



# Olympian Lessons for Expo Marketing

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Like the Beijing Olympics, Expo 2010 Shanghai China is a chance for China to showcase its emergence on the world stage, a process that has only been accelerated by the global economic crisis.

For foreign companies trying to build market share in China, the Expo is something more: a breakthrough opportunity to build awareness among tens of millions of Chinese consumers. Of course, with hundreds of companies participating through varying degrees of sponsorship, using the Expo to successfully market in China requires more than just showing up.

When these companies sit down to create their Expo marketing strategies, the experiences of foreign firms at the Beijing Olympics can provide a wealth of guidance and inspiration. By illustrating the effectiveness of localized messages and exposing the dynamics of some of China's unique consumer constituencies, the Games provide marketing insights that are just as applicable to the Expo as they were in 2008.

## Show Your National Pride: 中国加油!

One thing that most companies got right at Beijing was the need to play to the patriotism of Chinese consumers, in whose minds the Olympics and national pride were inextricably linked. Nike's celebrity spokesman Liu Xiang, Coca Cola's online Torch Relay, McDonald's 'Cheer for China' TV spots and Pepsi painting its cans 'China Red' resonated strongly with Chinese consumers by showing a commitment to China's success.

Companies that want to market themselves through the Expo need to realize that national pride is not an Olympic phenomenon. Patriotism is alive and well in China, seen just recently through controversy over a Chinese Yale grad's donation to his American rather than Chinese alma mater, and criticism of recent US government aid to Haiti that exceeded the amount given for China's 2008 Sichuan quake.

The Expo itself is a dramatic expression of national pride. Physically anchored on the imposing China pavilion, it has been dominating Chinese traditional and social media since the end of the Olympics and is expected to attract over 60 million domestic visitors from the far reaches of the country. While foreign cultures and new technology are major draws, respondents to a survey by Shanghai's Jiefang Daily consider the contributions Expo can make to China's economic and social development to be just as important. Like the Olympics, the Expo is China's moment, a celebration of its accomplishments and possibilities.

Understanding this Chinese attitude about the Expo is important. While many companies will come across as too alien, a curiosity at best and at worst fading into the background of all things foreign, those that are able to engage China's patriotic aspirations will make a lasting impression on the minds of their audience. GE did an excellent job of this during the Olympics by combining Olympic and 'Green' imagery to visually connect GE's clean technology with its support of China's patriotic and Olympic ambitions. By positioning itself as an ally of China, GE built both awareness and trust and has been rewarded by a windfall of Chinese projects.

Harnessing national pride at the Expo is a little bit different than during the Olympics: rather than celebrating China's competitive spirit, companies need to demonstrate how they can contribute to China's ongoing economic & social development. Understanding China's unique dream of 'Better City, Better Life,' and aligning themselves with the patriotic aspirations of Chinese customers should be a pillar of every Expo marketing strategy. For this message to be effective, localization is crucial: Chinese preferences, aspirations, and perceptions are complex and shaped by challenges and an environment that are markedly different than those in the West.

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### **Know Your Netizens**

Carrefour got to know them the hard way: in the wake of protests during the Paris torch relay, a wave of nationalist rumors accusing Carrefour of being 'anti-China' spread on China's internet forums, chat rooms, and even through announcements on popular media sharing and e-commerce sites. The PR nightmare and nationwide boycotts that followed took weeks to clear up.

China's netizens, 360 million strong and spending 18 hours of time online per week, are urban, young, patriotic, and include in their rapidly expanding ranks China's most prolific consumers. When their ire is raised they can bring down companies and individuals, but their power can also be harnessed for companies' benefit – word of mouth plays a much larger role in Chinese purchase decisions than in the West.

In an example that should resonate with any foreign visitor to a Chinese Pizza Hut, a forum post titled 'Bankrupt Pizza Hut with Your Mouth' became an internet phenomenon a few years ago, explaining how to take advantage of Pizza Hut's one-time-visit salad bar by building large towers out of fruit and vegetables. 'Salad towers' remain ubiquitous, as are the lines outside of Pizza Huts across the country.

Understanding China's consumer constituencies and the diverse channels they use to communicate is the second pillar of a successful Expo marketing strategy. China's 1.3 billion people are separated by a multitude of regional, socio-economic, age and urban-rural divides, and each of these groups is characterized by different methods of communication. Knowing who your targeted consumers are and how they communicate is essential.

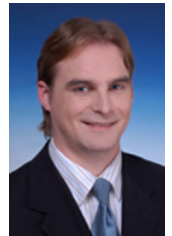
Companies can strike gold when they combine a resonating message with a keen appreciation of consumer communication channels. A classic example was Coca Cola's online Olympic Torch Relay, which leveraged netizens' patriotism and penchant for online entertainment through a game for QQ, a popular messaging platform. Within two weeks it had attracted 17 million players, nearly all of whom fell within the target demographic, allowing Coca Cola to shorten the distance between itself and consumers and establish itself a supportive friend during China's coming of age.

When using the Expo as a marketing vehicle, the ability to craft a resonating message and broadcast it through targeted channels will be the differentiator of success. If there is one lesson taught by the Olympics, it is that there is no substitute for deep knowledge into China's unique market.

*James Button and Nancy Lu contributed to this article.*

## About the Author

Anders Paulsson is a Director at SmithStreetSolutions, and manages projects relating to finance and investments. His six years of experience in finance is divided between fixed income derivatives and asset backed securitization at RBC Capital Markets in New York. Within these areas, he has experience in the marketing and structuring of derivatives and the risk analysis and portfolio management of securitized assets. He is also currently a Director at Glocal Strategy Consulting. Anders graduated from Lehigh University with a B.S. in Economics and Finance and earned his MBA from CEIBS in Shanghai. He is a native English speaker and proficient in Mandarin.



## About SmithStreetSolutions

SmithStreetSolutions is a China-based consulting and financial advisory firm with offices in Shanghai and New York. By bringing global best practices to China and unlocking China's value, it provides clients with the knowledge and insights they need to make sound business decisions. Since its founding in 2007, it has provided its clients with strategic consulting, market research, due diligence, and financial advisory solutions across a wide range of industries.



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