



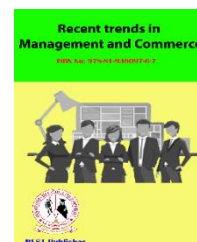
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Role of Ambush Marketing in Redefining Brand Sponsorship Strategies

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Abstract: Ambush marketing has emerged over the past twenty years as a key concern of sponsors and rights holders. As sponsorship investment has grown, so too have the efforts of non-sponsors and competitors to associate with major sporting properties. The evolution of ambushing – adapting to counter-ambush strategies and identifying greater opportunities to ambush – has signaled a need for researchers and practitioners alike to better understand the nature of ambush marketing, and perhaps most importantly, the strategies available to rights holders and sponsors to counter these efforts. The aim of this paper will be to identify what ambush marketing is, what form it takes, and what is the impact of ambush marketing on Commercial sponsorship. Specifically, the paper will examine ambush marketing from a historical perspective, identifying the common strategies and efforts employed over the past two decades, and to explore the impact of of ambush marketing on events, customers and sponsorship.

Keywords: Ambush Marketing, Marketing Strategies, Corporate sponsorship

1. Introduction

Commercial sponsorship for marketing purposes developed only during the past twenty-five years. It has grown significantly as a method of marketing communications. The sponsorship of any event is expensive action which requires planning and execution to get the expected financial reward. The brand or company which gets the official sponsorship contract is relieved to make its plans a reality. But the ambushers are spoiling the fun and reward of the official sponsors. They are making use of any and every opportunity to exhibit their logo and brand names within the event.

The practice of ambush marketing, whereby corporations, often direct competitors of official sponsors, seek lowcost association with major sporting events, is a related development, arguably to the detriment of both official sponsors and event owners. This article examines the phenomenon of ambush marketing and the main strategies employed by ambushing companies as well as seeking to explore the impact of ambush marketing on Commercial Sponsorship, ie, on events, customers and corporate sponsorship.

1.1. Objectives of the Study

This paper will attempt to:

1. Find out the application of Ambush marketing strategies, adopted by various Companies
2. Analyze the Common Pros and Cons of Ambush Marketing
3. Evaluate the impact of Ambush Marketing on Commercial Sponsorship.

1.2. Methodology

Only secondary data were used for this study. These data were collected from texts, journals and magazines.

2. Ambush Marketing.

2.1 Meaning and Definition

Ambush Marketing is the one by which a company takes an advantage of event publicity done by the other company without being official sponsor of that event. It is mainly prevalent in sporting events like football, cricket, Olympics, commonwealth game, etc. When one brand pays to become official sponsors of an event and another competing brand attempts to cleverly connect itself with the event, without paying the sponsorship fee and without breaking any laws at that time Ambush Marketing occurs.

One of the early definitions of the ambush marketing was developed by (Meenaghan, 1994) and it was described as “the practice whereby another company, often a competitor, intrudes upon public attention surrounding the event, thereby deflecting attention toward themselves and away from the sponsor”.

McKelvey describes it as “a company’s intentional effort to weaken or ambush its competitor’s official sponsorship. It does this by engaging in promotions or advertising that trade off the event or property’s goodwill and reputation, and that seek to confuse the buying public as to which company really holds official sponsorship rights”.

2.2 Reasons for using Ambush marketing

It is useful to both **local companies** and big **MNCs**. Ambush Marketing is useful to **local companies** which cannot afford the high amounts for sponsorships and still want to derive the benefits like, event publicity, increase brand visibility, increase brand awareness, discredit the competitors marketing effort etc. from event. Ambush Marketing is also useful to **MNCs** which cannot sponsor each and every event considering high spending involved and want to get benefits by connecting its brand to the event without sponsoring events.

2.3 Types of Ambush Marketing

1. Direct Ambush Marketing Activities

The activities intentionally performed by a company so as to make itself seem associated with an event / property for which it has purchased no rights or when it uses clever advertising to attack a competitor and steal its spotlight.

a. Predatory Ambushing

A predator is any animal that lives by preying on other animals. Similar case is seen in *Predatory Ambushing* where a brand intentionally attacks a rival’s sponsorship / advertising efforts to gain the market share and to confuse the consumers. An instance of predatory ambushing can be seen during the 1997 Pepsi Asia Cup (cricket) which had Pepsi as its official sponsor. Coca Cola bagged the television sponsorship rights for it and Pepsi, in spite of having branded the event, got its audience confused about who the official sponsor was.

b. Coattail Ambushing

A coattail is the loose back flap of a coat that hangs below the waist. Coattail ambushing is an attempt by a brand directly associate itself with an event or a property by using a link other than becoming an official sponsor of the same. For example Adidas may sponsor a football player participating in the football cup sponsored by Nike.

c. Property or Trademark Infringement

A brand may use properties, logos, symbols, taglines words, or phrases belonging to a competitor which can dilute the communication efforts of the competitor brand and confuse the customers. For instance, Red Cross is used throughout the world to represent hospital and other medical services. This actually is a property Infringement of the Red Cross Organization.

d. Self-Ambushing

When an official sponsor performs activities above and beyond what was decided in the sponsorship contract, self ambushing is said to take place. Self Ambushing may result in the brand performing activities which was earlier agreed upon to be performed by other official sponsors, like offering freebies to the audience, etc.

2. Indirect Ambush Marketing Activities

When a brand associate itself with an event or a program indirectly – either through creating an allusion by using similar images, symbols, etc, or setting up a promotional presence at or near the event without making specific reference to the event, or by using certain theme as that of the concerned event, in order to gain more exposure and publicize their products with no intention of attacking or stealing spotlight from their competitors, the brand is said to use Indirect Ambush Marketing Activities. For example, in 1996, soft drinks giant coke was the official sponsor of the World Cup. Rival Pepsi promptly launched a massive advertising blitz, based on the catch-line: “Nothing Official About It”. The Pepsi campaign captured the public imagination - and Coke, the official sponsor, lost out.

2.4 Strategies for Ambush Marketing:

1. **Pourage agreement:** The sale of products at events is a useful and high profile way for certain type of potential sponsor (soft drink and fast food suppliers), to both raise their profile in association with a sport and also to sell products.
2. **Corporate hospitality and ticketing:** This method consists of buying of tickets for event and offer hospitality and touring packages, which are not being sanctioned by the right owners.
3. **Engage in major non-sponsorship promotions to coincide with event:** For, example, organize contests to send consumers to the event, placement of hording or booths at strategic location during the event, etc.
4. **Sponsor the broadcast of event:** The ‘ambusher’ sponsors the broadcast of event. The benefits of this approach are obvious when one considers that the audience for most events is much larger than the onsite audience. In such an instance the ‘ambusher’ is seeking a perfectly legitimate sponsorship opportunity in its own right
5. **Sponsor subcategories with in the event:** This is a very wide spread and cost effective method of association with an event of major public interest. Essentially, the ‘ambusher’ sponsors some lesser element attached to the overall event and exploits this association through major promotional effort.
6. **Purchasing advertising time around relays of competitor’s event:** A company wishing to deny a competitor the full benefits of their event or broadcast sponsorship can engage in Ambush Marketing by buying advertising time in the slots around television replays of event.

2.5 Common Practices involved in Ambush Marketing are:

1. Conducting promotions where the prize is a travel package or ticket to the event.
2. Promotional giveaways using the official logo, words or symbols associated with the event.
3. Advertising using the match schedule.
4. Associating with the event without actually using the official logo, words or symbols.
5. Advertising taking the form of "good luck" or "congratulatory" messages to teams or individuals participating in the event.
6. Displaying banners in the stadium or causing a block of spectators attending an event to wear clothing which promotes a competitor product.
7. Using strategically placed spectators at key camera points in venues to be picked up by the cameras for unauthorized media exposure.
8. Using a sky banner or blimp over a stadium or venue, or in the viewable airspace surrounding a stadium or venue where an official match or event is being played or held in order to promote a brand, which is not associated with the event

3. Examples of Ambush Marketing

1. Pepsi's 'Nothing official about it' Campaign

In 1996, Coca Cola acquired the rights of being the official sponsor of the cricket world cup held in India. However, to tackle the same, Pepsi launched a campaign named – “Nothing official about it’ and stole the limelight from Coca Cola. The instance perhaps marks the most famous example of *ambush advertising* in India.

2. Nike

Companies can take advantage of star athletes to ambush market their products. For example if a star like Michael Johnson would pose for a photograph with a Nike merchandise round his neck, revealing the logo, that would be an ambush marketing strategy in favor of Nike.

3. Apple

Apple pays for a bill board, displaying its product the iPod. Another company places its banner under the bill board in a way that seems both adverts are the same. This is a form of ambush marketing as the second company did not pay for that space.

4. 130 year old Mercedes Benz wished BMW its 100th birthday

Mercedes Benz effectively capitalized on the event of BMW's 100th birthday and wished its competitor on social media while advertising for itself.

5. Samsung

October 2011, Apple launches its iPhone 4S in Australia. Samsung, an established rival of Apple launched its Galaxy S II about the same time. However, Samsung immediately put up an improvised retail store close to that of Apple and sold its phone for AU\$2 instead of AU\$850 . In the long run, Samsung had longer queues throughout the week as compared to Apple store.

6. Holden

Holden, an Australian Automaker developed a huge air ship with the name “Holden” on it and used it to ambush as many events as it could.

4. Creativity in Ambush Marketing

Making an ambushing strategy needs highly qualitative, creative and innovative ideas because it is very tough to cleverly connect itself with the event without paying the sponsorship fee and without breaking any laws. Sponsors know the past practices have been done by the ambushers so they make rules and laws for stop particular type of practices. So, it is necessary for ambusher that to develop a strategy with new, creative and innovative idea for find out loopholes into rules, laws and contracts. Sometime this type of thinking and strategy implementation gives us a new way of marketing.



The example for unique creative ideas can be shown in following figure, Lufthansa airlines printed soccer ball on the nose of its planes. To the casual viewers it may seem the airlines are an official sponsor of soccer world cup 2006, but Emirates was in fact the official airline of the FIFA tournament

4.1 Pros and Cons of ambush marketing

Pros:

1. For the company running the Ambush Marketing campaign, it is a much cheaper option to get the brand noticed
2. Ambusher can increase brand visibility at relatively low cost and also gets the high public attention at low cost
3. Ambush Marketing is a great way to jump-start the business in the beginning because most start-ups don't have the financial capability to sponsor events.
4. Ambush Marketing creates more competition among companies jockeying for market share which is good for consumers; more competition usually means lower prices

Cons:

1. Successful Ambush Marketing diminishes the value of the actual sponsorships and brands who invest.
2. Some say that Ambush Marketing is a sneaky and less honest way to market and therefore, in a smaller, more local approach, it may not be a good solution. A smaller local business may not be able to handle the negative media and brand impact surrounding it.
3. The word "Ambush" itself carries a negative connotation with it.
4. The actual sponsors of events get certain advantages and privileges that the "Ambush" company will never have.

4.2 Impact of Ambush Marketing on Commercial Sponsorship

Impact on events: Well-organized, international sports events have the capacity to invigorate economies and sports systems, increase global visibility of country, promote tourism and provide platforms to spur on local athletes. Major events need sponsors because they can't be held solely with public tax monies. Sponsors also want to get something in exchange for their contribution in the event. They never make the sponsorship commitment unless they trust the organizer. If the organizers' quiver doesn't have enough arrows to quell Ambush Marketing, the sponsors will be scared away and they never ready to sponsoring the event. Hence Ambush Marketing affects the total funding of event because sometimes it will be good for the company to be an ambusher rather than paying huge amount of sponsorship. So, it decreases the commercial value of the event.

Impact on viewers: Because of the Ambush Marketing viewers of the event not cleared about which company had the official connection with event. So, sometimes ambusher got good brand perception at low cost.

Impact on sponsorship: Compared to paying high sponsorship for events, sponsors cannot capture the high brand awareness and high attention of viewers of the event. And also they cannot develop a desired brand image in the minds of target audience. Because of Ambush Marketing, official sponsor gets low returns in terms of brand awareness, brand visibility and advantages from event publicity in relation to the huge amounts which they pay for sponsorship. Ambush Marketing demotivates the companies to invest huge money to become an official sponsor of an event. Event owners and corporate sponsors regard ambush marketing as an unethical practice. Owners claim that it threatens an event's integrity. The marketing director of the IOC suggested that "ambush marketing is not a game. It is a deadly serious business and one that has the potential to destroy sponsorship".

5. Conclusions

As the importance of major sporting, cultural, and artistic events has increased, so too has the role of sponsorship as a way to gain consumers' attention. There are arguments in favor of and against the concept of attaching the brand to an event which already sold sponsorship rights to the competitor. It is impossible to completely stop Ambush Marketing because we can never stop the flow of new, creative and innovative ideas. Biggest losers in case of Ambush Marketing is the event itself and official sponsors also get a low returns in relation to the huge amount which they pay for sponsorship. It is a matter of ethics and decision of the managers to keep the actions

within ethical limits. The legal regulations are becoming stricter toward these acts, so it is advisable not to spoil the goodwill over the sales figures as goodwill will serve in long term.

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