

## A STUDY ON AMBUSH MARKETING STRATEGY- IN THE CONTEXT OF ETHICAL AND UNETHICAL ASPECTS

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### ABSTRACT

The ambush was one of the popular war strategies to attack the enemy. But in marketing context ambush marketing is defined as a promotional strategy which includes wide range of marketing activities by which a company seeks to associate its name, logos, products or services with an event without making payment as an official sponsorship. However, different people may hold different views regarding ambush marketing as ethical or unethical marketing practice. No doubt ambush marketing weakens the marketing efforts of the true sponsors by confusing the public regarding a company's association with an event but at same time it gives platform to smart marketer to make use of publicity opportunities which may or may not be within the control of event organizer and to get extra exposure at minimal cost. This paper concludes that successful ambush strategies feed on ill-conceived sponsorships but where morality is concerned ambush marketing is unethical but not illegal in some cases. It might be impossible to stop ambush marketing activities, so sponsors and event organisers have to become more vigilant and hard worker.

**Keywords:** Ambush, marketing, ethical and unethical.

### INTRODUCTION

Ambush Marketing is an emerging marketing strategy especially in the field of sports. In the last decade many countries have taken initiative to organize the various sports events like FIFA world cup, IPL, common wealth games, Olympics etc. Marketers have been using these events to promote their brand or products, by sponsoring them or advertising around them by investing huge amount. Hence small companies all over the globe are competing with each other to come up with cheaper and more interesting ways to catch the consumer's eye in a world where publicity and advertising is omnipresent. This provokes the marketers to indulge in unethical marketing practices in the form of Ambush marketing. However some marketer considers ambush marketing as an opportunity to make publicity at cheaper cost. Hence this article attempts to study both ethical and unethical aspects of ambush marketing strategy. Rukmani Seth (2010) examined ambush marketing as an intellectual property infringement and suitability of the current IP legislation to tackle it. McKelvey (2003a) argued that the ambush marketing leads to consumer confusion and weakens the sponsors' advantage over their competitors. Dean and Hoek (2003) explained that marketers need to consider ambushing in legal terms – as either passing off or breach of trademarks and suggested more explicit documentation of the rights available to official sponsors. Tripodi and Sutherland (2000) reported that the practice of ambush marketing poses a serious threat to the longevity of sponsorship as a cost-effective promotional tool.

**Objective:** To study and analyse the ethical and unethical aspects of ambush marketing strategy.

### RESEARCH METHODOLOGY

The study is based on secondary data. The data is collected from various journals, books, newspapers and websites.

**Ambush Marketing:** The word ambush is derived from old French verb *embuscher*, having the meaning "to place in a wood." Whereas ambush marketing, means "an attack from a hidden position". Ambush marketing as a situation in which a company or product seeks to ride on the publicity values of a major event without having to finance the event through sponsorship. It is a marketing campaign that takes place around an event but does not involve payment of a sponsorship fee to the event. It occurs when a company enter into sponsorship contract as official sponsor of the event, and a rival capture the mind space of spectators through backdoor means.

**Characteristics of Ambush Marketing:** Ambush marketing generally includes the following characteristics:

- Ambush marketing is the planned attempt of an enterprise.
- Ambusher and sponsor usually come from the same industry and are direct competitors.
- Ambush marketing confuses the spectators regarding the identity of the official sponsor and/or ambusher.
- The Ambush marketing diverts the attention of the official sponsor to the ambusher as a result , the communicative effect of the official Sponsorship is impaired.

Ambush marketing can be classified in two classes.

**1. Direct ambush marketing.** Direct Ambush Marketing involves the activities, such as the unauthorized/ illegal use of a registered logo on merchandising goods, or a false or misleading claim to be an official sponsor of an event etc.

**2. Indirect ambush marketing.** Indirect ambush marketing can take place in several ways like sponsoring the broadcast of the event, sponsoring subcategories of the major event etc.

### **Ambush Marketing Strategies**

Generally the following strategies are used in ambush marketing:

1. **Media Coverage of an event:** In some events, sponsor will not obtain the rights to broadcast the events as a result the rivals use such opportunities by obtaining the media coverage rights. The most famous example of this is Kodak's sponsorship of the ABC broadcasts of the 1984 Olympics.
2. **Sponsoring a Sub-Category within an Event:** This is the most cost effective and widely used strategy by the ambusher. Essentially the 'ambusher' sponsors some lesser element attached to the overall event and exploits this association through major promotional efforts.
3. **Sponsoring teams or individual player:** It is concerned with sponsoring the teams or individuals competing within the specific events.
4. **Purchasing advertisement time around relays of the competitor's event:** A marketer can engage in ambush marketing by buying advertisement time in the slots around television replays of the event.
5. **Development of other imaginative ambush strategies:** Here marketers make greater use of new media such as text messaging and event merchandising, so ambush marketing strategies have also become more creative.

### **AMBUSH MARKETING – AN ETHICAL PRACTICE**

Belch and Belch defined marketing ethics as "...moral principles and values that govern the actions and decisions of an individual or group. A particular action may be within the law and still not be ethical..." They explain that, while many laws and regulations determine what marketers can and cannot do, not every issue is covered by a rule, and thus marketing practitioners must often make decisions regarding appropriate and responsible actions based on ethical considerations rather than on what is legal or within industry guidelines.

The ethicality of ambush marketing is supported by the following arguments given by various marketing experts and marketers:

1. As only one company can buy the sponsorship then ambush marketing is deemed a last ditch technique to use between such large and equal players.
2. Ambushers consider ambush marketing as a legitimate reality in a free market and is the cost effective and innovative means of delivering value to the shareholders .
3. A sponsored company does not purchase the rights to all avenues leading to the public's awareness of a property so long ambushers are free to pursue other event-related activities (e.g., television advertising on the event broadcasts, onsite events, and other such activities), which are legitimate.
4. Sponsor cannot buy the rights to the entire consumer mind space in which the sponsorship is

one resident. The mind space here refers to the various associations (ideas, images, and events) that occur in the consumers' minds when they think of the sponsored space. This thematic space is not "created" by anyone, and hence no one "owns" it. So non-sponsors want their product or service to be a part of the consumer mind space without sponsoring the event.

5. The purchase of media time and space that is legitimately offered for sale to non sponsor does not breach any statute. Ambushing involves purchasing sub-category naming rights For example, although Holden was an official sponsor of the New Zealand Olympic team in 2004, Ford arguably obtained greater exposure by promoting its sponsorship of Sarah Ulmer and gifting her a new vehicle from a range recently released in New Zealand. Although this activity is widely regarded as ambushing, these actions do not transgress any fair-trading regulations and are arguably as legitimate as the right of the top-tier sponsors to promote their association with the event.

In the words of Brewer – "Marketing is a form of warfare, and the ambush is a hellva weapon..." We could observe this in 2002 Winter Olympics in Salt Lake City, where Anheuser-Busch paid more than US\$ 50 million to become official sponsor. In accordance with its agreement, it got all rights to use the word "Olympic" and the five-ring logo. Schirf Brewery, a local (and very small) company, came up with the rather ingenious (and apparently legal) idea of marking its delivery trucks with "Wasutch Beers. The Unofficial Beer 2002 Winter Games." In accordance with copyright rules, Schirf had avoided using either the word 'Olympics' or the five-ringed logo. However, it had without a doubt connected itself to the games. Nike is considered the benchmark when formulating and implementing successful ambush marketing strategies for the Olympic Games. Nike has a history of 'ambushing' the Olympic Games since 1984. On each occasion, Nike has successfully associated itself with the popularity of the event and has liquidated its investment in ambush marketing activities via increased sales. Instead of sponsoring events Nike chooses to sponsor teams or individuals instead. Nike's marketing director Simon Pestridge has given the statement stating that, "We play inside the rules and we bring a different point of view that's true and authentic to sport. If companies aren't aggressive in promoting their sponsorships, then they should be ambushed. Sponsors should dominate all of the public relations, advertising, and promotions. Blitz the town where the event is held, buy up all the billboards. Make sure that everyone knows you are the sponsor. Do this and the ambusher looks like a bit player? If you are sloppy, then maybe an ambush will force you to become a better marketer..." So ambush marketing has developed into an art form and it is a personal skill of a marketer to avail the

opportunities lying in the loophole of sponsor's marketing campaign (Mc Kelvey, 1994; Meenaghan, 1998 and Payne, 1998).

### AMBUSH MARKETING – AN UNETHICAL PRACTICE

It is argued that every company has right to advertise during such international events which involve national pride but it is unjust to a company that enters into agreements with the event organizers and pays millions to acquire exclusive rights to advertise. Critics call ambush marketing "parasite marketing", claiming that companies are deliberately looking for ways to piggyback on their rivals' sponsorship of major events despite protests from sponsors and event organizers without paying sponsorship fees. The ambusher is merely serving its own narrow self-interest through ambush marketing which is harmful to the goodness of sport. It is also noticed in some of the cases that companies who execute successful ambush marketing campaigns are hesitant to publicly release information about campaign results. Tony Meenaghan, marketing expert argues that ambush marketing has major negative implications for event owners, in that it threatens the integrity of events and may, if unchecked, financially undermine their future staging, if sponsors refuse to become involved with events which can no longer deliver on promised sponsorship benefits. The issue of concern to event organizer is that the practice of ambush marketing jeopardised their ability of funds events due to their inability to retain top sponsors. It is considered as illegal practice because it includes unauthorized use of a registered event logo on merchandise, false claims of being official sponsor of a particular team unauthorized and unofficial publication, advertising, broadcast publication, telephone commentary etc. that could confuse the public as to the real sponsor. Ambush marketing is continues activity and it is an irritation for event organisers and sponsors. So governmental intervention is necessary to ensure sponsor protection during all sporting events (Belch *et al.*, 1995; Meenaghan, 1996; Shani and Sandler, 1998 and McKelvey, 2003b).

### CONCLUSION

Form the above discussion paper concludes that everyone in the industry wants to be noticed, and creatively discovering new ways to do marketing but sometimes these marketing tactics will probably become a source of irritation to event owners and their official sponsors as in case of ambush marketing. No doubt ambush Marketing should be understood as a marketing strategy occupying the consumer mind space for an event and successful ambush strategies feed on ill-conceived sponsorships but where morality is concerned ambush marketing is unethical but not

illegal in some cases. The law might not be able to cover each and every aspect of ambush marketing and therefore it might be impossible to stop ambush marketing activities, so sponsors and event organisers have to become more vigilant and hard worker. We suggest here some remedies which can help and save sponsors and organisers to minimise the effect of ambush marketing. The negative impact of ambush marketing on both sponsors and event owners can be minimised by properly clarifying the actual rights purchased by sponsors is given at the time of payment of fees. Sponsors should be more aware about the various legal aspects of ambush marketing. Sponsors should work actively to make public aware about their sponsorship for a particular event to avoid confusion. By making anti-ambushing laws more strict and clear, the interests of sponsor and organisers can be safeguarded.

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