**Ambush marketing and the Games: new media and how it poses a major threat to Olympics sponsorship**

Case Study

Ambush marketing and the Games

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The extraordinary growth in sponsorship over the last two decades has led to intense competition amongst organisations to secure and protect their sponsorship contracts. An associated desire to maximise brand visibility for those companies who have not secured official sponsor rights has led to an equally rapid rise in a phenomenon know as “ambush marketing”.

An early conceptualisation of ambush marketing was made by researchers Sandler and Shani (1989), who viewed it as an attempt by a non-sponsor of an event to be regarded as an official sponsor. The purpose of such a strategy is to take advantage of the attention surrounding a major event, and to divert attention from a competitor – who is an official sponsor – to themselves.

Whilst the practice of ambush marketing has proved exasperating to event organisers, it could not be considered illegal. This has led to difficulties in event organisers being able to mete out practical guidance to prospective sponsors. Often, sponsors and event organisers have sought legal redress following incidences of ambush marketing if they believe that a competitor have encroached upon their rights in a specific way.

**Evolution of Ambush Marketing**

Sponsorship has increased significantly as a means of marketing products or services. The increased popularity of sponsorship as an approach can be attributed to the need to stand out amongst a

multitude of advertising campaigns already present in the mass media. Secondly, event organisers have become more sophisticated in the development of sponsorship contracts that provide lucrative returns. A case in point is the inception of the Olympic TOP Partner Programme, which enabled the IOC to generate a profit of over $US200 million during the 1984 Olympic Games. The LA Games were regarded as a watershed in the way that Games were funded, as they were the first to operate via 100% private sector funding – an achievement based mostly on sponsorship contracts and the sale of media rights.

The notable success of the TOP Partner Programme led to a situation where gaining official Olympic Partner status became more and more difficult (partly as a result of the high costs associated with Olympic sponsorship). As the ability to enter official sponsorship routes diminished (as has been the case for many sports mega-events), the need to identify alternative means of marketing around such events increased.

The first instance of Olympic ambush marketing appears to have occurred during the 1984 Games. Fuji secured the rights to official Olympic sponsorship of the Games, beating rivals Kodak. Kodak scored something of a coup by securing the rights to become the official sponsor of ABC media coverage of the Games. During the 1988 Games, Kodak actually secured official Olympic sponsorship status over Fuji, but was to receive a little marketing-related karma when Fuji

enjoyed positive exposure as a sponsor of the U.S. swimming team.

Welsh, a former marketing executive at American Express, criticised the “*weak-minded view that competitors have a moral obligation to step back and allow an official sponsor to reap all the benefits from a special event*”, stating that competitors had “*not only a right, but an obligation to shareholders to take advantage of such events*” and that “*all this talk about unethical ambushing is …intellectual rubbish and posturing by people who are sloppy marketers*”

(Meenaghan 1996 p108).

During the 2000 Sydney Olympic Games, Quantas launched a nationwide campaign that featured a series of famous Australian athletes, using slogans such as “Australia Wide Olympic Sale”. Quantas was not the official sponsor of the Games – this accolade rested with rivals Ansett. Ansett subsequently sued Quantas, although the campaign remained something of a coup for Quantas - 60% of the Australian public believed that Qantas was, in fact, the official Olympic airline

Welsh again challenged the rationale of official sponsors and event organisers in their protestations of campaigns such as those organised by Quantas:

*“The…notion, that non-sponsors have a moral or ethical obligation to market themselves away from the thematic space of a sponsored property, is nonsense. Smart marketers have long recognised*

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*that view as a commercial non-starter and an intellectual affront”.[[1]](#footnote-1)*

Ambush marketing, then, involves the exploitation of publicity generated by a major event such as the Olympic Games) without entering into an official sponsorship deal with the event organisers. Essentially, the ambush marketer gains free promotion. Ambush marketing has led to increasing concerns amongst sports event organisers, as well as those companies that have made significant investments in gaining official sponsorship contracts with the aforementioned events.

The concept of ambush marketing at Olympic events is not new. During the 1996 Atlanta Olympic Games, Nike invested in advertisements placed strategically around the city, with the objective of capitalising on extensive media coverage of the city, and capturing the attention of the high numbers of sports tourists that had travelled to Atlanta to watch the Games. The company even constructed a Nike Village next door to the official Athletes' Village. They overwhelmed the visibility of Reebok, the Games' official sports footwear sponsor, which was a major blow to Reebok given the massive investment they had made in securing Olympic sponsorship.

This was a clever approach, as the Olympic federation ban advertisements within the immediate vicinity of Games venues (with the exception of official Olympic Partners known as TOP Sponsors). In actuality, ambush marketing is most prevalent in sports events, although it does also occur in other environments.

**RECENT EXAMPLES OF AMBUSH MARKETING IN SPORT**

Examples of ambush marketing in recent sports events abound. For example, during the 2010 South African FIFA World Cup in 2010, 36 women entered the stadium wearing orange mini-dresses embossed with the logo of the brewery *Bavaria*. As cameras inevitably captured the spectacle, ensuring free (and global) media coverage for the brand, FIFA responded quickly to eject them.

Taking the threat of ambush marketing seriously, FIFA had two of the women arrested on charges of ‘*unlawful commercial activities’,* with a promise to pursue any further charges against the brewery that were open to them. It later transpired that Robbie Earle, a British football player and television correspondent was sacked from his role in covering the FIFA World Cup due to his admission that the women entered the stadium using tickets that had originally been intended for his friends and family. The reason for FIFA’s swift and acrimonious response rests firmly on the shoulders of the lucrative, exclusive sponsorship deal that FIFA had negotiated with Budweiser, who owned the rights for exclusive representation during the event.

A situation similar to the Atlanta incident occurred during the 2009 Rugby Six Nations campaign. Advertisements for Fuller's beer featured an image of a rugby post, accompanied by the phrase "*Support English Rugby*". It transpired that Fuller’s

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did not have a sponsorship deal with the Rugby

Football Union and therefore had no right to associate itself with the Six Nations Tournament.

Marketing consultancies have often advised corporations of ways in which they can approach an ambush marketing campaign that will successful promote their brand. Concerns over possible ambush marketing campaigns have led organisers of the 2012 Games to book the majority of London’s billboard spaces during the Games.

**AMBUSH MARKETING & LONDON 2012**

Tough anti-ambush marketing measures are expected during the London Games, as a result of strict legislation passed by Parliament ahead of the 2012 London Olympics. The need to protect lucrative sponsorship contracts is crucial to the safeguarding to the economic legacy of the Games, particularly in today’s auster economic climate. This legislation takes the form of the London Olympic Games and Paralympic Games Act of 2006 which effectively gives organisers of the London 2012 Games the power to grant licences to authorised sponsors to use the symbols, words and logos of the Games.

It also acts to prevent any unauthorised association with the Games and has the power to exert a £20,000 fine on companies that appear to be in contravention of the Act. Amendments to the 2006 Olympics Act have further exerted pressure on individuals to prove their innocence in cases of perceived ambush marketing violations.

Advertising and street trading regulations for London 2012 will define zones of controlled advertising around venues, and are designed to protect the visibility and investment of official Games sponsors.

The DCMS commented that proposed regulatory changes are “*fully compliant with the law*,” adding that: “*Reversing the burden of proof is a legitimate way of ensuring that the law is complied with and acts a powerful deterrent.”* The approach of London 2012 organisers is viewed as stricter than many previous Games, which may reflect the rising threat of ambush marketing as a trend.

David Bond, an expert on copyright at law firm Field Fisher Waterhouse confirms the stringency of LOCOG’s approach: *"I think Vancouver have been more strict then than Beijing, which was itself more*

*strict than any time before. One of the terms of winning the Olympics is putting in place a plan to combat ambush marketing. One of things London looked at was what it could do to protect the revenue routes through sponsorship, should it win the games. And the UK decided it would take all necessary action to protect sponsors, and would draw up conditions to stop ambush marketing."*

The actions of LOCOG are preceded by the development of new legislation developed by the Organising Committee of the Sydney Olympic Games (SANOC) to protect sponsor rights during the 2000 Games, the the introduction of the Merchandise Marks Amendment Act 2002 by the South African Government to safeguard sponsor rights during the 2003 ICC World Cup. The ICC

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ruling actually gave power to incarcerate directors of companies viewed as acting in contravention to the anti-ambush marketing law.

It is unsurprising that London 2012 Games organisers are motivated to deal harshly with ambush marketers, given the projected £700m that will be raised via Olympic domestic sponsorship.

**Ambush Marketing in the Vancouver 2010 Winter Games**

It is likely that LOCOG viewed instances of ambush marketing at the Vancouver 2010 Winter Games with interest. The most major incident that affected the Games was the ambush marketing strategy of Scotiabank that undermined its major rival, the Royal Bank of Canada, which was an official Games sponsor. The Scotiabank campaign involved the submission of a story and photo by fans dressed in the white and red of the Canadian flag, and also included an endorsement by Cassie Campbell, a former Olympic ice hockey champion, with an image of the Maple Leaf included in the campaign. Whilst Scotiabank denied its intention to ambush its rival, VANOC remained sensitive to the issue, citing its wish to find a balance "between protecting our sponsors and licensees.... but at the same time, doing it in a manner that allows for community engagement with the Games".

**LOCOG’s STRATEGY**

So what can we expect to see at the London 2012 Games? LOCOG’s response has been interesting, with a focus on heavy fines (of up to £20,000) for individuals who use their bodies as billboards. "With half the world watching on TV, the temptation for people to try to freeload on this event is enormous," said Tim Jones, a partner at lawfirm Freshfields Bruckhaus Deringer, official legal services provider to London 2012.

Company directors will also have the burden of proof shifted to them – insofar as they have to be able to prove that they had no knowledge of the acts of an individual who may have been found to have acted in violation of these new laws. Restrictions on ambush marketing will not only encompass the areas immediately surrounding the Olympic venues, but also to famous London landmarks such as Big Ben and Westminster Abbey.

There are some concerns that there will be a heavy clampdown on social media activity related to the Games. We are largely operating in unknown territory when it comes to the potential impact of the social media on the Summer Games and potential marketing violations, so it will no doubt be of great interest to watch both the emergence of such activity, and the response of LOCOG / the IOC to it.

**FURTHER INFORMATION**

**Crow, D., Hoek, J., (2003) Ambush Marketing: A Critical Review and Some Practical Advice. Marketing Bulletin, 2003, 14, Article 1**

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## Sandler, D.M., Shani, D. (1989) Olympic sponsorship vs. 'ambush' marketing: Who gets the gold? Journal of Advertising Researc*h*, [11](http://www.getcited.org/?PUB=100020606&showStat=References&DV=11)([Aug/Sept](http://www.getcited.org/?PUB=100020606&showStat=References&DV=11&DI=Aug/Sept)), pp. 9 - 14.

**DISCUSSION**

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WOMENS PARTICIPATION IN THE OLYMPIC GAMES

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* Why has ambush marketing become such an issue?
* How has the advent of social networking technology and global broadcasting media changed the face of marketing?
* In what way has power shifted from the IOC to the marketers?
* How have the Government and the IOC sought to counter such threats?
* Do you think that we will see ambush marketing occurrences at the 2012 Olympic Games?

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1. *Marketing Week, p15.* [↑](#footnote-ref-1)