

In Skies Over Tokyo, Kodak and Fuji Fight Battle of the Blimps

**Yellow vs. Green Skirmishes
For Hearts of Shutterbugs
Aren't Scheduled for U.S.**

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TOKYO—The veteran fighter pilot muscles the controls of his craft against a stiff wind. Next to him in the cockpit, the captain grins and flashes the thumbs-up sign as snow-capped Mount Fuji glistens in the distance.

For now at least, the skies over Tokyo belong to Eastman Kodak Co. The enemy, Fuji Photo Film Co., is nowhere in sight.

The fighter pilot, accustomed to supersonic speeds, is instead hovering ponderously near the top of a skyscraper, riding in a small gondola attached to the belly of a bulbous, helium-filled airship.

This is a scene from the Battle of the Blimps, the latest theater in an undeclared marketing war between the world's two largest film companies vying for the hearts and minds of shutterbugs.

Der Grosse Fuji

When Kodak was making this recent sortie, the enemy Fuji blimp was in western Japan. But for the past few months, pedestrians in Tokyo have been gawking at ritualistic dogfights between Kodak's yellow airship and Fuji's green one, known as Der Grosse Fuji, because its base is in West Germany.

This round of the hostilities started Aug. 25, when Fuji executives looked out the windows of their Tokyo headquarters to see their archrival's name spelled out in large red letters in the sky. Kodak's craft was hovering boldly nearby, as if to tweak Fuji's nose.

"They were furious," says a securities analyst who happened to be on the phone with Fuji's finance department when the first sighting occurred. Kodak had hired the only blimp in Japan and taken it on a maiden flight a day before the company was to be listed on the Tokyo Stock Exchange. (It just happened to fly past Fuji headquarters, Kodak officials say.)

A Spectacular Skirmish

By Oct. 21, Fuji had brought Der Grosse Fuji for deployment over the home islands, seemingly to fend off the American invader. The most spectacular skirmish so far came during a weekend in early November when the two blimps maneuvered over neighboring sporting events. Kodak was sponsoring a judo tournament within slingshot range of the stadium where Fuji was sponsoring a series of baseball games between Japanese and American all-stars.

Hidenobu Miyata, the manager of Fuji's advertising department, complains that the Kodak blimp came dangerously close to Der Grosse Fuji in what he says was an attempt to steal the show above the crowded ballpark. The rival airship, he says, ignored requests from Fuji's pilot to retreat.

"We don't mind if they sponsor judo. That's very Japanese," Mr. Miyata says. "But I think they were being a little too aggressive not to back off. We felt like Kodak was up for a fight."

Not so, says Toshio Nakano, the manager of public relations for Kodak Japan, who was aboard the Kodak blimp watching the rival crew through binoculars. He says there was a friendly dialogue between pilots. He adds that the Fuji blimp violated airship regulations by flying too close to the ground when it jettisoned a baseball onto the field.

Kodak's Mr. Nakano scoffs at Mr. Miyata's contention that Fuji had planned to bring its blimp to Japan for the baseball series long before learning about the Kodak airship. Der Grosse Fuji had been plying the skies over Europe since 1981, he says. "So why did they wait until now? I don't call it a gentleman's act. It's nasty," he says. "It seems to me this is a hit-and-run operation on their part."

If it's a question of who's copying

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In Skies Over Tokyo, Blimp Battle Is Being Fought by Kodak and Fuji

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whom, the answer isn't easy

The film flap had its origins in the years before the 1984 Olympics, when the Japanese concern reportedly paid \$7 million to outbid Kodak and become the official film of the Los Angeles event. Around the same time, Fuji began its blimp advertising in the U.S., following the success of Der Grosse Fuji in Europe. It was all part of an ambitious campaign to promote Fuji's image in a market long dominated by Kodak.

Naturally, the new Fuji blimp was stationed over the Olympics grounds. But some photo-industry observers say Kodak had it banned from the airwaves by buying huge slots of commercial time on the network that televised the games.

A TV Blackout?

"If you watched the Olympics on American TV, you never saw the Fuji blimp," says William Relvee, an analyst with Jardine Fleming (Securities) Ltd. in Tokyo. "It was part of the contract when they bought 102 ads."

"Absolute nonsense," says a spokesman at Kodak's headquarters in Rochester, N.Y. "We respect the right of TV producers to cover any event as they see fit. Any story to the contrary is ridiculous." Fuji's Mr. Miyata says he is unaware that the blimp was thought to have been censored in America. Japanese TV showed it, he says.

In any event, everyone agrees that the Fuji shock at the Los Angeles Olympics helped stun Kodak from complacency. In the past five years, Fuji has increased its share of the U.S. film and photographic-paper market to nearly 10% from about 7%. It still is dwarfed by Kodak's 82% U.S. share.

The American company resolved in 1984 to make a strategic drive into the Japan market, where it holds a 13% share against Fuji's 71%. Kodak has expanded the staff of its Tokyo subsidiary to 135 from 25 and started building a research and development center that, when completed next year, will employ 150 engineers to keep tabs on Japanese technology. It formed a joint venture with its longtime distributor earlier this year and inaugurated a new policy of aggressive marketing, taking a few tips from its archrival.

Kodak says it hasn't any plans to counter Fuji's blimp blitz in the U.S. But it does plan to sail its one blimp over the 1988 Olympics in Seoul, for which it has won the official-film designation. There could be complications, however. Security-sensitive South Korean authorities blocked deployment of the airship last September during the Asian Games, which Kodak sponsored.

The Goodyear Claim

Fuji's airship in the U.S., nicknamed "Blimpo," has a problem, too. Goodyear Tire & Rubber Co., which has long used airships for advertising, sued Fuji a year ago, claiming the photo company was infringing on its trademark. Lawyers are attempting to settle the matter out of court, a Fuji spokesman says.

Skirmishes in Japan are likely to end soon, when Der Grosse Fuji and its European crew return to their base in West Germany. Kodak is leasing its craft for 30

months, at a basic cost of about \$9.2 million, from Japan Airship Service Co., a subsidiary of Japan Airlines.

Encounters between the cumbersome blimps actually are more like elephantine waltzes than dogfights, according to Kaoru Nakatsugawa, a pilot for Kodak and one of only four licensed blimp pilots in Japan. "It isn't anything like 'Top Gun,'" he says, referring to a movie about the bravado of U.S. Navy pilots. Mr. Nakatsugawa, who previously flew jet fighters for the Japan Air Self-Defense Force, observes that in a slow-moving blimp, close to the ground, "you can see people wave at you from rooftops."

Kazuyuki Sawamoto, the chief pilot and flight instructor for Japan Airship Service, used by Kodak, says he has nothing but respect for the European crew on Der Grosse Fuji. Last month he traveled to Kobe, in western Japan, to see his opposite number, Capt. Konrad Hess.

Peaceful Mission

"We got together and talked, ate and drank, and I listened to his stories," Mr. Sawamoto says. "He told me all about zeppelins and the history of blimps" (Zeppelins, airships with rigid envelopes, are no longer flown.)

Der Grosse Fuji was built by WDL Flugdienst G.m.b.H. Its flight engineer, Theodor Wullenkemper, says the crew came to Japan to fly in peace. "The Americans are much more aggressive than the Japanese," he says. "Fuji is very serious about this—they don't want to fight."

It is too soon to know whether the Kodak blimp will have any effect on the American company's sales in Japan, where consumer loyalties run strong to local brands. Mr. Wullenkemper, for one, thinks Fuji is winning the blimp war.

"Our crew has more experience, and our blimp is better than theirs," he says. "And people on the ground like the Fuji blimp better. Ask people in the parks or in restaurants—it's true. I don't know why—maybe it's the colors or something. They like green better than yellow."