

Licensing Program Example - Beijing

The Beijing 2008 Licensing Program provides a good overview of what an organizing committee is looking for.

Under their Licensing Program, The Beijing Organizing Committee authorizes companies to produce, manufacture and sell products with the official Beijing Olympic emblem, mascot and trademark. Licensees pay a royalty fee but are not entitled to the rights and benefits of Sponsors and Suppliers and may not use the Olympic emblem in their marketing activities. The Licensing Programme for the 2008 Beijing Games runs from 2003 through 2008. Operations for domestic licensing begin in China, and are later followed by international licensing.

Beijing 2008 Olympic Games Licensing Programme

I. The Olympic Games Licensing Programme

An Olympic Games License is an agreement that grants the rights to use Olympic marks on products for retail sale. In return, licensees pay royalties for the rights, which go directly toward funding the Olympic Games.

The program aims at promoting the Olympic Ideals and the Olympic Brand, providing quality consumer touch points for the inspiration of the Games. It thus consists of the manufacturing of souvenir products that are usually of a festive and commemorative nature, such as pins, T-shirts, baseball caps and the like. Building on each Games' experience, the programme has evolved into an integrated design approach. It has adopted a comprehensive and cohesive merchandise range using quality products that enhance the overall presentation of the Games.

Olympic licensing provides companies in the host country with a great business opportunity to produce and sell potentially large quantities of Olympic goods, through which, the licensees may have the opportunities to:

- * Gain considerable profit through producing or selling of the licensed products
- * Enhance brand image and increase market share and sales
- * Develop new merchandise and product lines and expand into new markets
- * Develop direct and close contacts with consumers and achieve brand loyalty among them

II. Beijing 2008 Licensing Programme

1. Mission:

- * promote the brand image of the Beijing Olympic Games and the COC
- * express the unique culture of China and Beijing by offering an array of traditional cultural products
- * make a strong effort to involve Chinese enterprises in Olympic licensing
- * showcase Chinese products and build the brand image equation that conveys a quality message, i.e. 'Made-in-China = High Quality'
- * raise funds for the Beijing 2008 Olympic Games

2. Management and development phases:

The Beijing 2008 Licensing Programme will continue to promote the Olympic Ideals and Olympic Image with an appealing blend of Chinese culture, helping to shape a unique image for the Beijing 2008 brand.

To follow the brand positioning, product categories will be clearly defined and a broad range of product lines will be developed. With this brand management approach, the program will adopt a segmented market strategy, ensuring that Beijing 2008 licensed products will be available in a broad sample of styles and at a wide range of prices to target precisely different consumer segments.

The program is comprised to two parts, a National Programme and an International Programme. The National Programme will start in late 2003 while the International Programme will start after the Athens 2004 Olympic Games, subject to the conclusion of agreements with the required NOCs.

All the licensed products must be designed and produced according to the BOCOG and COC graphic standards manuals, which provide clear guidelines for the use of the emblem and other marks of BOCOG and the commercial marks of the COC.

3. Selection of licensees:

The following principles will be followed in choosing a licensee, either in manufacturing or distribution:

- * Licensees will be selected on the basis of marketing research, qualification assessment, and first-hand investigation.
- * The overall investigation will cover financial status, quality control management, design ability, production capacity, environmental protection, anti-counterfeit measures, marketing strategy, after-sale services, logistics, etc.
- * Licensees shall have the financial ability to pay guarantees and royalties on time
- * The contract term may vary and contract renewals will be subject to prior performance.

4. Royalties:

Licensing agreements will include a royalty advance and a minimum guarantee. The advance is a non-refundable deposit for the licensing rights while the guarantee is the minimum amount a licensee will pay, against which royalties may be offset.

III. Olympic Stamp and Coin Programs

1. Commemorative Stamp Program

There will be three specific initiatives within the Commemorative Stamp Program: regular issues, personalized stamps and philatelic products. The themes will cover sports-related events (the Olympic Games, the image of the IOC, the image of BOCOG, the image of the COC, Olympic sports events, the Torch Relay, and the opening and closing ceremonies), culture (Chinese traditional culture, Beijing traditional culture and sceneries), and sports venues, etc.

The program is planned to start in 2003 and last 5 years.

2. Commemorative Coin Program

This program includes both commemorative coins and circulating coins. The themes will cover sports-related events (the Olympic Games, the image of the IOC, the image of BOCOG, the image of the COC, Olympic sports events, the Torch Relay, and the opening and closing ceremonies), culture (Chinese traditional culture, Beijing traditional culture and sceneries), and sports venues, etc.

The commemorative coin program will include mainly a mixture of gold and silver coins, while the circulating program consists mainly of copper, nickel and paper.

The coin program will also start in 2003 and conclude in 2008.

Source: Chinese Olympic Committee <http://en.olympic.cn/coc/>