

Critical analysis of the ambush marketing events media essay



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The early days of sports marketing, during the 1950s and 1960s, witnessed a significant growth in sponsorship deals and those wanting to be sponsors, but during this period anyone who wanted to become a sponsor could organize some sort of deal. Accordingly, everyone was welcome and the varying levels of competition that existed meant that there was no need to ever ambush an event. The problem with this open access model was that it did not provide sufficient funds to host major sporting events and, in particular, the Olympic Games. By the late 1970s the International Olympic Committee (IOC) had serious financial problems. This meant that it was difficult to attract bids; indeed only Los Angeles bid for the 1984 Games. When Juan Antonio Samaranch took over as president of the IOC in 1980 he took a decision which transformed the finances of the Olympics and started a revolution in sports marketing. He introduced global sponsorship and broadcasting rights. This revolution was consolidated by Peter Ueberroth, president of the Organising Committee for the 1984 Los Angeles Olympics, who instituted three categories of sponsor: official sponsor, official supplier and official licensee. What Samaranch and Ueberroth had done was to introduce exclusivity as a central pillar of sponsorship deals. This meant that sponsors knew that if they entered a sponsorship deal they could get the benefits of association with the Games and the exclusion of their competitors. The strategy was very successful that the Los Angeles Games actually generated an extra as have consequent Games. But a side effect of this strategy was that the excluded competitors took steps to be associated with the Games without paying any sponsorship fee. Ambush marketing was born.

Ambush marketing is a marketing campaign that takes place around an event but does not involve payment of a sponsorship fee to the event. For most events of any significance, one brand will pay to become the exclusive and official sponsor of the event in a particular category or categories, and this exclusivity creates a problem for one or more other brands. Those other brands then find ways to promote themselves in connection with the same event, without paying the sponsorship fee and without breaking any laws.

The Olympic Games are one of the most effective international marketing platforms in the world, reaching billions of people in over two hundred countries and territories throughout the world. Support from the business community is crucial to the staging of the Games and the operations of every organisation within the Olympic Movement.

2Revenue generated by commercial partnerships accounts for more than forty percent of Olympic revenues and partners provide vital technical services and product support to the whole of the Olympic Family.

Each level of sponsorship entitles companies to different marketing rights in various regions, category exclusivity and the use of designated Olympic images and marks.[3]Some corporations paid a multi-million dollar fee for the right to be part of The Olympic Partner (“TOP”) program. The TOP program, managed by the International Olympic Committee (“IOC”), grants sponsors the exclusive worldwide marketing rights in their product categories for both the Winter and Summer Games. (The following companies are TOP Partners for the Vancouver 2010 and London 2012 Olympic Games: Coca-Cola, Acer, McDonald’s, Omega, Panasonic, and

Samsung). Others will look for join their companies with the Olympics and capitalize on the attendant good will without authorization of the International Olympic Committee (IOC) or payment of the mandatory sponsorship fees. This is generally referred to as ambush marketing.[4]This part will recognize the Olympic organizations that own and use the Olympic Games' intellectual property, how ambush marketing has been employed and challenged at prior Olympic Games and at the London Games, and the legal and ethical issues surrounding ambush marketing.

The main question is the ambush marketing a legal or an illegal activity?

Sport sponsorship is big business. The event owners need a huge amount money because of they try to collect the best sponsor for their sports event. The major competitions are good advertisement for the companies as well. The ambushers, those company who could not pay the expensive fees or just do not want to pay, are result huge risk for every single organizer and for the official sponsors.

5Despite the potentially large impact of the legal regulation of ambush marketing, financially and on fundamental freedoms, it is still not clear what constitutes ambush marketing. All forms of ambush marketing are bad? From the event owners point of view the ambush marketing is the worst thing ever because it threatens their ability to keep " top-paying" sponsors. In the same way, for the official sponsors ambush marketing is unwelcome because it increases the risk to their deal. The ambusher's point of view that ambush marketing is an important commercial instrument and a natural result of free competition. Outside the sporting context ambush marketing is

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perfectly legitimate marketing activity. Everybody can find a lot of “ ambush marketing advertisements” on the internet. As for the sport events, we find that ambush marketing has had some decent supporters over the years. For the reason that ambush marketing has not got a workable definition which is accepted by both of the branches. There is” legitimate ambush marketing”. The main supporting companies such as Pepsi, Nike, Adidas, Subway, Fuji, Kodak, Wendy’s and Qantas have all engaged in it. Many companies who opposed ambush marketing for events which they officially sponsored have occupied in the practice themselves at other events.

Before we would start to collect the arguments for and against ambush marketing in bigger deepness, it is important to mention a few well-known examples.

6The American Express advertising campaign in the Visa-sponsored 1994 Lillehammer Winter Olympics featured the perfect slogan “ If you are travelling to Lillehammer, you will need a passport, but you don’t need a visa!”

7Qantas Airlines 2000: Ansett was the official airline partner of the Sydney Olympic Games. Qantas ran a marketing campaign in the lead-up to the Games that included advertisements featuring Olympic athletes such as Cathy Freeman and using expressions such as “ we welcome the spirit of competition” and “ Australia wide Olympic sale”. More Australians believed that Qantas was a sponsor of the 2000 Olympics, rather than Ansett.

8In 1996 Olympics Games, Linford Christie arrived wearing the incredible electric blue contact lenses with a white Puma logo in the centre of each lens. Officially the Reebok was main sponsor of this Games.

9Pringles, Wimbledon Tennis Grand Slam, 2009: The Pringles chips are wrapped into a longish cylinder which is typical and well know thing as how the tennis balls are distributed. This comparison gave the idea of a campaign. The message was the following on the green boxes “ These are not tennis balls!” The green boxes were the “ top of the cake” because everybody knows that the players are playing on grass in Wimbledon.

And a newest from the Football World Championship, from South-Africa (2010) where the authorized beer, the official sponsor was the Budweiser, who has paid millions for the privilege of exclusive representation during the whole competition.[10]But Bavaria’s campaign with 36 young ladies who were wearing mini-dress...has grabbed the attention. Even if the Bavaria’s board member said that the FIFA’s reaction was “ ridiculous” and even if it is true that the FIFA does not have got any monopoly on orange dress and people have freedom to wear what they want anytime and anywhere the FIFA is taking into consideration a legal action against the Dutch company. The Bavaria’s defence was not too bad, but tell the truth a bit unbelievable that 36 models at the same time would go to the football match just for supporting the Dutch team, wearing a same dress and sitting directly in front of the cameras and all of these things are just occasional...

11 It is not always easy to identify an ambush marketing activity. The European Sponsorship Association (ESA) has declared the following as examples of activities where the position is not so clear:

Sponsoring media reporting of the event, without being an event sponsor

Running generic football themed campaigns during the period of a major international football tournament (for example, the notable case of Lufthansa painting footballs on its aircraft during the 2006 World Cup).

12 Governments began to outlaw almost all forms of ambush marketing for certain major sporting events at about the start of this decade. This trend was started by Australia when it had to defend the Sydney Olympic Games, the next one was South Africa in relation to the Cricket World Cup, and later the UK in relation to the London 2012 Olympic Games, and in recent times, New Zealand which last year introduced legislation aimed at protecting any major event.

Such legislation often gives government ministers the power to state that key words will be protected. For example, Canadian legislation covering the 2010 Winter Olympic Games in Vancouver will strictly limit people from using generic words such as “ winter”, “ Vancouver”, “ 2010” and “ games”.

[13] Despite this The Subway tried to snake out from the law. Tried to make a contact between the Vancouver Winter Olympic Games and its own trade mark with its newest advertisement in which Michael Phelps was the main character. McDonald’s could not look at this with a good eye, because they were the executive fast food restaurant for the Olympic Games. The

wonderful swimmer’s of our age, Michael Phelps, was swimming all the way
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through the indoor swimming pool's walls on an animated map to Vancouver, where - as the slogan said - „ the big events of the this year's winter happen". The place is not called by its name in the advertisement. But everybody can guess right that on the stylized map with three of the initials of the English name of Canada - CAN -, the snowy mountain peaks and the slogan unmistakable telling to us that it just could be Vancouver. It is also a well know thing that Phelps one of the most successful Olympic athletes of the whole world with 16 of his own Olympic medals, from which 14 golds. The McDonald's states it is more than enough that everybody thinks the Subway representative Phelps is the face of the Olympic Games. And the McDonald's did not make a mistake with this.

14The London Olympic Games and Paralympics Games Act 2006 contains almost the same provisions to protect the typical " Olympic" words such as " Gold", " London", " summer", " Games" and " 2012". There are two lists of protected words. If the marketers will use any two of the " A" list words they will breach the rules. Also if they would like to use in their campaign one " A" listed with one or more " B" listed. As for me I am sure that the ambushers can get pass these lists of words.[15]Moreover, the Secretary of State can add to the list by order. The law states that any person who is not certified to make an image that may create an association between that person or company and the London Olympic Games in the mind of the public will be in fall foul of the Act. Further protection was added by the Olympic Symbol etc. (Protection) Act 1995 (the 1995 Act). (Rather than sign up to the Nairobi Treaty) In addition, legislation has been passed to provide added protection to the elements that comprise the Olympic brand, and the brand as a whole.

This is the London Olympic Games and Paralympics Games Act 2006 (the 2006 Act). This Act gives the Games organizers (event owners) the power to award licence to official sponsors to use the symbols, words and logos of the event.

Some governments have progressed to criminalise the ambush marketing. For the reason that South Africa organized the Cricket World Cup in 2003 it was the first who stated that ambush marketing a criminal offence when it introduced anti-ambush marketing legislation.[16]It has repeated in New Zealand when they ratified the Major Events Management Act 2007 for a World Cup. Although this new law was created with the 2011 Rugby World Cup in mind, it is not specific to that event.

17Can we seriously call the ambush marketing activity as a criminal action? I do not believe so..

18My arguments against a ban on ambush marketing consist in answering three key questions. (I based my arguments on Péter Berkes professor's statements)

Does a ban on ambush marketing benefit the economy?

Almost in all of the other sector of the economy ambush marketing is an acceptable practice which support the competition. Banning it would constitute a major control of trade and, by benefiting a few main companies at the expense of many others, could well be anti-competitive. The fact is that major sporting events typically give grow to a large amount of business opportunities across the wider economy.

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Which are the normal borders of the ambush marketing? How far can the anti-ambushers go?

Ambush marketing has got a lot of forms. I have already mentioned a few examples. I could write several others which one may not normally connect with ambush marketing but which have nevertheless been targeted by anti-ambush laws.[19]If a school deciding to organize a competition series for their students during the summer which will be called “ Summer Games” it will be illegal or not?! There is almost a same situation if a pub is putting a chalkboard in front of the place with this script for example - “ watch the 2012 Games here” - is breaking the law if the name of the pub is on the board, but if it is not, then no rules breaching. These examples show how difficult to divide the real ambushers from the “ normal company”. It also makes more difficulty if we start to think about using of generic words like “ Games” and “ Summer”...

Anyway it would be a good question as well that why do the governments believe that major sports events need such strict protection? Many sports events have - in recent years - been staged without the same protection, for example, the 2006 World Cup in Germany and the 2008 European Cup in Austria and Switzerland, the 2010 European Swimming Championship in Hungary, so it is obviously possible to finance and stage a successful major sporting event without that strict anti-ambush legislation.

Does existing law effectively protect the legitimate interests of sponsors?

The authorized sponsors already have intellectual property and unfair

competition laws. Any symbols or logos particularly for a major sports event
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can be protected, by intellectual property especially by trademark or copyright. Unfair competition laws are turned up where a company connects in misleading or unreliable advertising.

In summary we can say there is a small line between “smarter” marketing and breaking the strict rules. Unless the courts clear decision or any legislation, ambush marketing will continue and increase, even if it is ethical or not, illegal or just simple a clever business practice. So called “parasite marketing” by its critics, claiming that companies are on purpose looking for easier ways to win on their rivals’ sponsorship of major sport events.

Supporters of ambush marketing – including me as well – see it as smart business. I mean all of those rules, guidelines are important to protect the official sponsors, and the sport needs these sponsors, because they are very essential according to the sport financial. Events like an Olympic Games and a World Cup are incredibly expensive to put on, so they need big-money sponsors and this in turn means that the organisers must protect hard against ambush marketing. But it is true as well that ambush marketing makes available a positive free market. By exposing to authorized sponsors and event owners the true scope of exclusivity that any sponsor can reasonably suppose to enjoy, ambushers in effect help count the true market value of Olympic sponsorship while participating in the marketing attack in a way they think most cost effective for their company. As it looks like very well to possible sponsors of future major sports events that event organizers will not be able to stop all ambush marketing efforts, this should be a reason that is accounted for in determining the fees to be paid for an executive sponsorship.

I think even in London or in another major sports event the rules will be stricter than ever before, no one can stop the developing of ambush marketing.

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