that sponsors adopted marketing moves to pursue brand match-up by issuing new products positioning as similar as the concept of Youth Olympic Games, or entering the new market which Youth Olympic Games target, for instance, sport market, youth market, internation market, or Jiang su province market in where Youth Olympic Game occurs. With the brand fit, the benefit from YOG sponsorship the company might not get discount. Additionally, sponsors, as well as YOG organizer, are chasing to match up their brands with the lifestyle of targeted customer. Mason (2005) suggested that “*if a lifestyle image is associated with a particular sport or event is not in line with a sponsor’s target market then the company could really lose out*”. Companies, and even Youth Olympic Games, make more teenager-preferred elements mixed in their brand position, like fashion, leisure, social, and intelligent....., to protect them from losing out.

This thesis also discovers that there are two challenges with YOG sponsorship which could make the YOG sponsorship investment a gamble with highly risk. One is related to the social change of Chinese sporting market. Increasing international sport events lead to the local citizen’s passion towards the international major sporting events has turned to be normal, Chinese people will not be fanatic towards 2014 Nanjing YOG as towards Beijing Olympic Games. As a result, consumers’ “calm down” attitude towards the sponsored event might weaken positive return of sponsorship investment. Another challenge is from

the sponsor list of Youth Olympic Games. The concern is that 55 Beijing Olympic Games official partners (excluding 12 worldwide sponsors) had not shown their YOG sponsoring inclination, apart from CG crystal and PwC. More oddly, a few years ago in Beijing Olympic Games, multinational companies had once highlighted Chinese market was so crucial in their strategy that they decided investing in such huge amount of sponsorship fee to explore the market (Söderman and Dolles 2010). However, they are all missing from the Nanjing Youth Olympic Games sponsors list, and Nanjing Youth Olympic Games even get almost none foreign companies, except worldwide sponsors and PwC. This phenomenon might arise the question of whether Chinese sport marketing is going to be unstable, as a result they lack of sponsoring intention. Or another question still is if the Youth Olympic Game is not perfectly enough to sponsor, from businessmen's perspective. This indirectly reflects that Youth Olympic Games still has a long way to go to be commercially attractive. The concept of Youth Olympic Games might limit the likelihood of being strong brand itself, since it is mainly about the youth, which might reduce the extent of benefit those sponsoring partner could gain from their YOG sponsorship investment.

7.2. Conclusion

First, sponsors try to inform consumers their new product quality in the new market by allying with Youth Olympic Games. This outcome from the thesis reveals that, from signaler's perspective, marketing signal sent is an effective way to achieve communication between product buyer and seller. Meanwhile, signaler could communicate their intention, motives or commitment with market signals. In this way, they are able alert their competitor with market signal by building the competitive preemption in a new product, in a new technology, or in a new market (Herbig 1996). For instance, Chinese domestic brands like 361 Degree, China Telecom and Suning Commerce, they intend to enter into international market with new issued product or new technology, while international brands, such as Coca Cola, and Visa, try to act as local with YOG sponsorship agreement. From the sport sponsorship history of 361 Degree and Tencent, it is concluded that enter into a brand alliance with another brand by sponsoring sport event could be an appropriate way to signal high quality to the marketplace (Rao and Ruekert 1994). Besides, another conclusion from four sponsors' narratives is that the use of sport sponsorship promotes the sponsors' brand development by associating with the values of sport, regardless of industry type. Through the sponsorship deals with sport events, the sponsors are able to redefine their brand, to increase their brand awareness, to enrich sponsors' brand equity, and to assert brand value.

I admit that the second hand data obtained is limited by the theoretical framework developed by my subjective opinion, which cause the existence of the subjective bias. Thus further research is suggested to investigate the research questions by primary data. Furthermore, limited by research schedule, this thesis does not cover any words about what sponsor do during the event, or after the event, which is very significant to evaluate the outcome from YOG sponsorship. Another suggest for further research could be to consider

how sponsors' brands develop from YOG sponsorship over a long time span. In this thesis, I only pay attention to how sport sponsorship pushes four Chinese firms develop further. However, these firms are at the same time involved in another types of event. Thus another interesting research field surrounding sponsorship is the brand developing from sponsorship opportunities of different types, for instance, art, music, charity sponsorship and so on, or to make the comparison between sport sponsorship and other types.

8. Reference list

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