Research Paper: Ambush Marketing

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Ambush: Trap. Trick. Deceive. Ploy. These are only some of the synonyms of the word ambush. They seem so harsh, threatening and so severe. When marketing is the entity that is ambushing, it may become a little less menacing. Or is it? Ambush marketing is a recently new sensation, especially popular to those athletic events getting worldwide exposure, such as the World Cup, or Olympics. This ambush involves a large company, who is not an official sponsor of the event, but attempts to make their presence known to the spectators and media, despite the fact that they have not paid a penny for this exposure. Meenaghan describes ambush marketing 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’” (Koenigstorfer et al). Although this may be an excellent strategy for a company to gain benefits without being an official sponsor, this is sometimes frowned upon. This type of marketing reduces the power of the competitor’s advertising – the paying sponsor. Some of the most famous incidences of ambush marketing include the 2010 World Cup, sponsored by Budweiser, ambushed by Bavaria beer and the 1996 Olympics, sponsored by Reebok, ambushed by Nike using Michael Johnson’s infamous gold Nike running shoes (Minato). This research paper will explore some of the positives of ambush marketing, and how it may be strategic for companies, the negatives of this type of marketing, and why it may be considered unethical, which will ultimately lead to a determination of a stance on the topic. Let the ambush commence.

When it comes to ambush marketing, there is a lot of positive feedback that a company can gain from participating in it. Although people may consider it unethical, what companies are doing is simply a very good strategy for marketing. In an article, “Ambush Marketing: Innovative or Immoral” it describes ambush marketing as “a planned effort by an organization to
associate itself indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor” (Mazodier 217).

The idea of ambush marketing is definitely a positive thing for companies because the way it is set up is almost like free advertisement. If a company is able to get their logo or name out there without having to pay to get sponsored, then it becomes a very superior marketing strategy for that company. They are able to spend less money on commercials and advertisements and are also gaining money from the sales and revenues that happen in response to the positive feedback of their product.

Ambush marketing most commonly occur during large events, like the Olympics. When people attempt to recall the official food sponsor for the Olympics, most likely, they think of Subway. The constant advertisement of the five-dollar foot long featuring different Olympians has been a very successful ploy for Subway. This strategy that Subway is using, according to Bloomberg Business week, is very successful and also is saving them a lot of money. The advertisement also targets multiple audiences because of the idea that you can buy a good size sandwich for only five dollars. Another ambush marketing situation in the Olympics happened when the famous track sprinter Michael Johnson won a gold medal and was pictured with gold Nike spikes around his neck. This was in the 1996 Olympics, and at the time Reebok was the official athletic wear sponsor for the Olympics. Regardless of their sponsorship, fans still associated those golden Nike spikes with these Olympics over Reebok.

These tactics are a very positive strategy because they are shown to be very effective and valuable in marketing strategy. Another example is the 2012 London Olympics: a relatively new device, “Beats by Dre” headphones were out on the market. These headphones were not yet very
popular. During the 2012 Olympics, multiple athletes were viewed using these very unique
headphones and soon after the Olympic games, Beats by Dre sales increased immensely.
Another example is from the 2014 Sochi Winter Olympics: Red Bull was not an official sponsor
for the 2014 games, but many of the athletes wore Red Bull attire, thus indirectly sponsoring Red
Bull. Red Bull was not paying these athletes or the Olympics to sponsor their brand. In fact, Red
Bull, according to the inside the games website, was the top ambush marketer of the 2014
Olympics.

When all is considered, ambush marketing is not illegal and it still proves to be a strong
marketing strategy that has been working for many companies. Even though it is not illegal,
many still believe that it may be a very immoral and unethical way to gain exposure.

In these ambush market tactics, there is no contractual relationship, and no financial
relationship between that brand and the event that they are gaining commercial gain from. “It is
defined as the “unauthorized association by businesses of their names, brands, products or
services with a sports event or competition through one or more of a wide range of marketing
activities.” (Payne, M, 1998, p 323) The idea of ambush marketing is an extremely
controversial topic, most brand marketers consider it to be just another marketing option, a
strategic choice not an ethical one. Ambush marketing itself is not illegal, “in its most benign
form it does not directly attempt to ambush a competitor but instead merely seek to capitalize on
the goodwill and reputation of a particular popular sporting event by creating association without
authorization of the necessary parties” (McKelvey, 1992, p.5) Although, some see it very
differently. Ambush marketing can be likened to the pirating of a blockbuster movie or the
album of a popular entertainer. These larger companies spend incredible amounts of time and
resources to set up a specific venue, to maximize their exposure which will ultimately result in a
tangible and profitable return on investment, but due to ambush marketing, that may or may not be the case at all. These great lengths are gone to by these companies to earn consumer dollars, and unfortunately the consumer does not care. The consumer does not care, nor do they necessarily even know who the host or the ambusher is. They simply want to know what’s in it for them. If the ambusher is adding more value to their experience around an event, then most consumers will side with the ambusher.

Because of these practices and the mindset of the consumer event coordinators and corporate sponsors feel that ambush marketing is an unethical practice. 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. If ambush marketing ... is left unchecked, then the fundamental revenue base of sport will be undermined. If sport and other sponsored organizations do not learn to properly protect their rights and the exclusivity of their right sand the exclusivity of their sponsors, then they will lose their independent financial revenue source.” (B. Ettorre, 1993, p. 55)

Ambush marketing has been a feature of the Olympic landscape over recent Olympiads, and is increasingly a feature of all major sports events. Ambushers go to these great lengths because the potential financial gain far outweighs the moral responsibility. Ambushers receive sponsorship type results with no rights fees, and with these fees costing into the millions of dollars, this is the main compelling argument for why these ambushers do what they do. Ambush marketers are seen as nothing more than petty thieves, pirates, knowingly stealing something that does not belong to them. They are in fact parasites feeding off the goodwill of the host. The reality, increasingly recognized by an informed public, is that ambush marketing is a deliberate attempt to deceive the consuming public, thereby achieving an undeserved advantage for a
company that passes itself off as a sponsor, but pays nothing to support the event or its participants. In its most offensive form, parasite marketing refers to the “intentional efforts of one company to weaken or ambush a competitor’s official association through advertising and promotional campaigns designed to confuse the buying public as to which company is associated with the respective sporting property” (McKelvey, 1992, p.5).

Ambush Marketing has proven to be a very effective method of marketing a product but it also has gained a negative stigma over the past decade. A lot of corporations deem ambush marketing as unethical and unjust. They feel that it creates an unhealthy and unfair competitive environment. It potentially decreases the commercial value of events by bombarding their sponsorship efforts to the forefront over the companies who have planned both strategically and monetarily.

There have been several successful ambush marketing attempts that have both propelled a brand to the forefront and overshadowed the rival brands sponsorship. Which popularly includes the ambush of Nike over Reebok at the 1996 Olympics and most recently the Bavaria beer girls who invaded and eventually got kicked out of the 2010 World Cup. While these marketing attempts are both unique and a huge cost saver to the ambushers, it is safe to say that these attempts diminish the value of actual brands and sponsorships who invest in these events.

Ambush marketing has become such a prevalent issue that other countries have begun to develop an anti-ambush marketing campaign to help eliminate this unethical issue from their sponsored events. Australia passed the Sydney 2006 games protection act, the Melbourne Commonwealth act 2000, the Olympic Arrangement act 2000, and the Australian Grand Prix act.
South Africa passed the 2003 Cricket World Cup act, The United Kingdom passed the London Olympic Games act, and the Caribbean Nations also passed a law against ambush marketing. These examples let us know how much of an issue that ambush marketing has grown to become and the lengths people are taking to get rid of it.

One of the main disadvantages that Ambush marketing provides is that it can ultimately negatively affect the funding of the event as it will be more beneficial for the company to be an ambusher to effectively cut costs instead of providing huge amounts of sponsorship. This method can change the way companies market forever as long as it is still tolerated. So what is the right thing to do?

Sports fans attend sports games and watch their favorite teams on television for the love of the game. They are not watching these games looking for advertisement. The advertisements that are present during these games are noted at a more subconscious level. Fans may not notice all the logos around the stadium at the time, but something about the signs and emblem will remain engrained in their brains in the future. There is something about the mild humor, clever placement and irony of an ambushed advertisement that will catch the attention of the sports fans. And what’s wrong with that?

Additionally, sponsorship opportunities are becoming scarcer – event organizers are beginning to limit the number of sponsors to guarantee superiority in specific product categories, along with keeping the cost of sponsorships high (Koenigstorfer et al). In 1998, the FIFA World Cup permitted 45 official sponsors. Compare that to the 2010 World Cup, where only 14 official sponsors were present. Companies are not even getting a chance to purchase these sponsorship opportunities, as well as events like FIFA continue to use the same sponsors every year. Ambush
marketing may be a last resort for some of these companies to get even a few seconds of screen time, or a little bit of recognition and acknowledgement from these fans. As long as they are abiding by the legalities, why not allow these companies to use their dexterous tactics to accomplish their marketing?

Lastly, the legalities of ambush marketing can difficult and debatable. Meenaghan has asked whether ambush marketing was an “immoral or illegal” practice, but little research has been done to deliberate this issue. Obviously, official sponsors see this type of marketing as immoral, because it is a threat to them and their advertisements. These competing sponsors and event owners can take legal action if they believe a competitor has encroached on their rights in some way (Hoek). But when, and in what conditions and situations is ambushing actually illegal? Meenaghan goes on to address the point that the term of ‘ambush marking’ is “now often used more generically to also describe a whole variety of wholly legitimate and morally correct methods of intruding upon public consciousness surrounding an event” (Meenaghan). Thus, ambush marketing is not and cannot be classified as illegal by law. Unethical, maybe. Crafty, absolutely.

It is very apparent that ambush marketing is a very involved and complex form of marketing that requires incredible skill, intelligence, creativity and ultimately a sly sense of humor. As with anything in marketing, there are beneficial aspects to this type of marketing as well as adverse or harmful effects. After evaluating and exploring all of these elements, it has been determined that although ambush marketing may be sly or devious, it is a great strategy for companies to use in their marketing endeavors. Companies have to do what they need to do to survive. A deliberate calculated marketing technique is what will catch the public’s eye, and
what they will remember and pursue in the future. As the age old adage says, “All’s fair in ambush marketing”.
References


