



Editorial

The real dilemma



For China, the 29th Olympic Games represent an important juncture in the country's history. Having emerged from 20th century communism, China has entered a new era characterised by state-controlled capitalism, a drive for international competitiveness and a more outward-looking approach. Clearly the transition has been successful in some regards: recent economic growth figures were among the highest in the world. The wealth this has helped to create is one of the foundations upon which the Games have been built. The event itself, in turn, represents a significant opportunity for China to present a modern face to the world and to assert its status as a world power, both economically and in sporting terms.

The country has taken every opportunity to promote its hosting of the Games. This has included the now-infamous global torch relay, which although intended to be a shared celebration, had the opposite effect in some countries, highlighting social and political grievances associated with Chinese sovereignty and its preparations for the Games themselves.

While it is not the intention of the *Journal* to challenge or defend the Chinese position, we do question the impact and response of those in sport who are directly affected by what has happened so far. It seems we are now being tested in a completely new arena: a sponsorship property that is arguably the most valuable in the world; a global mega-event that is staged in summer only once in four years; and a host country that is an incredibly important marketplace, especially for the corporations that have the power and resources to associate themselves with an event such as the Olympics.

Ahead of the 2012 Games in London, one already senses that some of the UK domestic sponsors have been disconcerted by what they witnessed in the streets of the British capital in early April. The pictures of well-known British celebrities being grappled to the floor by protestors and protected by anonymous Chinese minders were hardly the strongest foundation

for an effective marketing communications strategy. But it is the response of Coca-Cola to the torch relay debacle that has really highlighted the problems corporations must deal with if faced with the simultaneous juxtaposition of an ethical dilemma, direct consumer action and the opportunities presented by mass markets.

Neville Isdell, Chairman and Chief Executive of Coca-Cola, writing in the *Financial Times*, walked a very thin line between condemning and condoning what had happened, without doing either. Clearly aware that he had to appease an anti-Chinese mass (a very large and powerful market), while not disaffecting the Chinese population (another very large and powerful market), Isdell stressed that his corporation was working positively to promote a range of initiatives in Sudan, a country where China has some influence. In essence, Isdell seemed to be suggesting that the way forward for sponsors was not to antagonise either side in such arguments, but to build positive links between the two.

This is an interesting approach, and one that supplements my view that direct action, such as that taken by professional cycling sponsors including Adidas and T-Online, is the most effective form of market-led response. A collaborative model of engagement now seems to be on the table, whereby a sponsor serves as the missing link between irate stakeholders and the world's major sporting properties. The question is: which is the right approach? Are we really to believe that a 'Coke and a smile' will be enough to fundamentally address the global issues in which sport can become embroiled?

Simon Chadwick, Editor