

Chapter 5

Ambush Marketing

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ABSTRACT

The rapid growth in sponsorship throughout the world has been accompanied by a parallel growth in ambush marketing practice over the last two decades, particularly in the context of major sporting events. The purpose of this chapter is to introduce the concept of ambush marketing, discuss the moral and ethical issues surrounding ambush practice, and provide solutions and recommendations in dealing with ambushing issues from the perspective of different parties. This chapter begins with an introduction of ambush marketing and explanation of how it has evolved over time. The different types of ambush marketing strategies are then identified, followed by an exploration of the effectiveness of ambush marketing and its influence on sponsorship activity. The main focus then turns to the moral and ethical debate on ambush marketing among events owners, sponsors, and ambushers. Finally, the future development of ambush marketing is discussed and suggestions are made in terms of how to cope with the ambushing issues in the future.

INTRODUCTION

Ambush marketing, also known as “parasitic marketing” or “guerrilla marketing,” occurs when non-sponsors attempt to associate themselves with an event and gain benefits of being official sponsors (Meenaghan, 1996). It has increasingly been planned and used due to the high sponsorship fees and the restriction imposed by category exclusivity of sponsorship rights. It has evolved from direct ambushing aimed at directly attacking official sponsors or deflecting the public’s attention away

from an official sponsorship, to broader associative ambushing focused on overall capitalization on the value and benefits associated with an event (Chadwick & Burton, 2011). Whether ambush marketing is an immoral or imaginative practice has been debated among event owners, sponsors, and ambushing companies, and revolves around the self-interest of the various parties (Crompton, 2004; Meenaghan, 1994).

Ambush marketing can be successful in creating confusion and building brand awareness among consumers. Ambushers can even outperform of-

official sponsors under certain circumstances, for example, when official sponsors fail to adequately exploit their sponsorship rights through other promotional tools to leverage the sponsorship. Therefore, it has become the main concern for event owners and sponsors due to its distinct threats posed on future sponsorship revenue and subsequent event financial viability. As a result, in order to maintain event integrity and protect official sponsors from attacking by ambushers, a variety of measures are developed by event owners and sponsors in order to combat ambush marketing attempts. However, owing to the imaginative and innovative nature of ambush marketing, no matter how strict the measures are, ambush marketing will inevitably be planned and practiced. There is always a way to ambush.

This chapter aims to provide an overall understanding of ambush marketing and discusses the moral and ethical issues surrounding it. Upon completion of this chapter, the reader should be able to:

- Define the term ambush marketing and appreciate the nature of ambushing activities;
- Understand the trends and developments in ambush marketing;
- Identify and understand the different types of ambush marketing strategies;
- Explain the effectiveness of ambush marketing and how it works;
- Understand the counter-ambushing strategies adopted by event owners and sponsors;
- Argue the moral and ethical issues of ambush marketing from different parties' perspectives;
- Understand the future development of ambush marketing and provide recommendations for event owners and sponsors on how to deal with ambush marketing issues.

BACKGROUND

Emergence of Ambush Marketing

Major sporting events (e.g. Olympic Games, FIFA World Cup) provide an ideal platform and attractive opportunities for companies to communicate with global consumers due to the worldwide media coverage of the events and consumers' increasing interest in sporting events. For example, the 2012 London Olympics had a global reach of 3.6 billion people in 220 countries and territories throughout the world (IOC, 2012). Therefore, marketers wish to create an association with the event so as to generate brand awareness, build customer affiliation, and transfer goodwill from an event to their brands.

However, the International Olympic Committee (IOC) significantly reduced the number of official sponsors at the 1984 Olympic Games in order to offer more valuable sponsorship packages in return for higher sponsorship fees (Shani & Sandler, 1998). The IOC developed different levels of sponsorship providing exclusive rights within each level, which means that only one company, such as a soft drinks brand, could become an official sponsor of the event in one product category within each level. The restructured sponsorship programme limits the opportunities for the majority of companies to associate with the event at the headline level. As a result, marketers have to choose an alternative way to make connections with the event, which triggered the initial growth of ambush marketing. Almost inevitably, ambush marketing has grown in parallel with the popularity of sponsorship and become increasingly prevalent at major sport events. It is regarded as off-field competition between rivals (Schmitz, 2005).

The first instance of ambush marketing occurred when Kodak sponsored the U.S. track team and broadcast coverage of the event in order

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