

Stylish Sportswear With Designs on China
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HONG KONG -- The latest battle in the global sneaker wars is figuring out what a "Chinese" style looks like.

In efforts to woo China's consumers, **Nike Inc.**, the country's market leader in sportswear, and **Adidas AG** are both aggressively promoting apparel and shoes with designs incorporating Chinese elements -- a departure from the mostly Western-influenced styles they have marketed in the past.

They are betting that the Beijing Olympic Games in August will be a prime opportunity for sportswear to ride a wave of Chinese national pride. At an Adidas fashion show in Beijing in January, costumed Peking Opera performers provided a backdrop for models showing uniforms for Olympic staff and volunteers, featuring polo shirts decorated with ancient Chinese swirling "lucky cloud" patterns.

Last month, Nike introduced a line in China commemorating the 1984 Olympics, the first time the country took part under Communist rule, winning 15 gold medals. The line features limited-edition retro sneakers with chunky red soles and decorated with yellow Chinese characters spelling the word for "breakthrough."

Nike has also introduced sportswear with a new slogan in Chinese that translates as "arise and advance." The first word of that phrase -- *qilai* in Mandarin -- is part of the chorus of China's national anthem, which many are hoping to hear repeatedly during medals ceremonies at the August games. And the company has signed exclusive deals with some of the country's medal hopefuls, including Liu Xiang, who set an Olympic record in the 110-meter hurdles at the Athens Games. Last summer, Nike introduced shoes and sports clothes featuring Mr. Liu's date of birth, gold medals, and a picture of a star he drew as a child.

Such marketing is a shift from recent years, when Nike touted American-style individualism and U.S. sports stars, turning Michael Jordan into a hero among young Chinese. Now the sportswear makers are counting on Chinese youth wanting to see their own country and sports stars shine on the world stage. "Chinese customers are very receptive to different styles," says Nike China spokeswoman Ginger Zhu. "But products with Chinese cultural inspirations have been applauded."



Launched exclusively in China last June, the Nike Air Jordan 1 XQ China edition, with dragon-inspired patterns and red silk accents, was the first Air Jordan shoe designed with Chinese characteristics.



The companies "will do whatever they can to tell the story, 'we were the partner in China's greatest sporting moment,'" says Terry Rhoads, managing director of Zou Marketing, a Shanghai-based sports-marketing firm. "It's a huge battle."

Already this year, Nike and Adidas will each surpass sales of \$1 billion in China, their biggest market after the U.S. From 2002 to 2006, sales of athletic shoes and clothing in China by volume doubled, according to market-research firm Euromonitor International. Overall, sportswear sales are expected to grow at an annual rate of 20% for the next five years, and premium brands such as Nike and Adidas can expect increases of 35% to 40%, Mr. Rhoads says. Lured by this prospect, "Nike and Adidas are pulling out all the stops trying to localize their products," he says.

At a Beijing fashion show in January, Peking Opera performers provided a backdrop for Adidas models clad in polo shirts.

Going Chinese can be tricky for foreign brands, which have made missteps in the past. Many European designers' past experiments with chinoiserie such as Mandarin collars and floral embroidery have sold poorly in China, rejected as old-fashioned.

In the late 1990s, Nike's attempts to market a low-cost canvas "World Shoe" in China and elsewhere in the developing world met with little success among consumers who preferred the brand's flashy American street styles.

Already, the Olympics are highlighting new enthusiasm for the nation's fashion heritage. Last year, a group of more than 100 scholars petitioned the Beijing Olympic organizing committee to dress Olympic medal- and flag- bearers in Han Fu, a style of clothing with flowing robes that dates back more than two millennia. Copies of the scholars' petition circulated on Chinese Web sites and drew tens of thousands of supporters. The Beijing Organizing Committee of the Olympic Games declined to comment on the status of the proposal.

Adidas, which shelled out more than \$80 million to become an official partner of the Beijing Olympic Games, will outfit China's medal winners for the podium, as well as more than 100,000 staff and volunteers. The company got thousands of entries in a competition on what the country's athletes should wear when receiving medals, including many designs "taking into account very ancient Chinese art and culture," says Erica Kerner, director of the Beijing Olympics program for Adidas. The company will announce the winning design after the Chinese Olympics team is chosen, expected in May, Ms. Kerner says.

Used on sports clothes and sneakers, elements such as clouds, dragons, fans and bright colors evoke tradition and allow young Chinese to express their identity, says Mark Colin-Thome, director of the Adidas Creation Center in Shanghai, in an office tower above a flashy mall that's home to two Adidas shops. Set up three years ago as part of the company's effort to localize its apparel, the center plans to produce nearly 2,400 new product designs this year -- about half of the styles available in Adidas' Chinese stores. By the time the Games begin on Aug. 8, the company will have as many as 5,000 Adidas stores across the country, including the world's largest in Beijing.



Nike's limited edition retro sneakers

Among the styles in Adidas stores now are a women's hoodie featuring a Chinese tree design for about \$60, and a hot-pink men's windbreaker with purple and white highlights, for around \$93. The Chinese sense of color "is generally more flamboyant," Mr. Colin-Thome notes.

Having the design center in Shanghai "enables us to be closer to the Chinese consumer, to understand emerging trends within sports and to design and develop concepts on shorter timelines," Mr. Colin-Thome says. Adidas' Chinese-influenced designs co-exist in shops with its more western styles, he says, though even the western styles may be adapted to Chinese customers through different colors and altered sizing.

While declining to disclose specific sales figures, both Nike and Adidas say that the products with Chinese themes have been selling well.

Consumer reactions vary. On the Web site Ubreath.com, Zhang Han (aka MC Han), a 22-year-old rapper and DJ in Beijing, showed off pictures of his \$84 red jacket from Nike's 1984 Chinese Olympians line. "I wasn't able to witness China's first gold medal, but the 1984 series gives me a chance to experience the history," Mr. Zhang says. "It's very suitable for our post-1980 generation."

But on a discussion board hosted by Web portal 163.com, one contributor wrote that designs in the series, "are not bad for display in an exhibition, but I would avoid actually wearing them to the Olympics."

Others see the efforts as a marketing ploy and proclaim their support for Li Ning, the biggest domestic sportswear brand, founded by the Olympic gymnast of the same name, who won three gold medals for China in 1984. While the company is using Olympics themes in its ads, its sportswear doesn't incorporate traditional Chinese elements.

And the multinationals are still learning the boundaries Chinese style. Last week, Adidas withdrew from Hong Kong stores a sports bag decorated with the Chinese flag and the company's three-stripe logo, deferring to a Chinese law that forbids use of the flag on commercial products and images.

"The design was actually intended to pay tribute to China as the host country of the Beijing 2008 Olympic Games," says Adidas spokeswoman Sabrina Cheung. "Adidas sincerely apologizes for the concerns it has caused over its product design."



To appeal to Chinese consumers, companies like Adidas are wielding massive marketing budgets -- and localizing their looks. Here, an Adidas hoodie mixes a traditional Chinese knowledge-tree design with the company's signature stripes.



Hurdles champion Liu Xiang and Brazilian soccer star Ronaldinho attended the opening of Nike's Beijing flagship store last August. Mr. Liu wore a specially-designed shirt sold in China, featuring Olympic-medal motifs, his date of birth and date on which he won the gold medal in the 100-meter hurdles at Athens.



This Nike jacket, inspired by Chinese tennis player Li Na, features a phrase inspired by the Chinese national anthem: "Arise and advance!"



Adidas will dress the staff and volunteers of the Beijing Olympic Games in polo shirts inspired by the Chinese "lucky cloud" motif used on the Olympic torch.



This Nike Court Force High shoe in Olympic colors was inspired by Lang Ping, a star player on the women's volleyball team that won the gold medal at the 1984 Olympic Games. The characters on the shoe mean "breakthrough."



Han Han, 22, of Beijing, wears a Nike jacket inspired by the Chinese athletes who competed in the 1984 Olympic Games in Los Angeles. "I wasn't able to witness China's first gold medal, but the 1984 series gives me a chance to experience the history," he says. The large characters on the front read "China."