Creating Brand Awareness Through Event Marketing

The Off-Field Competition of Sportswear Companies in the Olympics

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Abstract

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The Off-Field Competition of Sportswear Companies in the Olympics

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Purpose: The purpose of this paper is to research how companies are promoting themselves efficiently to increase brand awareness through advertisement in major sporting events, through viral marketing and athlete endorsement.

Research Questions:

Firstly: What are the major differences and similarities between the official and non-official sponsors and their marketing activities when creating brand awareness in sporting events?

Secondly: How do official and non-official sponsoring companies increase brand awareness in sporting events through viral marketing activities?

Thirdly: How do official and non-official sponsoring companies increase brand awareness in sporting events through athlete endorsement?

Method: Data was collected with a qualitative multi-method approach that consists of observations of online social networks and media (netnography), and semi-structured interviews was applied.

Conclusion: The main differences between the official and the non-official sponsor’s marketing campaigns are that the official sponsor has the advantage of using the event's logo in its campaigns, and is able to
advertise during the event. Whilst, there are many rules that restricts the non-official company’s campaigns. Regardless, non-official sponsors are still able to associate themselves with the event by using creative viral marketing campaigns and endorsing athletes, thus create brand awareness by so called ambush marketing.

**Keywords:** Brand awareness, The Olympics, London 2012, Sponsorship, Ambush Marketing, Athlete Endorsement, Viral marketing, Adidas, Nike.
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Västerås, May 30, 2012
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Chapter 1: Introduction

In Chapter 1, the topic of this study is introduced and background information about the research topic is provided. The introduction of the research area is followed by the problem description, the purpose of the paper, the research question, and this chapter ends with an outline of the study.

1.1 Background and research area

The Olympic Games (Games) is one of the greatest sporting events in the world (Sookiew, 2012), and has been hosted every fourth year (with the exception of 1940 and 1944) since the first modern Games in Athens in 1896 (Polley, 2011). The event invites the world’s best athletes to compete in several sports, and outside the sports the Games promote freedom and unity for the people around the globe. The Olympics is one of the most popular and watched events in the world with millions of viewers on television and the Internet and with thousands of enthusiastic spectators watching the Games live in the Olympic Stadium (Olympic Review, 2009). For example, the estimated number of viewers watching the Olympic Games on TV is 3.7 billion people from 220 countries (Olympic Review, 2009). Nowadays, the Olympics is not only about sports and watching the best athletes in the world compete, it has also become a business where some of the greatest companies in the world compete through marketing, promotion and advertisement before and during the Games, and by sponsoring individual athletes, teams and countries in order to increase brand recognition and brand awareness (Lee, 2005). Moreover, the number of users of social media networks has increased immensely in recent years. During the time of the last Olympics in 2008, the world had around 100 million people using social networks. In 2012, 2 billion people use social networks like Twitter and Facebook (Miller, 2012). The 2012 Games will be the first Olympics where social media is really widespread. Therefore, this new and attractive marketing communication channel will be used by many brands to create brand awareness prior and during the Olympics, and this year’s Olympics are considered to be the first “Socialympics” (Miller, 2012). In this study, authors will investigate how companies make use of the Olympic event to create brand awareness through viral marketing as well as athlete endorsement prior to the Games.

Brand awareness is an important aspect for every company. In order to be successful and recognizable, a brand must have qualities that build this awareness between customer and a brand. However, brand awareness can also occur without any actual involvement or relationship, for example people might recognize a brand and spread word of mouth (WOM) or have an opinion about it (Hong-Youl, 2004; Aperia and Back, 2004). In the Olympics only one brand in each product category can be the official sponsor. This brand has the exclusive rights to use the events logo and the word “official” in its marketing campaigns, they also have other beneficial advantages when promoting their brand during the event in order to gain brand awareness (Meenaghan, 1996).

One way for the non-official sponsoring companies to market themselves and increase brand awareness in the Olympics is through the use of ambush marketing, which is a marketing tactic used to associate a non-sponsor company with an event without paying any sponsorship fees (Schmitz, 2005). The non-official sponsoring companies can develop creative advertising
campaigns around the event, without using the event logo, trademark or trade name, and still be able to create brand awareness and association with the event (Schmitz, 2005).

This study is focused on the sportswear industry. Sportswear is a visible element that athletes are wearing during the competition, thus audience is exposed to the sportswear brands when they are looking at athletes. For the Olympics 2012 in London this summer, the official sponsoring sportswear company will be Adidas (London 2012 Organizing Committee, 2011). Despite Adidas’s exclusive deal with the London Organising Committee of the Olympic Games (LOCOG), there is no doubt that other sportswear companies will try to get noticed (Kelso, 2012). Nike is one of Adidas’s main competitors, and will be discussed in this study as an example of a non-official sponsoring company.

1.2 Description of the problem
The need for sponsorship is crucial for major sporting events to take place since it takes a lot of financial investments. Therefore, events have official sponsors that are offered exclusive rights to advertise in the event and gain brand awareness, and these rights are acquired by paying a sponsorship fee (Ellen, 2010). Major events are also a marketing opportunity for a brand to be seen and to create brand awareness among consumers from the brand’s target market (Kim, 2010). Meenaghan (1996) explains that a problem often occurring during these large events is that other non-official sponsoring companies are also marketing their brand and products at or nearby the event, or run commercials with a connection to the event to create brand awareness. These marketing strategies, called "Ambush Marketing", detract from a rival that is the official sponsor, and thereby it can diminish the value of the official sponsorship. “This practice, known as ‘ambush’ or ‘parasitic’ marketing, simultaneously reduces the effectiveness of the sponsor’s message while undermining the quality and value of the sponsorship opportunity that the event owner is selling.” (Meenaghan, 1996 p103).

In this study, advertising campaigns prior to the Olympics 2012 will be examined and analyzed, and a comparison between the official sponsor and the non-official sponsor will be conducted. In the sportswear industry, there are two market leaders competing for brand awareness and market share - Adidas and Nike (Kelso, 2012a). Adidas is the official sponsor in London this summer, where the Games will be taking place from July 27th to August 12th, making it the exclusive advertiser for sports apparel and shoes during this period. This study will investigate the marketing activities that Adidas performs in relation to the Games through viral marketing and athlete endorsement. Moreover, this study will also investigate how Nike as a non-official sponsor is creating brand awareness in connection with the Games and their use of ambush marketing. However, there are many legal limitations and restrictions regarding ambush marketing in the Olympics 2012 that Nike must take into consideration before launching their campaigns (London 2012 Organizing Committee, 2011).

Marketing in connection to sporting events through viral marketing is a new and rapidly growing phenomena (Miller, 2012), thus there is a knowledge gap regarding this topic (Owen & Humphfrey, n.d). The growth of ambush marketing in large events and the importance of athletes in companies advertisements are other interesting topics that the authors found little academic research on when conducting the literature review. Therefore, the authors wanted to
investigate these marketing tactic’s impact on the London Olympics 2012. Moreover, the authors aim is to compare the different marketing activities from the official sponsor and a non-official sponsor, and to evaluate their performance in order to find out if the official sponsorship in the event ensures the highest brand awareness.

1.3 Purpose of the study
The purpose of this study is to analyse how companies are promoting themselves efficiently to increase their brand awareness through advertisement in major sporting events by either sponsoring the event or by using ambush marketing strategies. A comparison between an official sponsor and a non-official sponsoring company will be conducted. The authors focused the investigation on two of the marketing channels: viral marketing and athlete endorsement.

1.3.1 Research Question
In order to examine the different marketing activities companies are using to promote themselves and to create brand awareness in the Olympics, the following research questions were developed to guide the research:

R.Q.1: What are the major differences and similarities between the official and non-official sponsors and their marketing activities when creating brand awareness in sporting events?

R.Q.2: How do official and non-official sponsoring companies increase brand awareness in sporting events through viral marketing activities?

R.Q.3: How do official and non-official sponsoring companies increase brand awareness in sporting events through athlete endorsement?

1.4 Outline of the Study
Chapter 1 includes introduction, background information and research area of this study. Further, the problem, purpose and research questions are presented. Chapter 2 provides a theoretical framework where definitions, key concepts and theories are defined and explained. Moreover, Chapter 3 explains the methods the authors used when conducting the research, as well as reliability, validity, ethics and limitations. Additionally, Chapter 4 presents the empirical findings of the chosen companies marketing strategies in the the Olympics, and also about ambush marketing in previous Olympics found through the conducted research, observing the viral environment, and when conducting interviews. In Chapter 5, the empirical material is analyzed and compared to previous theories presented in the theoretical chapter. Lastly, in Chapter 6, the conclusions are presented as well as the answers to the research questions. In the end of this chapter recommendations are provided.
Chapter 2: Theoretical framework

In this chapter the authors define the concepts that were used in this study and present a conceptual framework. The theoretical framework guides the audience through the concepts, and provides structure and coherence during the data collection and analysis for the researchers.

2.1 Branding

A brand is distinguished by a name or symbol that identifies a product and helps to differentiate it from others (Dolak, 2003). In general, branding builds name recognition for one’s company or product (Dolak, 2003). It is very important to stand out in today’s global marketplace because people are surrounded by many products and services. Therefore the importance of brand management has greatly increased. In fact, the marketer’s most essential task today is building and managing their brands (Kotler & Armstrong, 2010). The brand has to be carefully developed and managed, and therefore branding is a vital part of the marketing strategy. A brand is the company’s most powerful and valuable intangible asset, and can even be more important than the company’s products or services and facilities (Aaker, 1991). Kotler and Keller (2006) argue that because brands represent consumers’ perceptions and feelings about a product, the most critical aspect for a brand to capture is consumer preference and loyalty. Companies develop new products and build new stores and factories, despite the fierce competition and the fact that there are few empty or undeveloped niches. Therefore, in order to fight for market share, every product has to be different than the company’s rivals and it is essential to stand out (Ghauri & Cateora, 2010). When brands are successful they represent kept promises and they build loyalty through trust. This results into loyal customers who continue to demand products, and consequently profit for the company (Reichheld, 2001).

By establishing the brand, it is possible to develop and shape it further. As mentioned above, brands are one of the most valuable assets that companies have. They can increase the value of a company over time or provide an opportunity to expand the business - for example by creating sub-brands and therefore allowing operations in different areas. Moreover, the company can develop a strong brand personality that makes it possible to explore new areas with the same brand. An example of this is Virgin offering services and products within various areas, like airline, music records and media. Further, differentiating a brand has become a central task for companies in the quest to become more competitive and moving towards building or producing a brand, rather than a product (Ghauri & Cateora, 2010).

Brands do evolve over time. There are five levels that can be stated in a pyramid form. The first level pertains to attributes that make brands special and express the identity of the producer (i.e. label). The second level is known as functional superiority or benefits. The third level is referred to as the emotional reward that customer receives by using a brand. The fourth level pertains to customer values and the power of self-expression image. At the top of the pyramid stands a brand’s personality, which is the major component of brand building and includes promotion of its image and lifestyle. Ghauri & Cateora (2010) suggests complementing this
pyramid with two extra characteristics that are consistency and differentiation. These qualities are important in terms of a quality and uniqueness.

![Brand Characteristics Diagram](image)

**Figure 1 Brand Characteristics**

*Based upon Ghauri, et al, 2010*

Regarding brand's personality, consumers can easily relate a brand to a person with its human characteristics and it can be described as the emotional relationship that exists between a brand and a consumer. This can also be defined as brand congruence (Ghauri, et al, 2010). “*The greater the intensity of personal expression and involvement in the consumption of goods, the more important the congruence between brand and human personality becomes*” (Maehle, 2010, p.47). Brand personality is often the factor that distinguishes one brand from another and therefore attracts different customers. Consumers tend to buy products that are perceived to be similar to their own self-concept; thus self-image is being compared with the brand. (Evans, M., Jama, A., & Foxall, G. (2010).

The way that companies want consumers to perceive their brand is through the brand’s identity (Ghodeswar, 2008). Brand identity is the basis for all brand building activities: it consists of several brand elements and it is possible to divide them into a core identity that includes name, trademark, communications, visual appearance and extended identity. Core identity is related to functional benefits that brand conveys, and it can be on a low, medium, high, or very high level. Thus, extended identity includes more emotional and self-expressive benefits that complement a brand and are related to the experience of owning and using the concrete brand (Lombard, 2007; Chitale and Gupta, 2011). Each brand has a different level of core and extended identity. These brand elements that form brand identity create brand awareness amongst people and differentiate brands from each other. According to Keller (2008), there are six general criterion for brand elements that should be followed in order to develop brand that people are aware of: Memorability (easily recognized, easily recalled); Meaningfulness (descriptive, persuasive); Likability (fun and interesting, rich visual and verbal imagery); Transferability (within and across product categories, across geographic boundaries and cultures); Adaptability (flexible,
A company’s branding efforts are performed to strengthen the brand and to make customers and potential customers aware of the brand. The next topic for this study is brand awareness, which is the first step in the traditional model of consumer purchase behavior, and is crucial to differentiating the product from other similar products and competitors.

### 2.2 Brand awareness

Brand awareness is an essential step in the communications process for businesses and in the creation of brand equity. Without the occurrence of brand awareness, no other communication effect can occur. A consumer must be aware of a brand to buy it (Macdonald & Sharp, 2003; Koniewski, 2012). The marketing model AIDA, which means Attention/Awareness, followed by Interest, Desire and Action, describes this system and gives a general understanding of how a company can target a market effectively. AIDA also explains that it all starts with attention and awareness. Brand awareness refers to the strength of a brand’s presence in the consumer’s mind (Aaker, 1996).

Koniewski (2012) argues that when a consumer is about to purchase a product, their choices are frequently made in reliance to brand awareness. Brand awareness reflects the customers’ knowledge and capacity to recognize a brand. The level of brand awareness is heavily affected by the synergy of the brand name itself and the attached symbols, imagery and brand slogan within the given condition (Aaker, 1996). The reason brand awareness affects the consumers’ buying behaviour is because it represents the main factors for including a brand in the consumers’ evoked set. The evoked set is the group of relevant brands a consumer chooses between when thinking about purchasing a product. Brand awareness can also influence consumers’ buying behaviour in other ways: for example, the perceived risk is lower if they are already familiar with the brand. Moreover, brand awareness influences customers’ perceptions and attitudes, and it also affects brand loyalty (Koniewski, 2012; Hoyer & Brown, 1990). It is notable that brand awareness only describes the fact that the customer is aware of the brand and able to identify it, and it does not necessarily mean that they prefer one specific brand over others (Dolak, 2003).

According to Dolak (2003), brand awareness can be divided into three levels: brand recognition; brand recall; and top-of-the-mind awareness. Brand recognition is when a customer is able to confirm that he or she has previously seen the brand and expresses familiarity with it (Dolak, 2003). Brand recall reflects awareness of a brand when it comes into a customer’s mind as soon as the brand’s product category is mentioned. The highest form of awareness is top-of-the-mind awareness, which means that a customer thinks of a particular brand first, when they hear a product category (Dolak, 2003). This is a very attractive position for a brand to obtain. For example, if the product category “fast food” is mentioned, McDonald’s is often mentioned as one of the top alternatives, and the brand is enjoying a strong top-of-the-mind awareness in its category. Factors that help to build brand awareness are the brand name, advertising and sales promotions, the use of celebrities endorsing the brand, the popularity of the parent company, public relations, and peer group opinions (Aaker, 1996).
In sports marketing, branding and the creation of brand awareness can be performed in several ways by using different sports marketing communication channels, which will be discussed in the next section.

2.3 Sports marketing communication channels

“Marketing communications are the means by which firms attempt to inform, persuade, and remind consumers—directly or indirectly—about the products and brands that they sell” (Kotler & Keller, 2006 p.536). Nowadays people are exposed to information and advertisements through various communication channels. These communication channels have to be appropriate and have an image fit between the channel, product, the environment or context that it is transferred in (Kotler & Keller, 2006). Sport events are gaining popularity and the sport event business is growing every day, therefore, sports marketing has been developed. The sport business is worth billions of dollars and thus marketers have realized that sports marketing is a vital part of the economy and offers a ripe opportunity for consumer marketers (Bush, 2005). Studies have proved that people tend to rely on word of mouth which can influence a consumer’s purchase behaviour (Rosen, 2000). Thus sport-oriented companies are recognizing that creating a “buzz”, whether it is via peers, key Internet portals, market mavens, or celebrity endorsements, is an integral part of their marketing communications strategy (Rosen, 2000).

In order to reach customer’s attention, it is necessary to develop marketing communications that inform, persuade, and remind customers about the brands that are represented. Such communication can be provided directly or indirectly to build relationships with customers and to develop brand awareness (Kotler & Keller, 2006). These marketing communication options can be mixed and combined according to the necessity and relevance. It is possible that customers find the marketing channel inappropriate for the product, thus it creates negative association towards it. For example, life insurance advertisement in aircraft can develop negative feelings for passengers that are afraid to fly (Keller, 2008).

There are ten suggested marketing communication channels: Media advertising (TV, radio, newspaper); Direct response advertising (Mail, telephone, broadcast media, print media); Viral Marketing (Web sites, interactive ads and e-mails); Place advertising (Billboards and posters, movies, airlines, product placement); Point-of-purchase advertising (Shelf talkers, aisle markers, shopping cart ads, in-store radio and TV); Trade promotions (Cooperative advertising, trade deals and buying allowances, contests); Consumer promotions (Samples, coupons, premiums, bonus packs, price-offs); Event marketing & sponsorship (Sports, arts, entertainment, festivals); Publicity and public relations; Personal selling (Keller, 2008, p. 230)

As for this study, the authors focus on two of the communication channels; event marketing & sponsorship, and viral marketing. In connection to these, topics of athlete endorsement and ambush marketing are discussed. The authors chose these topics since event sponsorship is a common marketing communication channel for sportswear companies that use large events to promote themselves. Moreover, athlete endorsement is also often used by sportswear companies in large events to gain awareness, since their products are visible during games and competitions. In this years Olympics the use of viral marketing has increased largely, and
therefore it is an interesting area to research. These topics will now be discussed in the following sections.

2.3.1 Event Sponsorship

Sponsorship is similar to traditional advertising in the way that both are used to communicate an organization's message and image of a product, brand or service to the target market (Jalleh, 2002). Sponsorship is a common marketing activity that takes place in public events or projects and it is also known as event marketing (Sneath et al., 2005). Connecting a brand to an event is a good approach to address consumers. "By forging this connection, sponsorship makes use of balance theory which states that when a belief may be unbalanced and unstable about two objects, the human mind unconsciously tries to link the lowly valued object (product) with the highly valued object (event). As a result of this process, sponsorship creates, in the minds of consumers, a link between the company or brand and an event or organisation that targets consumers' value highly" (Erdogan & Kitchen, 1998). Another advantage of using events as a communication channel includes the face-to-face contact a sponsoring company can have with their target audience (Sneath, Finney, Close, 2005).

Every company cooperates differently depending on the type of event and product. According to Fill (2006) sponsorship is a commercial activity, whereby one part permits another part an opportunity to exploit an association with a target audience in return for funds, services or resources. In this research the authors put emphasis on sports marketing as it is a popular type of events that attracts many people and therefore marketers as well. It is important to choose appropriate events in order to match the target audience and the brand. There are four crucial factors that affect sponsor recall: sponsor relatedness, sponsor prominence, buyer exposure to the brand at the event, and buyer exposure to the brand "due to individual involvement or identification with the sport and team" (Wakefield, et al, 2007, p.67). The intensity and frequency of the individual’s relationship with the event will drive the level of event's sponsor recall. Therefore, the image of the event is very important. It has to have sufficient awareness and has to be able to deliver desired expectations. Gwinner and Eaton (1999) suggest two types of product relevance: function-based, in which the product is used in the course of the event by the participants, and image-based, in which the brand seems to belong with the event. "Sponsorships are now one of the fastest growing marketing communications vehicles in the world" (Gwinner & Eaton, 1999).

There are many ways in which a company can identify itself as a sponsor. The most popular ones are signs, banners or special programs and it can be supplemented with prizes, free samples of goods, and retail promotions (Keller, 2008; Hede and Kellett, 2011). Personal contact with the brand during the event can increase possibility that potential customer will remember it or even buy it. For example, allowing people to interact with the product or talk to the representatives. As for TV viewers of the event, they can switch the channel or do something else during the break because people tend to avoid commercials, yet they are exposed to the banners and other ads on the spot during the event. For example, football fields with sponsored banners and branded athletes are impossible to avoid. This kind of passive communication is not as effective as active interaction with the viewer, although this is the only communication tool for visual media audience. (Nickell, Cornwell, & Johnston, 2011)
2.3.2 Viral Marketing

The future of traditional mass media advertising is uncertain (Ingram, 2010) since the rising cost of buying traditional media has made the marketers search for other channels (Wilson, 2005). At the same time consumers consider themselves overwhelmed by too many advertising messages, leading to consumers that actively avoid traditional marketing instruments (Hinz, 2012). An alternative marketing channel that companies can use to promote themselves is viral marketing. Viral marketing is described as a marketing technique that use social networks to create brand awareness or to achieve other marketing objectives, by encouraging individuals to pass on a marketing message to other users or sites (Wilson, 2005; Hinz, 2012). Viral marketing is an attractive alternative since it uses the free endorsement of individuals rather than purchasing mass media to spread the word (Wilson, 2005). Moreover, viral advertising is an efficient marketing tool, because consumers can pick and choose what ads they want to watch and when, and when opting in voluntarily, the message is received more effectively (Howard, 2005).

This marketing strategy depends on a high pass-along rate from person to person, with so called word-of-mouth (WOM) and buzz marketing. Buzz marketing is simply referred to as “buzz”, and is an expression of the type of publicity spread among consumers online, causing excitement for the product being marketed (MindComet, 2008). “Buzz marketing is a multi-dimensional communication process that involves sending persuasive messages out via buzz agents (senders) to buzz targets (receivers) in the form of WOM (offline and online) conversations, and retrieving market research information from buzz agents on the particulars of these buzz marketing experiences” (Roshan, Michels, Walker, Weissbuch, 2007 p.151). A positive buzz is usually the aim of viral marketing (Roshan et al, 2007).

Viral marketing is considered to be an inexpensive, effective and powerful tool to increase the popularity of a brand and it creates a potential for exponential growth in the message’s visibility and effect if a buzz is generated online (Hinz 2012; MindComet, 2008). A buzz spread like a virus, and the viral strategies take advantage of the rapid multiplication, where a message can be shared by thousands, and even millions in a short period of time (Wilson, 2005). Viral marketing may take the form of video clips, emails, images, interactive flash games, advergames, or text messages (Rodić, 2012). Platforms used for launching these marketing messages and campaigns include the brand’s social media page (for example twitter, facebook, youtube), blogs, the campaign’s own website or the brand’s website (Rodić, 2012). A trend among major marketers is to create interactive online campaigns in which they try to create messages so fascinating, funny or evocative that the consumers spontaneously want to share them with friends in the viral environment. If the consumers gets involved in the ad, it is more likely that the consumers will share message (Ives, 2005).

The main strength of viral marketing is that it involves targeted promotion, meaning that it can reach a large number of interested people at low costs. The challenge with viral marketing is to make the message creative or attractive enough for users to want to bother spreading it around (Hinz, 2012). There are various reasons why people would not want to share and spread the ad
further, for example, it is too shocking or involves nudity or rudeness that a person would not like to share with others. Teixeira (2012) has conducted experiments demonstrating that even though people enjoy particular advertisement, it does not necessarily mean that they will share it with others. Therefore, although people may enjoy a shocking ad and watch it privately, it often works against their desire to share it. (Teixeira, 2012)

2.3.3 Athlete endorsement

One way companies can promote themselves during and in connection to major events is by sponsoring athletes, so called athlete endorsement (Braunstein-Minkove, Zhang, Trail, 2011). Companies pay large amounts of money for the endorsements of athletes and in return the endorsed athletes are expected to accomplish a number of objectives. These include “capture the attention of consumers, strengthen recall of the brand name, reinforce the image of the product, give the message credibility, increase product attractiveness, increase liking and recall of the ad, and increase the likelihood of purchase” (Martin, 1996. p28).

Lear, Runyan & Whitaker (2009) argues that companies use public recognition of a person to recommend or co-present a product in an ad. Further, manufacturers and retailers have used athlete endorsement for many years in order to sell products, since athlete endorsement are likely to influence consumer buying decisions positively (Lear, et al, 2009).

Endorsement contracts with professional athletes are contracts that bind the athlete with a specific company, and the athlete's name is associated with the company's products and services (Lee, 2005). For example, sportswear companies use this kind of marketing extensively, where they provide the athlete with shoes, clothing and other equipment to wear during the competitions that will improve the athlete's performance, and at the same time reach out to millions of viewers at the television with their brand appearance and advertising (Lipsey, 2006). The contracts will vary a lot for different athletes depending on the popularity of the sport and the level at which the athlete competes at, ranging from only receiving the products for free, to being paid a large sum of money to wear the company’s clothing and shoes. This is usually very beneficial for the companies since their products are used and advertised by the world’s most successful athletes (Lee, 2005). The athletes are being exposed on TV with the company's products. For example, the estimated number of viewers watching the Olympic Games on TV is 3.7 billion people in 220 countries (Olympic Review, 2009).

The success of an athlete endorsement is evaluated in terms of how well the athlete can reach a specific market and transport a favorable brand image (Barez, Manion, Schoepfer, Cherian, 2007). There are many factors that determines the effectiveness of a company's athlete endorsement. Image-match between the athlete being endorsed and the sponsoring company is essential. Moreover, there has to be a congruence between the athlete and the target market (Simmers, Damron-Martinez, Haytko, 2009; Berez et. al., 2007). Another factor that determines the success or failure of a athlete endorser is how well the athlete perform in competitions and games. If the athlete is successful and wins, the sponsoring company will receive more attention and increase brand awareness (Elberse, 2009; Hoecke, Hoecke, De Knop, Taks, n.d). Consumer's perception of the athlete's performance, perceptions of the sponsored athletes image, charisma,
physical appearance and personality are factors that also play a large role in determining the
effectiveness (Hoecke et al., n.d).

According to Miciak and Shanklin (1994) there are five basic questions that should be
considered before endorsing an athlete. Is the athlete trustworthy, recognisable by the target
audience, affordable, at little risk for negative publicity, and appropriately matched with the
intended audience? Miciak and Shanklin (1994) also discusses four other factors that affects the
success of an endorsement: familiarity, relevance, esteem and differentiation. Firstly, familiarity
is an essential component of an effective endorser. The athlete has to be perceived by the target
market as friendly, likeable and trustworthy. Secondly, relevance is important because a link has
to exist between the athlete and the product, as well as between the athlete and the target
market. Thirdly, esteem is explained as the level of respect the consumers have for the athlete.
High respect leads to a credible commercial. Finally, differentiation is important and the athlete
has to be unique in some way and stand out and so the target audience will be able to see the
endorser (Miciak & Shanklin, 1994). Other factors affecting the success of an endorsement is
expertise and trustworthiness. According to McCracken (1989) the level of success when
communicating a marketing message depends heavily on the expertise and trustworthiness of
the endorsed celebrity. Also physical attractiveness of the celebrity could be a determining
factor affecting the effectiveness (Kamins, 1989).

2.3.4 Ambush marketing
Ambush marketing is a marketing strategy that occurs when a brand attempts to associate itself
with a marketing event, without paying the official sponsorship fee, in order to gain benefits
only available to official sponsors (Bean 1995; Meenaghan, 1996). Companies that are not the
official sponsor use ambush marketing in order to gain awareness and obtain other marketing
objectives, and at the same time detract from a rival that is the official sponsor, and thereby they
diminish the value of the official sponsor (Amis et al, 1999; Crow and Hoek, 2003). This is a
severe problem for the official sponsor and it represents a large threat to future sporting events,
because on one side there are sponsors of the event that pay millions of dollars to be the
exclusive sponsor, and on the other side there are companies gaining attention without paying
any fees. The importance of sponsors in big events is immense because the events are
dependent on the sponsorship fees to be able to host the events (Ellen, 2012). Therefore, it is
important for sponsors and event organisers to fight against these ambushing competitors, in
order to keep the exclusivity and maintain the sponsorship advantages (Mazodier et al, 2012).
Even though efforts are made to prevent ambush marketing, the success is limited due to the
fast development of new ambushing strategies (Chadwick & Burton, 2010).

There are several definitions for the different forms of ambush marketing. Meenaghan (1996)
describes five common ambushing strategies that companies use. Firstly, “Sponsoring Media
Coverage of an Event” means that a company that is not the official sponsor of an event, obtain
the broadcasting rights and thereby attain higher brand awareness in relation to the event
without being a sponsor. This happened in the Olympics in 1984, when Fuji had purchased the
exclusive rights to advertise in the event, and rival Kodak purchased the broadcasting rights,
and thereby got access to the events audience and got associated to the event (Meenaghan,
1996). The second form of ambush marketing that Meenaghan (1996) explains is ”Sponsoring a
Subcategory within an Event”. This is when the ambushing company decides to sponsor some lesser category within the event, at a lower cost than the official sponsorship fee. Again, a dispute between Kodak and Fuji illustrates this, but this time the roles were reversed. Kodak was the official sponsor in the 1988 Olympic Games, and Fuji sponsored the U.S swim team and advertised aggressively, and thereby associated themselves with the event at a lower cost. Further, making a sponsorship-related contribution to the “Players’pool” means that the ambushing company is sponsoring individual athletes or teams participating in an event. Athletes and teams have a powerful position in events, and they are looking to sell their property rights to sponsors. This creates a complicated situation and brings up the dilemma of whose rights should prevail (Meenaghan, 1996). One example of this is when Puma sponsored Usain Bolt in the 2008 Olympic Games, and after winning the Gold in the 100 meter race, he held up his Puma shoes when being photographed (Ellen, 2010). Moreover, Meenaghan (1996) explains that the ambusher can plan marketing activities that coincides with the event, or purchase traditional advertising around the event. For example, the rival company to the official sponsor might advertise heavily during or around a sponsored event. This happened in the 1992 Olympics, when McDonald’s was the official sponsor, and another fast-food chain, Wendy’s, featured an Olympic champion figure skater in their commercials. This connected Wendy’s to the event and detracted from their rivals McDonald’s, while the audience got confused about what company actually were the sponsor of the event. The last form of ambush marketing that Meenaghan describes is “developing imaginative ambush strategies”. Ambushing companies make use of creative campaigns and new forms of media to promote themselves in connection to events. One example of a creative campaign was the brewing company Fosters ambushed the official sponsor Steinlager in the Rugby World Cup in Great Britain in 1992. Fosters ran a campaign in Great Britain during the event, using the tag line “Swing low sweet carry-out”, which was clearly a play with the words from the British rugby teams anthem “Swing low sweet chariot” in an attempt to be associated with the event without paying an expensive sponsorship fee (Meenaghan, 1996).

Other authors that have written about the topic of ambush marketing are Chadwick and Burton (2010). They identified three different forms of ambush marketing, *Direct Ambush Activities*. *Indirect Ambushes*, and *Incidental Ambushing*.

1. **Direct ambush activities** include Predatory Ambushing, Coattail Ambushing, Property Infringement, and Self-Ambushing, and takes place when a brand intentionally tries to associate itself with an event without paying the sponsorship fees. Sometimes companies do this primarily to attack their rivals, other times this activity occurs mainly to take advantage of the large audience watching the event (Chadwick & Burton 2010). Some examples of direct ambush activities are when American Express had an ad during the Summer Olympics 1992 in Barcelona saying “And remember, to visit Spain, you don’t need a visa”, while Visa was the official sponsor of the Games. One more example is when a sportswear company is sponsoring an athlete participating in an event that is sponsored by the rival brand. Moreover, if a company intentionally makes use of a protected intellectual property, unauthorized, it is also direct ambushing. Examples of such properties include logos, words and symbols associated with the
event. All these activities create confusion for the customers about who actually is the official sponsor (Chadwick & Burton 2010).

2. *Indirect Ambushes* include Associative Ambushing, Distracting Ambushing, Values Ambushing, Insurgent Ambushing and Parallel Property Ambushing. It is defined as the intentional association of a brand with an event in order to market their product, but the brands main focus is not to take attention from their rivals, as in the direct ambush activities. An example of this is when a brand is putting up ads and billboards near the event without making a specific connection to the event itself, but in order to gain awareness from the event’s audience. Moreover, when a brand uses an event’s central theme to associate itself with that event in the consumer's mind, it is also a form of indirect ambushing. For example, Puma had a soccer related ad during the FIFA World Cup in June 2008, with the slogan “June 2008: Together Everywhere”, and the theme of the event was unity and anti-racism. Lastly, if a brand competes for the public’s attention by sponsoring an event that is related to another event, as in the case when Nike sponsored a running event only seven days after the Olympic Games 2008, it is indirect ambushing (Chadwick & Burton, 2010).

3. *Incidental Ambushing* includes Unintentional Ambushing and Saturation Ambushing. It can be explained as an unintended association with an event. The consumers think that the brand is a sponsor, however, the brand has not made any attempts to establish that connection. Even if it is not intended, it still is a problem for the host of the event since it clutters the marketing environment. For example, if media coverage mentions clothing or equipment used by an athlete, this can confuse consumers thinking of that particular company as the official sponsor, even if they are not. In the Beijing Olympics 2008, the Speedo LZR racer swimsuits were mentioned so frequently that the audience thought Speedo was an official Olympic sponsor (Chadwick & Burton 2010; Söderman & Dolles, 2010).

\[\text{Based upon Chadwick & Burton, 2010}\]
Mazodier et al. (2012) explains that "consumers rely on heuristics to recall sponsors and some may genuinely recall a non-sponsor as a sponsor, simply because the brand is dominant or exhibits a high degree of congruence with the event" (Mazodier, et al, 2012, p. 198). Rival marketers strive to mislead consumers by ambush ing the event, and thereby create awareness. People might misinterpret this action as a marketing activity from the official sponsor, therefore, ambushers take credit for the effort and money that is invested into the event by the official sponsors.

Ambush marketing is considered to be a serious problem by hosts of major events, thus legal protection must be provided (Crow and Hoek, 2003; Ellen, 2010). Companies that use events sponsored by rivals as a platform to gain attention and recognition has to act creatively in order to avoid legal responsibilities. Non-sponsors do not carry direct messages, although they aim to create a belief that they are official sponsors. “Labelled ‘ambush marketers’ are hounded both by event organisers and their army of legal counsels, these mavericks aspire to associate their brands with the event through the use of related imagery, heavy advertising around the site or intense presence around the broadcast of the event, and other media-related tactics.” (Mazodier, et al, 2012) To avoid a situation where rival companies get the same benefits as official sponsors of the event, organizers develop rules and limitations that include legal responsibility for non-sponsors.

The level of the ambush marketing protection depends on the size of the event. For big events that are sponsored by various important partner companies, it is necessary to guarantee that their investments and partnership will pay off and to create good relationships for future collaboration (Crow and Hoek, 2003). There are no common rules or restrictions against ambush marketing; regulations are created for each event independently. Examples of restrictions for non-sponsors are the prohibition of using the event logos and slogans, as well as advertisement around and in the area of the event (Blayney-Stewart, 2011).

2.4 Conceptual Framework

For thorough research development it is necessary to acknowledge relevant topics for the theoretical framework. According to Fisher (2010), creating a conceptual framework is simplifying the research task. The conceptual framework helps the researchers to provide structure and logic to the thesis. It also indicates the movement from confusion stage to certainty (Fisher, 2010). In this section the conceptual framework used throughout this thesis is introduced. The focal topic that is discussed and investigated in this thesis is brand awareness, and how it is created and increased by sponsorship and the use of the viral and ambush marketing in major events. For a better understanding of the chosen topics a conceptual framework figure was developed (Figure 3).

As shown in the conceptual framework figure, “sporting event” is the broad area all concepts are connected to, and therefore it is in the background of all the concepts involved in the figure. In the bottom of this figure there are two elements- “official sponsorship” and “non-official sponsorship”. In sporting events, sponsors can belong to only one of these two groups. These sponsors perform their promotional and sponsoring activities in different ways. The official sponsors perform activities with the "exclusive rights and advantages" from the event.
organisers, while non-official sponsors perform “ambush marketing” in order to create brand awareness. Both the official and non-official sponsors use different “communication channels” as a part of their “branding” strategies. In this study there is focus on two communication channels “viral marketing” and “athlete endorsement”. Within the topic of sporting event, our main focus is “brand awareness”, and therefore the concept of brand awareness is at the top of this model with all the other concepts leading towards it.

Figure 3 Conceptual Framework

Source: Own Illustration
Chapter 3: Methodology

In this chapter, the methods applied and the research design is discussed. First, the selection of topic and the interest and relevance of this study will be explained. Furthermore, the research design and the data collection of primary and secondary sources are presented, followed by the reliability and validity of the data that was used when conducting this study will be presented, and the chapter is concluded with the limitations and ethical considerations.

3.1 Selection of Topic

We started our research by deciding on an interesting topic that we wanted to research. According to Fisher (2010) it is important for the authors to choose a topic that is interesting and exciting, to be able to have the motivation throughout the project and to write a good thesis. We chose "Brand building in major sporting events" as the main topic, since branding and sport are two current topics and common interest. We did a brief research of the topic and found several academic articles regarding corporate sponsorships and other forms of marketing in major sporting events. Particularly the event of the Olympics caught our attention, being one of the largest sporting event in the world (Meenaghan, 1996). We formulated a preliminary research question to keep the researched focused: How do companies create brand awareness through sponsorship in major sporting events? We wanted to investigate how companies create brand awareness in major sporting events and what kind of communication channels they use. When conducting a deeper research, we decided to look at the official sponsor's activities, as well as the non-official companies marketing activities (ambush marketing) before this year's Olympic Games. However, when conducting our literature review on these topics, we found that little research has been done comparing sponsors and non-sponsors marketing strategies. We also discovered a literature gap when looking at viral marketing as a marketing communication channel in major sporting events. This made us curious on these topics and we decided to look further into them.

We concentrated our study on the sportswear industry, since sportswear is an essential for athletes when they compete during the Games and therefore a visible element for the audience watching from all over the world. The focus is on the two industry giants Adidas and Nike, because Adidas is the official sponsor of this summers Olympics and Nike, the world's largest sportswear brand (Dogiamis & Vijayashanker, 2009), is a non-official sponsor. An interesting topic that we came across was the concept of Ambush Marketing, that we decided to research further, as well as viral marketing activities and athlete endorsement, which became the main focus of our empirical findings and analysis.

In this study we conducted a literature review and found plenty of academic literature regarding the topics of branding and brand building. This information gave us an understand of the 'landscape' of these subjects. We investigated books of known marketers, like Philip Kotler, Pervez N. Ghauri, Philip Cateora, which helped us to shape the theoretical base of the research. Secondary data about brand building, brand awareness, marketing communications and event marketing was found in academic journals that are available in databases like Google Scholar, Ebrary, ABI/INFORM Global and Emerald, and provided us with reliable, peer-reviewed
journals. However, data about current topics like for example ambush marketing, viral marketing and netnography, was harder to find and therefore newspapers and other new publications served as sources for this information collection.

When searching in the databases and the World Wide Web, we used the following keywords in different combinations:

- Branding*
- Brand Awareness*
- Marketing communication channels*
- Olympics 2012*
- Ambush Marketing*
- Viral Marketing*
- Athlete Endorsement*
- Official sponsorship*
- Non-official sponsor*
- Adidas*
- Nike*

### 3.2 Interest and relevance

As the largest sporting event in the world (London 2012 Organizing Committee, 2011), the Olympic Games phenomena is a very interesting and relevant event for global companies that want to improve brand awareness and other marketing objectives through sponsoring and advertising in sporting events. It is a unique opportunity for companies to advertise while the ‘whole’ world is watching (Meenaghan, 1996), and therefore we will use this event as a platform for our study. The competition for brand awareness is fierce, and our study gives insight in this rivalry. We will explore the sportswear industry and the two main players, Adidas and Nike, and we will investigate these companies different marketing approaches. Moreover, the topic of ambush marketing is interesting because it is not extensively researched, and there is limited literature on how ambush marketing diminishes the effectiveness of sponsorship (Wei, n.d) and ambush marketing is becoming an increasing problem in the Olympics (Ellen 2010).

This study is of relevance for companies interested in event marketing, for hosts of large events, as well as it is informative reading material for marketers interested in advertising in sporting events and ambush marketing. Moreover, this study will be significant material for athletes to understand their importance in this off-field marketing competition and for fans to understand on what level they are exposed to marketing just by watching a sporting event.

### 3.3 Research Design

The purpose of this study is to explore what companies are doing to advertise and create brand awareness prior to the Olympic Games this year. Therefore it is necessary to investigate the Olympic Games phenomena and develop an overall understanding of the marketing approaches used prior to the Olympic Games as well as to investigate the impact of ambush marketing on brand awareness. In order to get a broader scope of the research problem we let the investigation develop naturally, leading us to new aspects since it is hard to predict the outcome of this study due to the uniqueness of the investigation’s environment. However, the conceptual framework helped us to ‘frame’ this research and lead us to the preferred direction.

There are various possibilities of how to design a study, as well as two general types of research, qualitative and quantitative approach. A qualitative approach is used when a question needs to be described and investigated more in depth, in some cases with fewer raw data and aimed on quality, and usually no measurements or statistics are used. Instead, words, descriptions and
quotes are used. The data gathering strategies that the researcher employs include for example structured and unstructured in-depth interviews, focus groups, and observations. A quantitative analysis is used when something needs to be measured, and it is based on a more broad and overall analysis and aimed on quantity. It usually contains numbers and statistics. Research tools used in this type of data collection are for example questionnaires and surveys.

Many times the two methods are used in the same study to provide measurements for comparison and evaluation and to give a more in-depth explanation. The method of using two different research approaches is called “mixed-method studies” (Spratt, 2004). Mixed-method studies use different methods of data collection and analysis within a single study. One example of this method is when “the researcher conducts a series of semi-structured interviews with a small number of students and also carry out a large-scale survey” (Spratt, 2004).

In this research we used a “mixed-method studies” approach. We have primarily followed a qualitative approach, as we have focused our research mainly on observations of the viral environment via primarily social networks and blogs. We also conducted semi-structured interviews with an Adidas representative, the event manager of the Swedish track and field team, and an Olympic athlete. However, in order to conduct a measurement to be able to make a comparison of brand exposure, we also needed to use the quantitative research approach.

3.4 Data collection
In general, there are two types of data collection used for any research; primary data from primary sources, and secondary data from secondary sources (Bryman & Bell, 2011). In this study, we have used both primary data and secondary data to conduct the study. We will now discuss these two types of data in more detail in the following subsections.

3.4.1 Secondary Data
Secondary data is information that has already been collected by external parties and that is readily available (Bryman & Bell, 2011). The main advantages of this type of data are that they are cheaper and much quicker to obtain than primary data. Secondary data is also very useful when no primary data can be obtained (Bryman & Bell, 2011). Moreover, secondary data provides a basis for comparison, and it can be used to validate the primary data collected by the researcher. The main disadvantage of using secondary data is that the data is collected by others than the researcher who will use the data, and their purpose of the collection may be different. Thus, the data may not entirely fit to the second group's problem (Fisher, 2010).

Some other problems with the use of secondary data include the possibility of subjective influence, for example, if the data was taken from a biography it may contain poor validity and low quality. These can all diminish the accuracy of the research, and should be considered when choosing the method of data collection (Fisher, 2010). There are no specific methods of collecting secondary data, but they can include, for example, data collection from public records, census data, newspapers and surveys (Fisher, 2010).
In this study, we used secondary data from official websites, which we investigated to get information directly from the source. Moreover, we looked at up-to-date electronic journals, which gave us information of new topics like netnography and the emerging problems with ambush marketing. For further information, we looked at newspapers talking about Nike and Adidas and other related topics discussed in the news.

3.4.2 Primary Data
When realizing that existing secondary data was not providing sufficient information to answer our research questions in this study, it was apparent that primary data was needed. Primary data refers to data that you collect yourself using methods like interviews, questionnaires and focus groups. According to Fisher (2010), there are six most commonly used methods:

- Interviews
- Questionnaires
- Panels, including focus groups
- Observation, including participant observation
- Documents
- Databases

According to Bryman and Bell (2011) quantitative approach is testing of theory, therefore the qualitative approach is generating theory. Quantitative research is considered to involve more numbers and can be more easily related to questionnaires and database analysis, while qualitative research is considered to be more related to interviews and documents as they involve more words, not numbers. It is still possible to conduct both approaches with either of the methods.

The main advantage of primary data collection is that the data collected is unique to the authors and the research, and until it is published no one else has access to it. Thus, this type of data is much more consistent with the specific research problem and research objective at hand. The main disadvantages of collecting primary data are that it might be expensive and time consuming. Moreover, it could also be difficult to get access to the right people to interview, and if the research is not done properly and analyzed correctly, the reliability of the data might be questionable (Fisher, 2010).

3.4.3. Netnography
Today, over two billion people are using online communities (Miller, 2012) such as newsgroups, blogs, forums, social networking sites, pod casting, video casting, and photo sharing communities. Therefore the Internet has become an invaluable platform for research (Kozinets, 2010).

In this study, the majority of the empirical data was collected through ethnography observations online, so called Netnography (Tynan, McKechnie, Chhuon, 2009; Kozinets, 2010). "Netnography, or ethnography on the Internet, is a new qualitative research methodology that adapts ethnographic research techniques to the study of cultures and communities emerging through computer-mediated communications” (Kozinets, 2002 p2). Kozinets further describes
Netnography as an online marketing research technique that provides consumer insight by studying information publicly available in online communities. For example, the researcher can discover word-of-mouth discussions between consumers occurring in a natural environment. Compared to traditional ethnography, netnography is faster, simpler, and less expensive. Moreover, the method is explained to be more naturalistic and unobtrusive than focus groups or interviews. Limitations of this research method include the narrow focus on online communities, the lack of informant identifiers present in the online context and the difficulty to generalize results to groups outside the online community sample (Kozinets, 2002).

In this study, netnography data were collected for each of the chosen brands over a two month period. During this time we followed the developments of the activities online performed by our two chosen companies. We observed their advertising campaigns online, and looked for comments and responses as well as popularity by comparing the number of views of videos launched by the two companies. The social media sites we observed included YouTube, Facebook, Twitter and blogs. Moreover, we also looked at additional efforts the companies are undertaking to create brand awareness prior to the Olympics, for example product launches online.

When investigating viral environment, the trustworthiness and usefulness of the information obtained from the Internet needs to be evaluated, since the information online is very varying in quality. It can sometimes be difficult to determine if the websites information is reliable or not, and this is a disadvantage of this research method. However, one advantage with netnography is that it can be less obtrusive compared to traditional observations done with focus groups and interviews, and the groups studied are not aware that they are studied, and will therefore not change behavior as the case can be when they know that they are observed.

When observing commercials on YouTube, the authors looked at the numbers of views the videos had. This number is reliable, however, it does only give the total number of hits, and not the unique number of watchers. This means that one person could have watched the video many times, and the researchers do not know how many.

When observing the blogs online, the aim was to find the general buzz about the two researched companies. Despite the fact that individual blogs might not be the most reliable source since people are free to write whatever they want, it does reveal peoples opinions about subjects, and therefore we looked at a large number of blogs and social network sites to find information about the general buzz.

3.4.4 Interviews

Other primary data was collected through phone interviews as well as interviews via email, to collect primary data that was qualitative in nature. We used a semi-structured method, which means that the interviewee had some predetermined questions to answer, but also were allowed to speak freely about the topic under discussion (Fisher, 2010). This method is more loose and informal in the structure, and it helped us to find more useful information than if we used a pre-coded interview which is strictly controlled by the researcher (Fisher 2010).
We interviewed the marketing and event manager from the Swedish track and field team, and an Olympic athlete endorsed by Adidas, that will participate in this summers Games, to find out about the many challenges and issues that comes with athlete endorsement in the Olympics. We also conducted an interview with Adidas Sales Manager Nordic, to get first hand information about the company’s marketing campaigns related to the Olympics, about their official Olympic sponsorship as well as information about their view on ambush marketing performed by competitors.

3.4.5 Data collection methods applied

In order to answer the Research Question No 1: What are the major differences and similarities between the official and non-official sponsors and their marketing activities when creating brand awareness in sporting events? We investigated academic sources regarding the topics of: event sponsorship, Olympic sponsorship, sports marketing, ambush marketing and brand awareness. We also made observations to see what online activities companies are carrying out prior to the Olympics in order to create brand awareness. Viral environment observations were held in social networks, online media, blogs, and corporate websites, between March 20th and May 24th, 2012. We also conducted an interview with Adidas Sales Director Nordic who previously worked with the Olympic marketing campaigns for London 2012. This interview gave us insight in the major work of being an official sponsor and in Adidas major campaigns, and it helped to support our empirical findings of this study.

To develop the answer to Research Question No 2: How do official and non-official sponsoring companies create brand awareness in sporting events through viral marketing activities? observations of World Wide Web activities in social networks and corporate web pages as well as other forms of online publications (i.e netnography) was conducted. We also looked at secondary data to provide this study with the information of viral marketing activities and support the study with valid information.

Research Question No 3 of this study is: How do official and non-official sponsoring companies increase brand awareness in sporting events through athlete endorsement? In order to develop an answer to this question we used the online marketing research technique, netnography (Kozinets, 2002). Thorough investigation of athlete appearances in relation with both sportswear companies (Adidas and Nike) was conducted and analysed. To get a deeper understanding of the more complicated issues and rules involved in the endorsement of athletes in the Olympic Games, we conducted semi-structured interviews with the Swedish Track and Field Marketing and Event Manager, as well as with an Olympic Athlete that will participate in this years Games, sponsored by Adidas (personal sponsor), as well as by rival companies Puma (Swedish Track & field team sponsor) and Li-Ning (Swedish team Olympic Sponsor). Swedish Track and Field Marketing and Event Manager gave authors the insight in the complex situations regarding sponsorship within one national team as well as gave broader scope in understanding the hierarchy of sponsors and ethical aspects of athlete endorsers. Olympic Athlete brought inside knowledge of sponsorship issues and personal sponsor’s brand loyalty.

Important to mention is that other data collection methods could have been used in this study to collect the primary data and authors considered various methods to apply in this study. For
example a survey could have been conducted to find interesting information from the customers' point of view, a focus groups could have been used to investigate, for example, peoples attitudes towards ambush marketing, and questionnaires could have been useful to research how successful the companies are in their creation of brand awareness in connection to the Olympics, by asking, for example, if they know who the official sponsor of the Games is. However, due to the nature of our study, we chose to use observations and interviews.

3.5 Reliability and validity
An absolutely fundamental criteria for the research is reliability and validity. Bryman and Bell (2011) explains that reliability can be related to the consistency of the measurement instrument and weather the results of the study are repeatable. Reliability is considered to be present if measurement instruments can deliver the same results from the same environment or object after a while (Bryman and Bell, 2011). Validity refers to the assurance and truth of the research, and is concerned with the integrity of the conclusions generated from the study (Bryman and Bell, 2011, p. 42).

Fisher (2010, p 271) emphasizes four characteristics of validity of the research:

- The concepts and terms used to analyze and describe the research fairly represents the research material
- The interpretations and conclusions drawn are robustly and logically derived from the research findings
- Appropriate research techniques have been competently used so that the authors can be reasonably sure that the findings reliably and fairly represent the topic being studied
- It would be safe to use conclusions from the research as a guide in a managerial, professional or organisational practice

Fisher (2010, p 272) also describes different aspects of validity. Construct or measurement validity is related to precision of measurements, thus it represents compatibility between statements of measurement and actual measurement itself. Internal validity refers to cause and effect compatibility with evidence presented. External or population validity is connected to different external generalisation or interpretation mutual applicability in context. Ecological validity represents fairness of findings.

As for this study, subjective judgments has been acknowledged and taken into consideration, since they pose a threat to reliability. To minimize biases, all of our findings will be clearly linked to our topics in the theoretical chapter. Our aim is to present the results of this study as accurate as possible.

3.6 Limitations
Researching and data gathering was an ongoing process throughout this study, therefore it is important to note that new activities could take place after this study is finished and new information is constantly added. Pre-Olympic marketing activities will take place up until the start of the Games, July 27, 2012. This might affect the outcome of some of our conclusions. However, we can assure the validity of the data and information that was available before the 24th of May, 2012. Moreover, since this study is depending heavily on netnography,
observations performed online, during a specific time frame there is a risk that the results would come out differently if this study was conducted during another time. Since the information online changes constantly and new information that could affect the outcome of this study is continually added, it is difficult to guarantee reliability of a replication of this study. However, if another researcher had carried out the same study during the same time frame, most likely the same results would have been produced. Moreover, we carefully compared all our empirical findings to existing academic sources in order to minimize biases.

When it comes to validity, there are a few things to keep in mind. This is a study about brands in the sportswear industry and the Olympics, and therefore it is important to be aware of that the results might not be applicable for brands in other industries or for other events. Moreover, observing the actions taken from the two brands investigated to create brand awareness prior to the event, will maybe not give the same result if the research was conducted closer to, or after the event has taken place. Further, despite the limitations mentioned above, the authors want to stress that there are many academic articles available regarding marketing in The Olympic Games that are thorough and valid sources to strengthen this study. Also, interviews were conducted with professionals of their field to ensure reliable first-hand information. Lastly, our study was focused at the sportswear industry’s marketing activities in sporting events, and therefore it comprehends relevant information particularly to the sports management field, and might not be applicable for other industries.

3.7 Ethics

Another major issue to consider when conducting research is the ethical aspects of doing research (Fisher, 2010). When conducting research, it is important not to harm anyone or treat anyone unfairly. Informed consent is a key issue in research ethics, and everyone that has participated as a source in a study must have an understanding about how they are involved (Fisher, 2010). When we conducted our interviews, we started by clearly informing the participants that we were students doing research for our master thesis, what our topic was, and why they were chosen. The participants agreed to be a part of our study and we were allowed to use their names if we needed. Moreover, before recording the phone interview, we asked for permission to do so. When conducting an interview, it is important that the researchers are not revealing their personal view on the topics discussed (Fisher, 2010). When we conducted the research we had this in mind, and asked unbiased, open-ended questions.

Ethical issues concerning the research method Netnography has been debated in recent years (Kozinets, 2011). The main issues debated are if online forums is considered to be a private or a public site, and what constitutes “informed consent” in cyberspace. Consumers who created the data in the online forums might not want to be part of a research, and just because the information is publicly available, it does not mean that researchers can use it the way they want (Kozinets, 2002). Clear guidelines or rules how to ethically act when conducting Netnography has not yet emerged.
Chapter 4: Empirical Findings

In this chapter, the empirical findings are presented that have been collected by observing the viral environment, to see what the two largest sportswear companies Adidas and Nike are doing prior to the Olympics to create brand awareness online by using social media to convey their messages. Also, the most prominent Olympic athletes that the two companies are endorsing to market themselves at the Games have been investigated, and the challenges faced by these endorsed athletes are presented. Finally, the authors discuss the different positions the companies have as an official sponsor, and as a non-official sponsor and the use of ambush marketing.

4.1 Introduction

The focus of the empirical chapter is on the two largest competitors in this industry, Adidas and Nike. The largest player in the market is Nike, with a worldwide market share of 33 percent. The world’s second largest producer of sportswear is Adidas, with a 22 percent market share (Dogiamis & Vijayashanker, 2009). To be more competitive, Adidas bought the third largest competitor Reebok in 2006. Other rivals in the global sports apparel industry include Puma, Asics, New Balance, and the emerging Chinese brand Li Ning (Dogiamis & Vijayashanker, 2009).

In each product category, only one company can be the official sponsor, and in this case it is Adidas that has paid large amounts of money to be able to enjoy the advertising benefits that come with being an official sponsor of the Games (Meenaghan, 1996), and Nike is a non-official sponsor. This chapter will present the different approaches these two companies are using to create brand awareness in connection with the Olympic Games, and in particular the two marketing communication channels viral marketing and athlete endorsement. These two topics are connected in the way that the companies are using the endorsed athletes as spokes persons and the athletes are featured in many of the commercials. The last topic included in this chapter is ambush marketing, and ambushing cases from previous Olympics are presented. Ambush marketing is related in the way that it is a huge marketing problem within the Games for the official sponsors, and a common way for non-official sponsors to attain brand awareness without paying the sponsorship fees.

The reader can find background information on the two largest players industry, the official Olympic sponsor Adidas and the non-official Olympic sponsor Nike, in Appendix A.

4.2 Olympic Games

The Olympic Games has a long history and heritage. The event can be traced as far back as 776 BC when the first Games were held. The Games were dedicated to the 12 Olympian Gods and were hosted on the ancient green plains of Olympia, a place famous for its magnificent great temples of the two gods Zeus and his wife Hera (Athens Greece Guide, 2007). Back in the days, all the competitors were all male. Married women were banned from participating in the competitions, and they were not even allowed to watch the Games. If doing so, they could face the possibility of death (Davis, 2008). However, unmarried women could attend the competition, and the priestess of Demeter, goddess of fertility, was given a privileged position next to the stadium altar (Olympic Movement, 2012).
The modern Olympic era began in 1896 and since then the competitions have been held in different cities around the world every fourth year. A list of the Olympic cities can be found in Appendix B. Almost every nation sends teams of selected athletes to participate. The purpose of the Olympic Games is to foster the ideal of a "sound mind in a sound body" and to promote friendship amongst nations (Nostos Hellenic Cyber Centre, 2009). The feeling of unity and peace was the foundation of the Olympic Games. Historically, the Olympic Games were always an event where people put down the weapons and competed in pure athletic manner. After World War II, many war veterans and civilians who had been injured during wartime wanted to take part in the Olympic Games, thus the Paralympic Games were organised, which first took place in Rome, Italy in 1960 featuring 400 athletes from 23 countries (Official website of the Paralympic Movement, 2012).

4.2.1 Olympic Games brand

The Olympic Games are not just an international sporting event, but also a strong brand that embodies a unity of nations and athletes, yet at the same time it creates great rivalry amongst companies and brands (Lee, 2005). The Olympic Games have become an advertisement magnet that attracts companies and provides them with an unique advertising opportunity. “The Olympic brand as we know it today was not invented recently, nor is it merely the result of some clever marketing communications. Its reputation is the result of thousands of years of traditions supported by the societies passing on the heroic stories from one generation to the next, giving the Olympic brand its meaning.” (Davis, 2008, p. 12) Relatedness to the Olympic Games brand is a very valuable and great asset for a company. Therefore, it is necessary to obtain the right to relate to it and to use it. It has a strong added value with great awareness and positive attitude towards it, as people tend to relate positively to the Games. The Olympics unite people and nations by putting aside political and other issues. Each city that hosts the Olympics creates an Olympic Mascot that represents cultural heritage and promotes Olympic activities in social events and through media. The London 2012 mascots are Wenlock (Olympic) and Mandeville (Paralympic) (London2012, 2012b). These two characters “appear to have a single central eye, explained as a camera lens, through which they'll see the world, and respond to it” (Farquhar, 2010) The International Olympic Committee is organising various public events in order to promote the Games as well as activate the cultural life to increase tourism. For example, the London 2012 Festival takes place from June 21st to September 9th, 2012, with artists from all over the world that come together in celebration of the London 2012 Olympic and Paralympic Games. (London 2012, 2012c)
The Olympic Games emblem itself is “simple, distinct, bold and buzzing with energy. Its form is inclusive yet consistent and has incredible flexibility to encourage access and participation. It can communicate with anyone from commercial organisations to kids playing sport” (London2012, 2012b).

4.2.2. Sponsorship in the Olympic Games

The Olympics are a sound and important event in the life of sports as well as in the hospitality and travel industry, thus the hosting cities put a great effort and funding into it. “A survey from Deloitte recently revealed UK business sentiment to be swinging behind the Olympics, with 87 per cent expecting positive opportunities over the summer” (Warle, 2012). It is a very large scale event with noticeable expenses, therefore it is necessary to raise the money from sponsors. This kind of cooperation is beneficial for both parties; the Olympic Games are being funded and get extended publicity through sponsors individual channels, and the official partners and sponsors get the exclusive rights to advertise during the event and can use the Olympic brand in their advertisement and campaigns. To ensure that sponsors are investing money, and not just spending, the Olympic Committee must provide and protect sponsors from its rivals. “To ensure and maintain both the emotional and commercial value of the brand, there is need to carefully control its use and prevent its unauthorised exploitation.” (London 2012, 2012b). Therefore, there
are legal limitations and protection from ambush marketing or any other illegal interference from the rivals. London Organising Committee of the Olympic Games have made negotiations with Twitter not to sell advertisement space on their website for non-official sponsors with hash-tags like #London2012, as well as detailed social media and blogging restrictions are issued for Olympic athletes (Addley, 2012).

The development of the Olympic Games as a brand has created the need for protecting it in order to keep it exclusive and attractive. The Olympic Partner (TOP) program, founded in 1985, represents International Olympic Committee’s (IOC) sponsorship program. This special program is responsible for managing and attracting the interest of international companies in order to support the Olympic Games. The TOP programme provides each Worldwide Olympic Partner with exclusive global marketing rights and opportunities within a designated product or service category (International Olympic Committee, 2012). Also ‘Rule 40’ includes all the details concerning athlete appearance in advertisements and other restrictions to prevent ambush marketing, unauthorised commercialisation of the Games, protect the integrity of athlete’s performance and associations with non-official sponsors during the Olympics. (London2012, 2011) Rule 40 is issued by U.S. Olympic Committee and is a guideline to obey for all the “Participants participating in the Olympic Games”. However, these rules apply only to the United Kingdom territory, therefore, if an ambush marketing incident would appear outside the United Kingdom, this issue will be addressed to that particular country’s National Olympic Committee (London2012, 2011). This year’s Olympics have very strict regulations and rules that have to be obeyed by all the participants. “The organising committee has also put together a detailed social media and blogging policy for athletes, so that they don’t accidentally fall foul of regulations - by Tweeting about a brand that isn’t an Olympic sponsor, for example” (Addley, 2012). Therefore, Olympic athletes can not mention their sponsors in the viral environment, if their sponsor is not one of the official ones for London 2012, because it can be considered as the ambush marketing and rival’s advertisement. Strict regulations apply also for the visitors of London 2012, “a Ticket Holder may not license, broadcast or publish video and/or sound recordings, including on social networking websites and the internet” (Addley, 2012), namely, no personal videos or photos from the Olympic stadium can be published.

To prevent ambush marketing and to protect the exclusivity of official sponsors, the organiser of the Games, The London Organising Committee of the Olympic Games (LOCOG), has special statutory marketing rights under The London Olympics Association Right, as well as special rights under The London Olympic Games and Paralympic Games Act 2006 and The Olympic Symbol Protection Act 1995 (The Chartered Institute of Marketing, 2011). Only official sponsors can use Olympic symbols, therefore it is unauthorised for non-sponsor companies to use the Olympic logo, combination of rings and colours, the words: “Olympic”, “Olympiad”, “Olympix’, “Olympican” and other similar wordings or phrases that can be falsely associated with the Games. For example, non-sponsors cannot use two of the following words: Games; 2012; Two Thousand and Twelve; Twenty Twelve, in a combination with any of these words: gold; silver; bronze; medals; sponsor/-s; London; Summer. What is more, the use of Olympic motto’s is prohibited (The Chartered Institute of Marketing, 2011). The Olympic moto is “Citius, Altius, Fortius”, which is Latin for: Faster, Higher, Stronger, and the Paralympic motto is “Spirit in Motion”, which was introduced recently in Athens Olympic Games 2004.
For promoting Olympic activities in the viral environment, the London 2012 Organizing Committee has created Twitter accounts @London2012; @iamWenlock; @iamMandeville; @London2012Fest, as well as Facebook account (http://www.facebook.com/London2012) and promotion and teaser videos on YouTube.

An Olympic sponsors’ and partners’ list can be found in the Appendix C.

“The Olympic Games as an event of such magnitude cannot take place without the commercial support of the sponsors. At the same time, there is a growing concern that the Olympic Games are losing their spirit and are over-commercialized because of the excessive sponsorship-linked marketing activities.” (Lee, et al, 1997). Nowadays competition between companies for the rights of the official partnership and promotion in Olympics is as intense as the competition on the field, although this off-field battle takes place during a longer time period and requires much more investments. An estimated amount of the sponsorship fee for the London 2012 is £80 million (Soldner, 2010).

The London 2012 Commercial Director, Chris Townsend stated in 'The Power of the Games - 2012 Sponsorship Opportunities' conference, that "The Games provide the chance for organisations to achieve unique market differentiation, increased sales and productivity, new customers, improved community relationships, better staff recruitment and retention, and more" (London2012, 2007).

4.3 Adidas - the official sponsor of London 2012
Adidas is the official sportswear sponsor in London 2012 as well as the official clothing licensee of the Games, and they “will dress 70,000 volunteers, provide the outfits for the Pre-Games torch relay and create clothing for the athletes to wear in the Olympic Village” (Hall, 2011). The company also obtains full access to the Olympic marks and co-branding rights that they can use on sportswear and in their campaigns. Adidas gets access to the sales place and advertisement spots in the Olympic area and full support from The London Organising Committee of the Olympic Games (LOCOG) including legal protection from ambush marketing. The Adidas Sales Director Nordic confirms in the interview (Appendix F) that LOCOG provides large teams of people who will ensure protection from the ambushers. "Nike might try something during the Games by using Olympic athletes, etc. But London Organising Committee of the Olympic Games (LOCOG) are extremely careful and there is a large group of people that will work to protect sponsors and stop illegal ambushing, such as putting up posters or any similar activity too close to the Olympic Stadium” (personal communication, May 16, 2012). However, rival companies usually push till the edge of what is allowed, but when not disobeying any rules, it is hard to fully protect the sponsors.

There are a few factors that affect decision making in favor of The Olympic Partnership program (TOP): especially “the long-term (a required minimum of four years) linkage to a very attractive intellectual property, exclusive global marketing rights, and the principle of product/service-category exclusivity” (Papadimitriou, et al, 2008). Cooperation and support in the Olympics is very expensive, yet cost effective because of the great awareness created. Television alone reaches billions of people during the event. According to the Nielsen television audience
measurement reports “The 2008 Beijing Olympics drew an estimated global television audience of 4.7 billion over the 17 days of competition” (SportBusiness Group, 2008).

The Adidas representative explained that the British market is one of the most important ones in Europe, thus sponsoring London 2012 was a strategic move. Adidas has invested a very large amount of money. “It depends how the spending is being calculated. Sponsorship of the Games is valued approximately to 80 million pounds but you cannot forget other expenses that are made to activate these activities. This money is not expected to pay back in one year, but the goal is to overtake Nike by the year 2015 within UK market” (personal communication, May 16, 2012). More detailed information regarding Adidas marketing prior the Olympics can be found in the Appendix F, where the reader can find the interview with Adidas Sales Director Nordic.

4.3.1 Viral Marketing Activities
Adidas currently runs the biggest marketing campaign in the brand’s history (Adidas Group, 2011b). The focus of their “All In” campaign is not exclusively focused on sports, but also on other areas, such as culture and lifestyle. This broad campaign is aiming to reach many different kinds of people with diverse interests. The driving force of this campaign is to decrease the distance between Adidas and its biggest rival Nike (Brettman, 2011) The campaign is called "All In" and it represents unity and passion about everything that people do, it is also related to the brand anthem of the Adidas company. “The Campaign is for the love of the game, no matter the game, we put all our heart into it” (Kilmartin, 2012). As a part of this campaign, Adidas launched a commercial with celebrities called "We All Run".

Illustration 3 Adidas brand anthem; Adidas „All In” campaign


Another “All In” campaign that promotes Adidas and London 2012 is “Take the Stage” that “gives once-in-a-lifetime opportunity for teenagers of United Kingdom to show talents and fight for the chance to perform on a special platform at the London 2012 Summer Olympic Games” (Shayon, 2012). This campaign features various celebrities that offer to ‘work’ with them in their professional life. For example, play basketball together with one of the celebrities or perform on the stage.
This campaign is being promoted through different online channels. Adidas Sales Director of Nordic countries states that viral marketing is the best way to reach the youth audience. "Take the Stage main one activity which is complemented with local posters, banners etc. And viral marketing is the best way how to reach kids that are our target audience for Take The Stage. There are no other major viral campaigns. Nowadays better to do fewer things but focus on them" (personal communication, May 16, 2012). Therefore this campaign gains popularity by being mentioned by fans or participants in different social networks, like Facebook or Twitter buy using the hash-tag #takethestage or mentioning @adidasUK. Participants can also upload and share their undiscovered talents on the brand’s website. These ads with celebrities and banners promoting the campaign are on YouTube and many other websites as well as videos are being shared by fans. Adidas is also giving an opportunity to win the Olympic Games tickets by entering a competition by clicking on viral banners with the text “all 2012”. They are spread around the viral environment and can be found on relevant websites. For example, the one below is retrieved from the Debenhams on-line store website, a web page where Adidas clothing is sold.

Adidas is the official sponsor of team Great Britain, and Adidas designer Stella McCartney has created a sportswear collection for the British Olympic team. Moreover, she designed a sportswear and free-time clothing collection specially for London 2012 that has been released in
stores and online stores all over the world, and banners and videos promoting this new collection are spread around the viral environment.

Illustration 6 Team GB Athletic Gear; Adidas Olympic Sportswear Collection


Adidas sponsorship in London 2012 is worth £100 million (ICON brand promotion Co, 2012), and was presented in the media launch (presented below) in order to extend and re-enforce Adidas sponsorship announcement. A day-long media stunt event took place in London city with a 40 minute show including the life-size hologram of David Beckham (Adidas endorsed athlete).

Illustration 7 Adidas 2012 Media Launch

Retrieved 01 May, 2012 from Adidas, 2011

On the social network website YouTube, Adidas has created the “Adidas Urban Challenge group” where the company uploads inspiring videos of how to visualise the Olympics and encourage others to participate and upload videos showing their urban twist on the Olympic or Paralympic events.

As a part of the Pre-Olympic activities and in relation to the “All In” campaign, Adidas is also supporting sporting activities throughout the UK. They are installing 100 “AdiZones” - areas that will include free-to-use sporting equipment that is related to the Olympic and Paralympic sports, like basketball, tennis, football and also a climbing wall, as well as a gymnastics and dancing area. Video materials of AdiZones’ launching events and promotional materials are available in a viral environment.
4.3.2 Adidas athlete endorsement

As mentioned in the previous section, Adidas wants to cover many different areas of interest, like culture, lifestyle and sports, therefore they are cooperating not only with athletes, but with various other celebrities. The most prominent ambassadors for Adidas in the “All In” campaign are the football stars Lionel Messi and David Beckham, and the basketball player Derrick Rose. “David Beckham will offer viewers the chance to photograph him on set, rapper Wretch 32, who has recorded the soundtrack for the TV ads (Adidas TV ads), is searching for a music act to perform on his tour, while basketball star Derrick Rose will invite a winner to play basketball with him in the US” (Brownsell, 2012). Unfortunately, Mr. Rose tore his ACL (Anterior Cruciate Ligament) in the end of April this year, and will not be able to compete in the Olympics (Badenhausen, 2012). This is a serious blow to Adidas because Rose was one of Adidas biggest stars, and he will no longer participate in the Games (Badenhausen, 2012).

Moreover, Adidas is also endorsing successful individual medal hopes that will participate in Olympics 2012, for example Jessica Ennis (heptathlon), and Phillips Idowu (triple jump) as well as track athletes Blanka Vlasic (high jump), Tyson Gay (sprint) Dayron Robles (110m hurdles), Haile Gebrselassie (marathon), Ian Thorpe (swimming), Britta Steffen (swimming) (Ranau, 2012). Other celebrities participating in this campaign’s different commercials are the British athletes Victoria Pendleton, Louis Smith and Tom Daley as well as cricket star Kevin Pietersen, TV personality, comedian Keith Lemon and music artists Example and Wretch 32. The specific ad featuring David Beckham, created by agency Sid Lee, inspired nearly 22,000 Facebook shares and was mentioned in 16 blog posts (Hall, 2012; Brownsell, 2012). This campaign is related to the Olympic Games and is supported by Adidas designer’s McCartney sportswear collection.

Further, Adidas is the sponsor of the entire British national team in this year’s Olympics. Famous track and field athletes promote the brand in many advertisements when modeling the new Olympic British clothing collection (Kelso, 2012b). Moreover, Adidas also sponsors the Australian national team with the 100m hurdle star Sally Pearson as one of the main brand ambassadors (Australian Olympic Team, 2012).
4.4 Nike - a non-official sponsor of London 2012

Nike is not sponsoring the Olympics Games and thereby they do not have the exclusive right to advertise during or in connection to the event. For example, Nike is not allowed to use the “Olympic words” mentioned previously, or use the Olympic logo in their marketing campaigns to connect themselves to the Games (The Chartered Institute of Marketing, 2011). Thus, Nike has to put in a greater effort and be more creative in order to develop associations with the Olympics 2012 and create brand awareness, but at the same time they have to be careful not to break any rules.

4.4.1 Nike’s Viral Marketing Activities

Nike’s 2012 marketing campaign uses the slogan “Make It Count”. Several of the campaign’s commercials feature a number of elite Nike sponsored British Olympic athletes, like Paula Radcliffe and Mo Farah, in black and white action portraits. There are also online video clips with these athletes depicting their hunger to achieve their goals. The Make It Count campaign communicates the hard work and dedication needed to win and compete at the highest level and quotes like Farah’s “Don’t Dream of Winning, Train for it” and Radcliffe’s “Nearly Isn’t Enough” appears in the advertisements with the athletes (Williams, 2012). These British Nike sponsored athletes are not allowed to appear in any advertisements for Nike from the period of two weeks before the Olympics til three days after, since they are members of the Adidas sponsored British team. However, prior to that time Nike can use these athletes to make themselves connected to the event without breaking the rules.

Illustration 9 Nike „Maka It Count” Campaign

Retrieved May 17, 2012, from Nike, 2012b; Williams, 2012

In the online social networking service and micro-blog Twitter, Nike has created the hash-tag #makeitcount in their viral campaign. Nike’s message is “How will you make it count in 2012?” and encourages people to use the hash-tag to announce how they will make it count in 2012 (Williams, 2012). Nike has also created an Instagram account, where users can post photos of how they make it count in 2012 (Nike Inc, 2012a).
As a part of Nike’s Make It Count campaign, the company has launched a wristband called the Nike+FuelBand, which is a wristband that the user connects to an app, allowing people to record their physical activities such as cycling, running or swimming, and share the results online. The users can compete and compare the results with others on social networks like Twitter and Facebook (Miller, 2012). The Fuelband is promoted by Olympic athletes like Carmelita Jeter, and the product is advertised in the viral environment when the users are sharing their results.

On April 9, 2012, a video was published on YouTube with the title “Make It Count”. Nike had hired film director Casey Neistat and editor Max Joseph to make an advertisement for the Nike FuelBand and to exemplify their new slogan Make It Count. However, the duo did not make a traditional advertisement for the product in a studio as they were hired to do. Instead, the video starts with the message “Nike asked me to make a movie of what it means to #makeitcount” and a text follows explaining that they decided to use the money they received for making the ad, to travel around the world. They traveled as long as their budget allowed them. “It took them ten days, and they traveled for 34,000 miles, visited three continents, 13 countries and 16 cities” (Li, 2012). The video shows the two men traveling around the world to some of the most beautiful places and enjoying life, and the famous quotes of some of the history’s most famous people like Albert Einstein, Abraham Lincoln and Ghandi flash across the screen during this video, encouraging people to live for the moment.
Another way in which Nike is marketing their brand prior to the Olympics is through the introduction of this summer’s Olympic sportswear with the slogan “going green for the gold”, which Nike presented in February, 2012 (Brettman, 2012). These are new lightweight, high-performance uniforms for track and field and basketball, that will give athletes a competitive edge. Nike has not only created the lightest uniform ever, it is also eco-friendly using fabrics that are created out of recycled water bottles. New shoes are also lightweight, and Nike is working towards a zero-waste construction technique for sneakers (Brettman, 2012). The new track and field uniform is said to be “faster than skin”, and is promoted by the Nike endorsed athlete Carmelita Jeter (Nike Inc, 2012b) the fastest woman in the world (Hughes, 2011). The Pro TurboSpeed uniform is supposed to be 0.023 seconds faster in the 100 meters distance than the uniforms used during the last Olympics (Nike Inc, 2012b).

4.4.2 Nike athlete endorsement

Nike is using mainly British Athletes in their Make It Count campaigns, featuring, for example, the track and field athletes Mo Farah, Paula Radcliffe, Perri Shakes-Drayton, the basketball star Luol Deng, cyclist Mark Cavendish and football player Rio Ferdinand.
Other successful and famous athletes that Nike uses in their viral campaigns this year are Cristiano Ronaldo and Rafael Nadal. They are two of the world’s most famous soccer and tennis athletes, that promote the Nike brand and their new soccer shoes, in a commercial just before the upcoming Olympics. The commercial depicts them competing against each other in a tennis match. The video has been viewed 7.5 million times (May, 17th) since March 30, 2012 at YouTube. (Nike Football, 2012).

Illustration 14 Nike Football Commercial

Retrieved May 15, 2012 from Nike Football, 2012

Previously mentioned Carmelita Jeter, who won the World Championship 2011 and that hopes to win gold in London 2012 this summer, is one of the most prominent athletes in Nike’s campaigns. She is promoting Nike’s new Pro Turbo Speedsuit as well as Nike+ FuelBand, which she does together with some of Nike’s other top athletic endorsers including the NBA basketball star Kevin Durant and cycling legend Lance Armstrong (SGB Weekly, 2012).

In addition to the previously mentioned activities performed by Nike prior to the Olympics, another hot topic of discussion has been observed in the viral environment. The buzz creating brand awareness is about the opening of Nike’s large concept store in Westfield Stratford City, located close to the London Olympic Park. It is estimated that around 70% of all ticket holders will pass by the Nike store as they enter the Games (Thomson, 2011).

4.5 Ambush marketing in Olympics

In the previous Olympic Games, there have been several cases of successful ambush activities (Emmett, 2010). Different forms and several examples of ambush marketing activities within the sportswear industry from previous Games are discussed below.

Mazodier et al. (2012) explains that one way of ambushing is to place the company’s logo at or near the event. A famous example of this was during the Olympics 1996, when Nike placed its famous ‘swoosh’ logo on a nearby building of the Atlanta Stadium. Another way of ambushing is to host a similar event at the same time as the major event, that will make people confused and think that the two events are connected, when they in fact have nothing to do with each other. One example of this is when Nike held a press conference with the Basket Ball “Dream Team”
during the same time as the Olympics in Barcelona 1992, to exploit the media saturation at the event (Mazodier et al, 2012).

According to Crow and Hoek (2003), sponsoring teams or individuals competing within the specific event is also a way of ambushing. One example of this was when Nike was the official sponsor for the Australian Olympic team, and Adidas was the individual sponsor of the Australian swim star Ian Thorpe. During the Games, Thorpe was photographed with his towel draped over Nike’s logo at the medal presentation ceremony, in order to protect his personal contract with Adidas (Crow and Hoek, 2003).

In the Olympics in Beijing 2008, Nike made several ambushing advertisements. During the summer, the company made use of the number 8 in many of their advertisements, a symbol of luck and fortune in China, and it also represented the Games, which started on 08.08.08 (O’Brien, 2012). Another example is when the Nike sponsored athlete Liu Xiang’s got injured in the men’s 110m hurdles, and afterwards Nike released a full-page ad in the major Beijing newspaper with a picture of Liu, making people think that there is a connection between Nike and the Olympics (O’Brien, 2012). Moreover, only seven days after the Games ended, Nike hosted a “counter-event” called the Human Race, which was a running race happening in 24 cities across the world, and that people also related to the Olympics because of the time proximity (O’Brien, 2012).

In this year’s Olympics, intense ambush marketing is expected to occur, even though the rules are more strict than during previous Games (Ormsby, 2012). The London Organising Committee of the Olympic Games (LOCOG) will be taking a zero tolerance approach towards ambushing, and they will work hard to protect sponsors’ investments. LOCOG have been implementing many new rules to combat ambush marketing, and one of them is the “Rule 40”, which deals specifically with the use of athletes and other participants in the Games (London2012, 2011).

For the endorsed athletes with personal sponsorships, this Olympics will face them with difficult situations. The athletes will be torn between the loyalty to their personal sponsor who has been supporting them for a long time, and their sports team’s sponsor that sponsors their specific sport, as well as the national team’s sponsor that sponsors the country’s Olympic team (Magnay, 2012). These different agreements and contracts will lead to uncertainties about when and where to wear what brand. For example, Nike athletes in the Adidas sponsored British team are facing a dilemma in case they will walk up on the podium to receive a medal. Should they wear their personal sponsors shoes or their national team’s sponsor’s shoes? (Phillips, 2012).

To clarify this complicated issue and to give an example, an interview with the Swedish Track and Field marketing and event manager was conducted, as well as an interview with an Olympic athlete who will participate in this years Olympics. The marketing and event manager of the Swedish Track and Field team explains that the official sportswear and shoe sponsor of the Swedish national team in the Olympics 2012 is the Chinese brand Li Ning, which sponsors the Swedish Olympic Committee (SOK) (personal communication, April 16, 2012). The Track and Field team has their own apparel sponsor, which is Puma, and outside those two sponsors many athletes also have their personal sportswear and shoe sponsor that they have to consider. The
Olympic Athlete that was interviewed has Adidas as her personal sponsor (personal communication, April 17, 2012).

The Olympic athlete explained that there are special rules and regulations in the Olympics when it comes to sponsors in the event. The difference of competing in the Olympics compared to for example the World Championships, is that during the Olympics an athlete represents the country’s national committee, in this case the Swedish Olympic Committee (SOK) and therefore, have to follow the rules of the SOK primarily. When athletes decides to accept being a part of the Olympic team, they are expected to follow the specific rules of this event (personal communication, April 17, 2012).

There are fairly complicated rules that determine when and where the athletes should wear which sponsor’s clothing and shoes. The Swedish Track and Field marketing and event manager says that since all the athletes from Sweden in all sports have Li-Ning as their official kit supplier in the Olympics, they should wear Li-Ning clothing and shoes when: they are outside the stadium; in the Olympic village; in the opening ceremony; during the closing ceremony; and on top of their competition uniforms. This applies to all Swedish athletes in all sports. Moreover, the athletes are not allowed to appear in any advertising during the Olympics that clashes with the official sponsors, from July 18 till August 15, 2012 (personal communication, April 16, 2012).

The Olympic athlete explains that during the competition she and all the members of the Swedish track and field team will wear competition gear from Puma. This includes shorts, spandex, and the top/t-shirt the athlete will wear during the competition (personal communication, April 17, 2012). On top of the Puma clothing, the athletes will wear the official sponsor’s Li-Ning tracksuit. The interviewee explain that the only exception from the official national team and sports team’s rules is the competition footwear (personal communication, April 17, 2012). The Olympic athlete explains that she is only allowed to wear shoes from her personal sponsor Adidas during the competition, since shoes are classified as “equipment”. At all other non-competition moments athletes are expected to wear the official sportswear sponsor’s team kit (personal communication, April 17, 2012).

Despite all the new rules and regulations regarding sponsorship of athletes in the Olympics, the ambushing companies are expected to use clever marketing tactics to go around the legalities and convey their message, therefore they might still be able to create brand awareness in legal ways (Ormsby, 2012). When observing the viral environment, the authors found in many blogs and social networks the research results from a research conducted by the social media monitoring company BrandWatch. It suggested that Adidas’s advantage as the official sponsor has not yet paid off. The research showed that Nike is the brand that has been dominating the online conversations about the Olympics, with 7.7%, while Adidas only had 0.49% of the online buzz (Chapman, 2012).
Chapter 5: Analysis (Adidas vs. Nike)

In this chapter the authors analysed and compared the marketing activities performed by the two sportswear companies Adidas and Nike prior to the Olympic Games 2012. The authors compared their viral campaigns, their athlete endorsements as well as other activities leading to brand awareness.

As mentioned previously, athletes are not the only ones competing for gold in London 2012 Olympics this summer. There is also a fierce off-field competition between different companies that are competing for brand awareness. In the competition between the two sportswear giants Adidas and Nike, Adidas went into the race with a huge advantage - being the official sponsor. Adidas’s position as the official sponsor gives the London Organising Committee of the Olympic Games (LOCOG) the power to block all the other sportswear companies from advertising during the Games, and non-Adidas athletes are prohibited from advertising any other brand during the Olympics. Nike on the other hand has to create clever and creative marketing campaigns to go around the legalities to be able to create brand awareness.

To continue, the analysis of the findings was performed in order to discover the similarities and differences in both companies’ marketing activities, to compare their viral marketing campaigns and athlete endorsements, and thereby find out which company is the most successful when it comes to increasing brand awareness prior to the Olympics 2012.

5.1 Comparing and analysing viral campaigns

Adidas is the official sponsor of the Games in 2012 and has the advantage of using the Olympics as a main driver in their campaigns. Therefore, they are allowed to use the Olympic symbols, words and other Olympic marks in their marketing. Adidas campaigns are mostly related to the Olympics and they are trying to fully associate themselves with being the Olympic brand. Thus their campaigns and activities involve mostly co-branded products, like events that promote Adidas as the official sponsor in London 2012. “Adidas strongly relate itself to the Olympics and believe that they are a great supporter and bringing new products and innovations into the ‘Game’. Adidas message is that athletes can perform better with the Adidas equipment in London 2012” (personal communication, May 16, 2012). Adidas’s “All In” campaign is their response to Nike’s “Make It Count” campaign. "All In" is the biggest and most expensive campaign in the history Adidas’ existence. Adidas aim with sponsoring the Games is to decrease the gap between them and their arch rival Nike (Dogiamis & Vijayashanker, 2009). According to Fill (2006), sponsorship permits another part an opportunity to exploit an association with a target audience in return for funds, services or resources. In this case, the Games will ensure the opportunity for Adidas to associate themselves with the Olympics and gain brand awareness through the London 2012, therefore, possibly decrease the gap between the rival. Overall, Adidas’s “All In” campaign brings together sport, street, and style and shows to the world what it means to go all in. This campaign shows Adidas’s broad targeting and that the brand has a presence not only in the different sports, but also in different cultures and lifestyles when they merge the different worlds of sports, music and fashion all in one campaign (Adidas Group, 2011).
The online campaign “Take The Stage” is part of the “All In” campaign and is also related to the Olympics since it is searching for talented teenagers who can win the opportunity to perform on stage during the Olympics in 2012. Successful people inspire and so does the opportunity to be a part of something special. Therefore this campaign will likely motivate the youth of the United Kingdom to take chances in their field of interest. As the Adidas representative confirmed, the youth like to relate to celebrities like pop-stars, rap-stars, and athletes, thus they use in this campaign various celebrities, like David Beckham, Derrick Rose and Wretch 32 (personal communication, May 16th, 2012). This campaign's choice of the communication channel of viral marketing is in line with what Howard (2005) suggests. He states that viral advertising is an efficient marketing tool and because of the unforced nature of this type of advertisement, it can be received more effectively.

Despite the fact that the official sponsors should be the exclusive advertisers around the event, there are ways for the non-official sponsor to get around the legal restrictions and create brand awareness in connection to the event lawfully. The findings in our empirical chapter suggests that Nike, despite being a non-official sponsor, has been able to successfully create brand awareness in connection to the Games.

The reason to this success is partly due to Nike’s viral campaign “Make It Count”. According to the empirical findings, Nike has created a large buzz online in social networks such as Twitter, blogs and Facebook. These findings are in line with what Wilson (2005) states, saying that viral marketing is an effective and powerful tool that creates a potential for large brand exposure if a buzz is generated. One commercial in the campaign that received a lot of attention was the video by Casey Neistat and Max Joseph that traveled around the world for ten days, and capturing it all on video.

The empirical findings suggests that this video was a huge success because it created a positive buzz online, and only four days after the launch of the video on youtube.com, it had almost 2 million views and over 2000 comments. When visiting youtube.com again on May 17, 2012, the #makeitcount video had received over 5.8 million views and 4,300 comments. This adds further weight to Wilson’s (2005) study about buzz marketing, explaining that a buzz can be a very powerful tool to create awareness, and a successful buzz can reach millions of people in a short time period. This is also in line with Roshan et al.’s (2007) findings suggesting that a positive buzz is usually the aim of viral marketing.

According to Hinz (2012) the strength of viral marketing is the advertisements targeted promotion, meaning that the advertisement reaches interested viewers that has opted in voluntarily to watch the ad. Moreover, he adds that another advantage is the low cost of advertising online. The results of this study’s empirical data shows that Nike has taken advantage of this effective and low cost marketing communication channel, and Nike had 5.8 million viewers opting in to see their #makeitcount commercial during a two month period after hearing about this new video through a buzz on a blog or Twitter or a similar social media website, and therefore they got interested in watching it themselves. Nike published the commercial for free on YouTube, which means that Nike did not have to pay large sums for TV
or online advertising fees, and still were able to reach a large number of people mainly in their target audience.

The observations presented in the empirical chapter of the popular Nike video gives some explanations to its success. Nike made the video look like two guys just made a crazy trip, inspiring people to live exciting lives and making it count, to enjoy life and making the best of it. This video received a lot of attention as it was mentioned by many people on Twitter and blogs, and this creates brand awareness for Nike. By comparing the observations of the Nike video and its success, to the Keller’s (2008) brand building efforts performed to create brand awareness, it is evident that Nike follows several of these. They make the video memorable, transferable and likable. It is different from a regular commercial and thereby memorable, the campaign is broad and targets anyone from anywhere because the video is filmed from different parts of the world it is easy for many people to relate to it, and it is easy to like since it is fun and exciting and attracts anyone who wants to live an exciting life or do something unexpected. As mentioned before, Roshan et al., (2007) suggests that the aim of viral campaign is to create a positive buzz and Nike’s Fuel Band viral video is in line with this statement.

Nike encourages people to make their own videos and pictures showing what makes their lives count, and then posting them on YouTube and Instagram together with the brands marketing message #makeitcount. This is in line with what Ives (2005) said, explaining that a trend among major marketers is to create exciting and engaging interactive marketing campaigns, because it makes the audience involved and more willing to share the message. When the consumers are sending in their videos or pictures, they use the Nike hash-tag #makeitcount and the message is spread quickly over the Internet, increasing the brand’s awareness.

As presented in our theoretical framework chapter, Koniewski (2012) argues that when a consumer is about to purchase a product, their choices are frequently made in reliance to brand awareness. Therefore it is essential for companies to create brand awareness in order to sell any products. Comparing this to the empirical findings in chapter 4, one can see that as a part of Nike’s Make It Count campaign, the company launched the Nike+ FuelBand and an accompanying application to share training results in social networks. This creates a buzz online and brand awareness, which is an essential factor to sell a product. These findings is in line with Aaker’s (1991) explanation of the AIDA model which gives a general understanding about how to target customers, and that the fundamental step in the process is to create brand awareness.

Moreover, while conducting observations of Nike’s 2012 marketing campaign "Make It Count", it was evident that the commercial features a number of famous Nike sponsored Olympians like Paula Radcliffe and Mo Farah training hard. The use of athletes with association to the Olympic event makes this viral commercial very effective. This is supported by the theory presented by Martin (1996) which states that the marketing strategy of using sponsored athletes to promote a brand captures the attention of consumers and the use of experts in the specific area gives the commercial credibility. Moreover, the use of famous athletes strengthens the recall of the brand name. Dolak (2003) discusses three levels of brand awareness in the theory chapter, and brand recall is the second one, meaning that a consumer thinks of the particular brand when the brand’s product category is mentioned.
In the theoretical framework chapter Erdogan and Kitchen (1998) argues that connecting a brand to an event is a good approach to address consumers. Sponsorship creates a link in the consumers minds unconsciously, connecting the brand with the popular event. This is also in line with Sneath et al.’s (2005) findings that event marketing is an effective communication channel that creates face-to-face contact between the sponsoring company with its target audience. These results are applicable to this study, explaining why Nike’s viral commercials have been successful. When observing Nike’s viral campaigns the authors found that the company try to connect their brand strongly to the Olympics by for example using former Olympians and British athletes in their campaigns.

In the figure below, a few viral videos on YouTube of Adidas and Nike's campaigns are presented with the number of their views on 24th of May, 2012. These particular videos are presented as they are the most popular ones and can be considered to be related with the London 2012.

<table>
<thead>
<tr>
<th>Data retrieved on 24.05.12 at 14:30</th>
<th>Title of the viral video</th>
<th>Number of YouTube views</th>
<th>Date of publishing</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adidas “All In” Campaign</td>
<td>Adidas presents Take The Stage: all 2012</td>
<td>590,371</td>
<td>07.04.12</td>
</tr>
<tr>
<td></td>
<td>We All Run: David Beckham, Lionel Messi, Derric Rose and Katy Perry</td>
<td>1,043,853</td>
<td>28.03.12</td>
</tr>
<tr>
<td></td>
<td>Adidasis “All In”</td>
<td>2,675,033</td>
<td>13.03.11</td>
</tr>
<tr>
<td>Nike “Make It Count” Campaign</td>
<td>Fuel Band Nike Trip</td>
<td>5,976,063</td>
<td>09.04.12</td>
</tr>
<tr>
<td></td>
<td>Cristiano Ronaldo and Rafael Nadal football commercial</td>
<td>7,566,289</td>
<td>30.03.12</td>
</tr>
<tr>
<td></td>
<td>2012 Nike</td>
<td>How will you #makeitcount?</td>
<td>97,778</td>
</tr>
</tbody>
</table>

Figure 4 Summary of the viral video views

Source: Own Illustration

As it can be seen in the Figure 4, two of Nike’s viral videos have significantly more views in this period of time than Adidas. According to Wilson (2005), buzz spreads like virus and this is the case in Nike's viral videos, considering the large number of views in the short period of time. The key of this success might be under the target audience size, namely, Nike is targeting world wide audience, whilst Adidas is focusing on UK market. Both Nike’s popular videos - the “Fuel Band Nike Trip” and Cristiano Ronaldo and Rafael Nadal football commercial - are in line with the brand characteristics pyramid by Ghaouri & Cateora (2010) in the Figure 1. The Nike slogan “Make It Count” can be referred to as the emotional reward (third level) that people get by sending in their own videos and thus, by making it count. And the purchase of Mercurial Vapor VIII football shoes, after such creative and popular advertising video, can be emotionally
rewarding as well as self expressive (fourth level) and different, unique (seventh level). Meanwhile, Adidas “All In” campaign offers functional superiority or benefits (second level) by giving opportunity to win a chance to perform together with the celebrities, for example, to play basketball with Derrick Rose. Ghauri & Cateora (2010) pyramid’s other characteristics can also be applicable for this viral video, like, emotional reward (third level), strong power of self expression (fourth level), consistency (sixth level) and differentiation (seventh level).

Both sportswear companies are achieving attention with their campaigns and other activities prior to the Olympics. However, according to the Marketing Magazine, the social media monitoring company BrandWatch has conducted a research that shows that Adidas’s advantage as the official sponsor has not yet paid off. Brandwatch states that Nike is the brand has been dominating the online conversations about the Olympics, with 7.7%, while Adidas only had 0.49% of the online buzz (Chapman, 2012). Hinz (2012) argues that viral marketing is an inexpensive and powerful tool to increase the popularity of brand, therefore, it is in line with this the empirical findings that Nike can gain larger buzz and popularity than Adidas through the use of viral campaigns, regardless of the non-official sponsor position.

With its successful and exciting campaigns, Nike is creating brand awareness and associates their brand with the event while still obeying all the official Olympic marketing rules. This is very clever and effective ambush marketing. When being connected to the Games, Nike is not doing anything to dispel the assumption that they are involved. Instead, they are trying to take advantage of the situation and the “free” promotion that comes with being involved with one of the largest sporting event in the world (Meenaghan, 1996). The Adidas representative admitted that they were expecting that Nike would get awareness and be related to the Olympics to some level with their campaigns, however, he says that Adidas was not expecting the surprising results of recent research that indicated that non-sponsoring Nike had a much larger brand association with the Olympics, compared to Adidas in the viral environment. The Adidas representative was frustrated that an official sponsor can invest a lot of money in the event, but the consumers still associate the event with their rivals. And in this year’s Olympics the competition is even more fierce because of impact of the viral environment. As Miller (2012) suggests in “Socialympics”, social media is really widespread and that brings the rivalry to the next level.

5.2 Comparing and analysing endorsed athletes

Athlete endorsement is one of the most important communication activities that both companies use in order to gain brand awareness. Athlete endorsements and Olympic sponsorship contracts are colliding in this summer’s Olympic Games in London, and the sponsored athletes from the two sportswear giants will play a large role in the upcoming competition between the companies in the 2012 Games (Miller, 2012). As suggested by Martin (1996), both rival companies use endorsed athletes to capture the attention of consumers, give the message credibility, increase liking and attractiveness of the product and brand.

Adidas tries to reach a broader category of people by focusing their campaigns on more than just athletes. Instead, the Adidas campaigns also cover fields like culture and lifestyle. Therefore they are cooperating not only with athletes in their Take The Stage campaign, but also with
popular artists and comedians that young people can relate to. Evans, M., Jama, A., & Foxall, G. (2010) support Adidas choice of endorsed athletes and celebrities by stating that consumers compare self-image with the brand and they tend to look for the products that are similar to their self-concept, therefore, broader target audience can be reached by using celebrities from various fields of interest.

With the Olympics taking place in London, a lot of attention will be focused on the British athletes during this year’s Games. Adidas is the sponsor of the entire British national team and this will create great brand awareness. Even months before the event, British track and field stars like Jessica Ennis and Phillips Idowu have been modeling the new Adidas clothing collection by Stella McCartney.

In the theoretical chapter Elberse (2009) explains that the success of a brands athlete endorsement depends on the athlete’s success, and the sponsoring company will receive more attention and increase brand awareness if the athlete performs well. In the empirical findings the authors found that Adidas heavily featured basketball star Derrick Rose tore his ACL, and will not be able to participate in this years Olympics (Badenhausen, 2012). This means that this endorsement might not be as effective as if Mr. Rose had been healthy and performed well in the Games.

Since the Games are taking place in London, Nike is also using some of the most famous British athletes to create brand awareness and connect themselves to the event. By endorsing these athletes who the audience connects to the Olympic Games, Nike is able to subtly relate their brand to the event, but at the same time carefully avoid any direct association with the Olympics and the risk of using illegal ambushing activities. However, it is easy for the audience to make that connection when Olympic athletes are featured, training hard to reach a goal and become the best in the world, during the same year as the Olympic Games take place. Sponsoring athletes who will appear in the event is a clever marketing tactic used by many non-sponsoring brands to create brand awareness. The athletes will be seen competing in branded shoes, while not having to pay any of the official sponsorship fees and according to Bean (1995) and Meenaghan (1996), this is the ambush marketing activity that non-sponsoring companies use to associate themselves with the event.

In response to Adidas’s “We All Run” commercial where several world famous celebrities appear which has slightly over 1 million views on YouTube, Nike depicts two of the worlds most famous athletes, tennis player Rafael Nadal and footballer Cristiano Ronaldo, in a commercial that has been viewed 7.5 million times on YouTube. By uniting two of the worlds most famous athletes in one commercial, Nike is able to attract millions of viewers who want to see this unexpected game take place, all while the athletes wear Nike clothes and shoes. This video created a large buzz online and is mentioned on many blogs and other social media websites.

Nike also sponsors the current fastest female 100 meters runner, Carmelita Jeter, who won the world championship in 2011 and that hopes to win gold in London 2012 this summer. Successful athlete’s endorsement goes in hand with Elberse (2009) and Hoecke et al. (n.d.), stating that if the athlete wins, the sponsoring company will increase brand awareness and the physical appearance and personality are affecting factors for the endorsement effectiveness.
Carmelita Jeter is promoting Nike’s new Pro Turbo Speedsuit as well as the Nike+ FuelBand, which she promotes together with some of Nike’s other top athletic endorsers including the NBA basketball star Kevin Durant and cycling legend Lance Armstrong (SGB Weekly, 2012).

5.3 Analysing the ambush activities in 2012

According to the theory presented in Chapter 2 of this thesis, Bean (1995) and Meenaghan (1996) state that ambush marketing occurs when a brand attempts to associate itself with a marketing event without paying the event sponsorship fee. The results of our empirical data show that Nike as a non-official sponsor has been doing several successful ambush activities this far, connection themselves to the upcoming Olympics of 2012. In our empirical findings a research were found conducted by BrandWatch, showing that Nike has a huge advantage over Adidas in the online buzz in discussions involving the Olympics. Their study provides additional support to this study’s result showing that Nike has been able to create brand awareness in connection to the event, and many people now associate Nike with the Olympics.

Nike’s 2012 marketing campaign “Make It Count”, features a number of famous Nike sponsored Olympians training hard. The use of athletes with association to the Olympic event makes this viral commercial very effective and makes people think that the brand is connected to the Games, even though its not. Meenaghan (1996) call this form of ambush marketing “making a sponsorship related contribution to the players pool”, meaning that a company sponsors individual athletes in an event to gain brand awareness without paying the official sponsorship fee. Meenaghan further explains that athletes have a very powerful position as promoters of brands, but this also creates complicated situations. In our empirical chapter the interview with the Olympic athlete shed light on this issue, explaining that athletes have many different sponsors to consider, and in large events like Olympics it is hard to follow the rules of all the sponsors at the same time, and it is almost impossible that no ambush marketing will occur (personal communication, April 17th, 2012). In the theoretical chapter Chadwick and Burton (2010) also discusses ambush marketing, and according to them sponsoring individual athletes in an event to create brand awareness is called “direct ambush activities” when it is performed by intentionally stealing attention from a rival company, for example when Nike is sponsoring an athlete in the British sponsored Adidas team. However, if Nike is sponsoring an athlete in the already Nike sponsored US track and field team, this is considered to be indirect ambush marketing by Chadwick and Burton (2010) since the main focus is to associate the brand with the event and not steal attention from rivals. In our empirical findings it seems like both direct and indirect ambush marketing activities are performed, because Nike is intentionally trying to connect themselves with the event without paying any sponsorship fee to the event organisers. Whether or not the main intention by sponsoring athletes is to connect themselves to the event or do steal attention from rivals are unclear, however, both forms of ambush marketing is evident.

In was found in this study’s observations, that the theme of Nike’s campaigns and the decision to use British athletes makes it very easily linked to the Olympic event. Further, the Make It Count commercials use straight forward quotes and tag-lines that relate subtly and even blatantly to the Olympics, like Farah’s “Don’t Dream of Winning, Train for it”, Radcliffe’s “Nearly Isn’t Enough”, and the campaign’s name “Make It Count”. It is also very likely that people will
relate these commercials to the Games when they see the year 2012 in the end of the commercial. This is not direct ambushing since it does not use any of the “forbidden” Olympic words, to be used only by the official sponsors. According to Chadwick and Burton (2010), when a brand uses a central theme to associate themselves with an event, the brand is using the strategy of “associated ambushing” which is a subtopic of “indirect ambush activities”. Meenaghan (1996) also describes this form of ambush marketing, labeling it “developing imaginative ambush strategies” and explains that this form of ambushing includes making creative campaigns that subtly relate to the event.

Nike has been stepping up its advertising while carefully avoiding any direct association with the Olympics, and thereby they have been performing marketing activities within legal limits of what is allowed. As presented previously, Nike has performed effective ambush marketing activities and has succeeded to create brand awareness in connection with the Olympics in 2012. They have done this by running their Make It Count campaign with famous Olympic athletes, and making the audience connect their commercial to the Olympics, despite the fact that the event is not mentioned anywhere in the commercial. Moreover, the use of many British athletes in their campaigns has further fueled this assumption.

Meenaghan (1996) explains that another form of ambush marketing is when non-official sponsors are planning marketing activities coinciding with the event, for example, launching related products, advertise heavily, and purchase traditional marketing around the event.

This is in line with this study’s findings, showing that Nike is receiving attention in different social media platforms when they introduced this summers Olympic sportswear. With the slogan “Going green for the gold”, Nike presents the new uniforms for track and field and basketball, which are light weight but also eco-friendly, made from recycled water bottles. These new innovations of fast and environmentally friendly athletic gear for the Olympics, and the launch of new products such as the FuelBand, has created a large buzz online in Nike’s favor, and people will pay extra attention to these products during the Games and therefore associate the brand with the event. Another ambushing activity by Nike is the opening of a large concept store in Westfield Stratford City, located close to the London Olympic Park. It is estimated that around 70% of all ticket holders will pass by the Nike store as they enter the Games (Thomson, 2011).

5.4 Summary of the Analysis

To conclude this chapter authors have created a figure that presents the key findings of this analysis and connects them to the conceptual framework (Figure 3). It explains the official sponsor Adidas and the non-official sponsor Nike’s different campaigns and athlete endorsements and compare them with each other. Moreover, it also presents Nike’s main ambushing tactics, as well as similarities and differences in both companies’ marketing activities.
<table>
<thead>
<tr>
<th><strong>Viral Campaigns</strong></th>
<th><strong>Adidas</strong></th>
<th><strong>Nike</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;All In&quot; - the biggest campaign in the brand’s history. Broad target area, including sports, culture and lifestyle</td>
<td>&quot;Make It Count&quot; – a global campaign. Interacting through #makeitcount and encourages to share videos</td>
<td></td>
</tr>
<tr>
<td>&quot;Take The Stage&quot; - interacting campaign with narrow target audience which is youth of the UK</td>
<td>&quot;Fuel Band&quot; – popular &quot;trip video&quot; on YouTube made for this product, which is based on the internet application. Opportunity to share the workout results in the social networks</td>
<td></td>
</tr>
<tr>
<td><strong>Athlete Endorsement</strong></td>
<td>Olympic Team GB, David Beckham (UK), Jessica Ennis (UK), Phillips Idowu (UK), Blanka Vlasic (HR), Tyson Gay (US), Derrick Rose (US), Keith Lemon (UK comedian), Wretch 32 (UK rap-star), Katy Perry (US pop-star)</td>
<td>Mo Farah (UK), Paula Radcliffe (UK), Perri Shakes-Drayton (UK), Luol Deng (UK basketball star), Mark Cavendish (UK), Rio Ferdinand (UK), Cristiano Ronaldo (PT), Rafael Nadal (ES), Carmelita Jeter (US)</td>
</tr>
<tr>
<td><strong>Ambush Marketing</strong></td>
<td>Nike have performed ambush marketing by using famous UK Olympic athletes in their advertising. Nike has launched eco-friendly Olympic sportswear with the slogan “Going green for the gold”. &quot;Make It Count&quot; slogan “How will you make it count in 2012?” tries to associate Nike with the London 2012. Nike opens new concept store next to the Olympic Stadium.</td>
<td></td>
</tr>
<tr>
<td><strong>Similarities in the Marketing Activities</strong></td>
<td>Both companies use mainly British athletes in their campaigns</td>
<td>Co-branded Olympics/Adidas sportswear for athletes and fans (Adidas)</td>
</tr>
<tr>
<td></td>
<td>Make use of inspiring slogans: “Make It Count” (Nike) and “All In” (Adidas)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Companies introduce with new sportswear products – eco-friendly tracksuit (Nike), Co-branded Olympics/Adidas sportswear for athletes and fans (Adidas)</td>
<td></td>
</tr>
<tr>
<td><strong>Differences in the Marketing Activities</strong></td>
<td>Adidas is targeting people within UK in their campaigns; Nike is going global</td>
<td>Adidas use UK athletes to become stronger within the UK market; Nike use UK athletes to associate company with the Olympics</td>
</tr>
<tr>
<td></td>
<td>Adidas can make use of Olympic brand, Nike is performing ambush marketing</td>
<td></td>
</tr>
</tbody>
</table>

**Figure 5 Summary of the analysis**

*Source: Own Illustration*

Adidas, the official sponsor of this years Olympics launched the most expensive campaign in the company’s history, called “All In” to create brand awareness. Nike, as non-official sponsor, is performing ambush marketing to create brand awareness with the use of a creative and strong viral marketing campaign called “Make It Count”.

One obvious difference between the two companies promotional activities that the authors found, is that since Adidas is the official sponsor, they can make use of slogans, words and symbols connected to the Olympics in their commercials, while Nike is not allowed to do so. Nike instead performs other activities and implement ambiguous slogans in their campaigns that do not break any legal restrictions regarding the use of the Olympic words, but at the same time they lead the audience to think of London 2012.

Another difference found is that Adidas seems to focus more on the U.K market, especially the youth in London, while Nike has a broader targeting strategy, targeting people from all over the world. Adidas seems to focus on more than just sports, by using comedians, rappers and pop stars in the videos, while Nike mainly uses athletes.
Similarities found is that both companies mainly use British athletes in their campaigns to connect themselves to the country and thereby the event. Also, successful former Olympians are featured making this connection even stronger. Moreover, both companies have created strong viral campaigns where they both use hash-tags to promote themselves efficiently in social networks.
Chapter 6: Conclusion

In this chapter, conclusions of this study is drawn and the following research questions are answered:

R.Q.1: What are the major differences and similarities between the official and non-official sponsors and their marketing activities when creating brand awareness in sporting events?
R.Q.2: How do official and non-official sponsoring companies increase brand awareness in sporting events through viral marketing activities?
R.Q.3: How do official and non-official sponsoring companies increase brand awareness in sporting events through athlete endorsement?

As it can be seen in the conceptual framework (Figure 3), official and non-official sponsors start from different positions when marketing their brands, striving for brand awareness in connection to a sporting event. The official sponsor has exclusive advertising rights and advantages, whilst non-official sponsors make use of ambush marketing. The major differences between their marketing activities are that the official sponsor has the advantage of legally relating its marketing campaigns with the event, and receive exclusive marketing rights within its product category. In the case of the Olympic Games, they also have the right to use the Olympic marks (for example, logo, motto, name) in their advertisements, and the sportswear sponsor also has the advantage of dressing the 70,000 volunteer staff members, provide the outfits for the pre-Games torch relay and create clothing for the athletes to wear in the Olympic Village, activities that will be seen by people from all over the world. Therefore, they will have a great visual presence prior and during the event. The non-official sponsor does not have any of those advantages. This rival company has to follow various limitations and legal restrictions regarding the use of prohibited Olympic words and symbols that can create associations with the Olympics. Instead, the non-official sponsor has to create creative ambush marketing campaigns that goes around the legalities that still allows them to gain brand awareness in connection to the event. These can be direct or indirect ambushing activities, and as long as they are performed within the rules this is a very effective marketing technique that is legal to use and might be less costly. Further, differences as well as similarities between the official sponsor and the non-official sponsors marketing activities will be presented when discussing the viral marketing and athlete endorsement in the next section.

As shown in the conceptual framework in Figure 3, the authors have investigated two of the communication channels that lead to brand awareness - viral marketing and athlete endorsement. To create brand awareness through viral marketing activities, the official and non-official companies have to develop creative and interactive campaigns that encourage their target audience to share their experience or ideas. From this study it is also possible to conclude that a non-official sponsor can gain as much as awareness or, in this case, greater brand awareness than the official sponsor by targeting broader audience and sending adventurous messages. The official and non-official sponsoring companies developed creative viral campaigns, that are in one way or another connecting the brand to the event. Both companies feature famous athletes and celebrities in their commercials, that have been competing in the
previous Olympics or will be competing this year. Non-official sponsor (Nike) also have developed new products that have been launched online with association to the Games, for example, eco-friendly track suit with the slogan “going green for the gold”, as well as campaigns encourage interaction, by asking the audience to send in videos to social media websites, with tag-lines containing inspiring quotes in connection with the Olympics. Both companies have put great effort into their campaigns- Adidas with its biggest viral campaign in history “All In” and Nike in response with its global campaign “Make It Count”. These campaigns deliver similar messages and motivate people to “go all in to make it count”. The result authors found is, that Nike’s “Make It Count” video has been watched 7.9 million times, while Adidas “We All Run” has only been viewed around 1 million times. This is a significant difference, and Nike is receiving a great attention in their campaigns. Regarding interactive campaigns where the companies are asking people to send their own videos, Adidas´ “Take The Stage” commercials are focused on the British youth, while Nike´s “Make It Count” commercials are targeting a broader audience by asking people all over the world to send in their videos. Therefore, Nike gains awareness all over the world, while Adidas mainly gains awareness within the UK.

Athlete endorsement is a very effective marketing tool in sporting events that both the official and non-official sponsoring company can use to create brand awareness, and athlete endorsement can positively influence consumer behaviour. It is beneficial to endorse athletes that consumers can connect with the event, for example, in this year's Games, British athletes, or former Olympians. Adidas’s and Nike’s campaigns feature athletes and other celebrities from different fields. However, they are using different approaches when it comes to the selection of featured celebrities. Adidas is not only using athletes to promote themselves prior to the Games and to create brand awareness, they also use pop-stars and comedians. This is an advantage for Adidas, since they cover a broader area of interest. However, the celebrities used in the Adidas ads are mostly famous within the UK, and therefore the ads might be less effective in other countries. On the other hand, Nike mostly uses athletes with the exception of the (#makeitcount) adventurous video featuring Casey Neistat and Max Joseph.

Another similarity that can be drawn between the campaigns that feature athletes, is that the two companies are both focusing mainly on British athletes. Moreover, in the Figure 5, it can be seen that Nike uses more UK athletes than Adidas. However, authors have found that there are different reasons behind their choices; Nike uses British athletes in order to associate the company with the UK and thus Olympics, while Adidas’s aim is to defeat Nike in the UK market by 2015 (Hall, 2011). Therefore, the company concentrates its pre-Olympic activities within the UK in order to develop a stronger market share and brand awareness.

To conclude, in this study authors have found that if a company wants to be associated with a sport or an event and thereby create brand awareness, it is not necessary for them to be an official sponsor of that event and pay large amount of sponsorship fees. Instead, a company can associate themselves with the event by developing viral campaigns and using social media to reach the right target market. Athlete endorsement is an important element of the campaigns, increasing the brand’s awareness, both on and off the field.
In our example of the sportswear market, Adidas, the official sponsor, paid 80 million pounds to be the official sponsor, and Nike has not paid any sponsorship fees at all to the Olympic Committee. However, our empirical findings shows that Nike has been able to create a large buzz online with their popular Make It Count campaign. This campaign seems to mislead the audience by making them associate Nike with the Olympics. For example, they are using “2012” in their #makeitcount message and featuring famous British Olympic athletes. It was also found that Nike’s campaign videos have a higher number of views, compared to Adidas campaign videos. Research conducted by BrandWatch, supports our findings, indicating that 7% of the Olympic conversations online include references to Nike and only 0.49% come back to Adidas. Moreover, the Adidas representative explained that even if he expected Nike to perform ambush activities in connection with the Games, the research results about Nike’s advantage were unexpected. Further, he said that it is frustrating for a sponsoring company that a non-sponsor is able to create more brand awareness than the official sponsor prior to the Games. This example shows that being an official sponsor might be a waste of money, since competitors are still able to create more brand awareness than the official sponsor, and make use of the event in their marketing in several ways- without breaking any legal rules. Ambush marketing is a growing problem and beyond the control of the event organisers. It might create a situation where large companies will hesitate to sponsor major events in the future.
Recommendations and Further Research

Social media has a great impact on contemporary marketing activities, thus marketers should be careful to not underestimate the importance of viral campaigns. In addition, a creatively carried out marketing campaign can outperform the official sponsor’s efforts and gain the associations with the event. Therefore, sponsoring large events does not ensure the most brand awareness, and this has to be considered before entering a sponsorship and when creating campaigns. Moreover, it is important to endorse athletes/celebrities that can be related to the event and that match the target audience.

As the Olympics 2012 have not occurred yet, there is a broad spectrum of topics that can be investigated further after this study’s completion. Firstly, it would be interesting to measure Adidas’s and Nike’s brand awareness after the Olympics, by conducting a survey. For example, investigate if people know, which sportswear company was the official sponsor in the Olympics 2012. Secondly, another study could measure Adidas market share, to see if they were able to become the market leader within the UK by the year 2015. Thirdly, a similar study can be developed by focusing on another industry or event, for example, World Cup. Lastly, in the Rio 2016 Olympics, Nike will be the official sponsor. Therefore, it would be an interesting comparison to conduct a new study regarding the same topic in the next Olympics.
Bibliography


Appendices
Appendix A

Adidas company background

In the 1920's the two German brothers Adolf “Adi” and Rudolf Dassler started to make athletic shoes with the aim to provide athletes with the best possible equipment. They sold their shoes from their store the Gebruder Dassler Schuhfabrik. The brothers later split up, and the brand Adidas was founded in 1948 by Adolf. His brother Rudolf later became the founder of the rival company Puma. Today, Adidas is having a wider product range, including footwear, apparel and accessories for all kinds of sports. In 2006, they acquired one of their biggest rivals, Reebok. By combining these two well-known and popular brands Adidas has a greater chance to compete with the industry giant Nike, by offering a wider range of products and they will have a stronger presence in the market. With the acquisition, the company changes its name to Adidas AG (Adidas Group, 2011). Adidas motto is “Impossible is nothing”.

Nike company background

Nike Inc. was founded by University of Oregon’s track coach Bill Bowerman and track athlete Phil Knight in 1962 under the name Blue Ribbon Sports. They sold low-cost, high-quality Japanese athletic shoes to American consumers, and tried to break into to the American sports apparel market attempting to compete with the dominating German company Adidas. In 1972, they renamed the company “Nike”, named after the Greek goddess of victory (Enderle, et.al, 2000). Today, Nike Inc. does not only manufacture and distribute athletic shoes; over 40% of their sales come from athletic apparel and sports equipment. Nike is distributing their products to over 100 countries, and their target regions includes: United States, Europe, Asia Pacific, and the Americas. They sell their products through retailers, Nike Factory stores, Nike stores, Nike Towns and over the Internet. They are the leading company in the sports apparel industry, and they have been able to keep this position because of their high quality production, innovative products, and aggressive marketing (Enderle, et.al, 2000) Nike motto is “Just do it”.

### Appendix B

**Olympic Cities since 1896, Athens**

<table>
<thead>
<tr>
<th>Year</th>
<th>City</th>
<th>Year</th>
<th>City</th>
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<tbody>
<tr>
<td>1896</td>
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<td>1960</td>
<td>Rome</td>
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<td>Saint Louis</td>
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<td>London</td>
<td>1968</td>
<td>Mexico City</td>
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<td>Stockholm</td>
<td>1972</td>
<td>Munich</td>
</tr>
<tr>
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<td>1976</td>
<td>Montreal</td>
</tr>
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<td>Antwerp (Belgium)</td>
<td>1980</td>
<td>Moscow</td>
</tr>
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<td>Paris</td>
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<td>Los Angeles</td>
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<td>1992</td>
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<td>1996</td>
<td>Atlanta</td>
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</tr>
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<td>2012</td>
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Appendix C

Worldwide Olympic Partners:

London 2012 Olympic Partners:

London 2012 Olympic Supporters:
London 2012 Olympic Providers and Suppliers:

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Appendix D

**Interviewee:** Marketing and Event Manager for the Swedish Track and Field Team  
**Interviewer:** Malin Marmbrandt  
**Interview type:** Telephone Interview  
**Date:** 16th of April, 2012

There are many sports participating in the Olympics, and we had to focus our research due to the short period of time we have to finish this study. Therefore, we decided to focus our interviews with endorsed athletes to athletes from Track and Field, which is one of the most popular sports in the Olympics, and also one of the oldest sports participating in the Games. Before we interviewed the Olympic Athletes, we wanted to collect some background information about the Swedish Track and Field team’s sponsors, to find out how and by whom the team is sponsored when participating in the Olympics. Therefore, we interviewed the Marketing and Event manager for the Swedish track and field team.

Interviewee explains that the official sportswear sponsor of the Swedish national team in the Olympics is the Chinese brand Li Ning, which sponsors the Swedish Olympic Committee (SOK). The Track and Field team has their own sports apparel sponsor, which is Puma, and outside those two sponsors many athletes also has their personal sponsor that they have to consider. It is fairly complicated rules that determines when and where the athletes should wear what brand. Marketing and event manager says that since all the athletes from Sweden in all sports has Li-Ning as their official kit supplier in the Olympics, they should always wear Li-Ning clothing when they are outside the stadium in the Olympic village, in the opening ceremony, the closing ceremony, and on top of their competition uniforms. This applies to all the athletes participating in the Olympics representing Sweden, since Li-Ning is sponsoring the Swedish Olympic Commitee (SOK). Athletes should not appear in any advertising during the Olympics that clashes with the official sponsors from July 18th to August 15th, and they are under the individual team member agreements required to wear the official national team kit from Li-Ning.

During the competition the Swedish track and field athletes will wear competition gear from Puma. This includes shorts, spandex, top/t-shirt that the athlete will wear in the competition moment. On top of the Puma clothing, the athlete will wear the official sponsors Li-Ning’s tracksuit/sweat suit.

The only exception from the official national team and sports teams rules is competition footwear, where they can wear shoes from their personal sponsor during the competition, since they are classified as “equipment”. At all other non-competition moments the athlete is expected to wear the official sportswear sponsors team kit.

Interviewee explains that the Olympics has some special rules and regulations when it comes to sponsors in the Olympics. The difference competing in the Olympics compared to for example in the world championships, is that in the Olympics the athlete represents the country’s national committee, in this case the Swedish Olympic Committee (SOK) and therefore they have to follow...
the rules from SOK primarily. When an athlete decides to accept being a part of the Olympic team, they are expected to follow the specific rules for this event. In other national team competitions during the year, the athlete is representing the national team and follow the rules of Swedish track and field team, and on competitions within Sweden the athlete also has to consider their club teams rules and sponsors.
Appendix E

Interviewee: Olympic Athlete, Team Sweden
Interviewer: Malin Marmbrandt
Interview type: E-mail Interview
Date: 17th of April, 2012

Personal information
Age: 25
Sex: Female
What country do you represent? Sweden
Sport: Track and Field
Event: High jump

Which sportswear company is your personal sponsor?
Adidas

Which sportswear company is your team’s sponsor?
Track and field team, Puma. (Swedish club team is sponsored by Craft).

Which sportswear company is your national team’s sponsor?
Li-Ning

For how many years have you been sponsored by this company (your personal sponsor)?
7 years.

Did you have a different personal sponsor before?
-if yes, why did you switch?
No

What are the benefits your personal sportswear sponsor gives you? (Clothing? Shoes? Money? Trips? Etc.)
They give me as much shoes and cloths that I need, and this year I got international sponsor contract so now I also get money. Before I only got bonus for good performances, but now I get both.

And what do you do for your sponsor? (for example, wear their clothes in competitions, at your spare time, appear in commercials, PR-events).
I wear the brand Adidas during training, competition and during press conferences and as much as possible during my spare time. I have done a couple commercials for them but there will be more coming this year.

Did your personal/ team/ countries/ sponsor give you any restrictions of how to wear the brand, or if you are able to wear competing brands? Any Brand appearance restrictions/ or rules?
(Please answer if there are different rules for the different sponsors).

**Personal sponsors:** They want me to wear their clothes during all competitions except for the competitions I represent my country. But I shall always have Adidas shoes.

**Team sponsors:** When we (the Swedish team) are at international championships, pre-camps and press conferences we should wear Puma. Pretty much the whole time we are representing Sweden should we wear Puma. Also when we are traveling.

My Swedish club teams sponsor has no say in what I should wear, except for when I compete in the Swedish championships, then I wear a Craft top during the competition, but I still have Adidas hotpants then.

**National team sponsor:** Li-Ning should be worn at the Olympics when I don't compete.

**Have you ever been asked by your personal sponsor to break any rules regarding contracts of team or national team?** (for example, there is an issue now in Great Britain with athletes that are going walk to the prize ceremony barefoot because they don’t want to wear another shoe brand than their personal sponsors and breach their contracts, just because their national team is sponsored by a competing brand. How did you do when receiving your medal in the World Championships earlier this year, Puma or Adidas?)

I had Adidas flats (shoes) at the prize ceremony at the World Championships and I don't think Puma care if we have our personal sponsors shoes, but I don't know how that really works at the Olympics.

**In what occasions do you have to wear your personal sponsors brand? And is there any occasions when you should not wear it?** (maybe if you are out celebrating and drinking?).

My contract does not say when I am not aloud to wear Adidas but I am representing Adidas and if they find out that I am not a good ambassador they can decide not to work with me anymore. But I should wear their brand as much as possible, absolutely during competitions and practice. And I have got special cloth I have to wear during competition so that all Adidas athletes are dressed same.

**How many times you have participated in the Olympics?**
This will be my first.

**Have your sponsor increased your benefits since you qualified for the Olympics 2012?**
Not specifically since qualifying. But this year I got an international sponsor contract so now I am not only receiving clothing and shoes, but also money.

**What activities do you have to do for your sponsor prior the Olympics? Any event specific happenings or tasks? Press conference? Promotion of products? Commercials in TV or print?**
Haven’t been that much yet, but I filmed for a commercial a couple weeks ago and maybe there will be more.
Appendix F

**Interviewee:** Sales Director Nordic, Adidas Sverige AB

**Interviewer:** Malin Marmbrandt

**Interview type:** Telephone Interview

**Date:** 16th of May, 2012

*Introduction and background information:*

Adidas strongly relate itself to the Olympics and believe that they are a great supporter and bringing new products and innovations into the ‘Game’. Adidas message is that athletes can perform better with the Adidas equipment in London 2012.

USA is the world’s biggest sportswear market and Nike has a 60% market share, while Adidas only 15%. In Europe market share is quite equal. It was a big gap in the UK a few years ago, when Nike was 50% bigger than Adidas. Market share for Adidas was 23%, Nike 50% however, the gap is decreasing a lot. The current market share is very equal. It is strategically very important from the European market point of view to be bigger than Nike within the UK.

*What are the main pre-Olympic marketing activities Adidas is doing?*

Take The Stage is the biggest marketing campaign and all the effort is to become bigger than Nike within UK by 2015. Idea behind Take The Stage is that youth of UK that usually reference themselves to stars, like different pop-stars, rappers, basketball players, and they are usually form USA, thus wearing Nike. Campaign’s goal is to give young people an opportunity to show their talent with the help of Take The Stage. Kids like to share and show their talent via Facebook, Twitter, YouTube and Adidas gives this opportunity together with celebrities. Giving kids the opportunity to show that they have something to offer and share. There will be couple of winners in all categories that will be able to perform and show their talent with celebrities. Target audience are inner-city kids, especially from London.

*How does the official sponsorship in the Olympics 2012 affect Adidas marketing? Is it a large increase of marketing spending compared to Non-Olympic years?*

It depends how the spending is being calculated. Sponsorship of the Games is valued approx 80 million pounds but you can not forget other expenses that are made to activate these activities. This money is not expected to pay back in one year, but the goal is to overtake Nike by the year 2015 within UK market.

Olympics is a stepping stone, therefore spending is much higher this year. Usual spending per year within the UK is 30 million pounds.

*What kind of Viral marketing campaigns and Athlete endorsement activities are performed prior the Olympics 2012?*
Take the Stage main one activity which is complemented with local posters, banners etc. And viral marketing is the best way how to reach kids that are our target audience for Take The Stage. There are no other major viral campaigns. Nowadays better to do fewer things but focus on them.

*Which are your most famous endorsed/sponsored athletes by Adidas?*

Jessica Ennis; David Beckham. As Adidas Take The Stage is not only about the sport, we have also involved edgy and popular comedian Keith Lemon, RnB artist Wretch 32. Overall, focus is on Culture, lifestyle, athletes, comedians, pop-stars. Trying to reach as many audience as possible.

*How did the official sponsorship in Beijing 2008 affect Adidas brand awareness and market share? In China? In the world?*

These figures are confidential information, although company is very happy about that what they have accomplished in Beijing and that definitely was the right thing to do for that market.

*What is Adidas opinion when it comes to ambush marketing?*

Nike will of course do it, and push it till the edge of what is allowed. We do it with their events, we do it with ours. It is normal. Nike will probably play by the rules. We are not considering ambushing as a threat. Nike might try something during the Games by using Olympic athletes, etc. But London Organizing Committee of the Olympic Games (LOCOG) are extremely careful and there is a large group of people that will work to protect sponsors and stop illegal ambushing, such as putting up posters or any similar activity too close to the Olympic Stadium.

We have found sources stating that Nike has been able to create more brand awareness in connection to the Games compared to Adidas. What is your opinion regarding this statement and what might have caused it?

It is funny, we saw that. We expected that to happen. It shows that you can spend lots of money on an sponsoring event and find out that consumers still think competitors are sponsoring the event, they are mistaken. Very Frustrating. That will hopefully change closer to the Games.

*What is the reason why Adidas will not be the official sponsor of the Olympic Games 2016 in Rio?*

Main reason is that the World Cup 2014 is in Brazil, only two years before the Rio Olympics 2016. We have looked at the events and decided to put our effort and invest the money in London 2012 and World Cup 2014. We also have a strong market share in Brazil.