Sponsorship ambush ing in sport
John L. Crompton
Department of Recreation, Park and Tourism Sciences, Texas A&M University, USA

Ambushing occurs when a company that has no formal rights as an official sponsor, associates its own brand with a sport event with the intention of communicating the false impression that it is a sponsor. The article identifies and discusses seven potential ambush opportunities. The extent to which ambushing is effective is reviewed. Official sponsors receive little legal protection from ambushing, so they have to develop market strategies to counter it and three are presented here. The paper concludes with a discussion of the ethics of ambushing.

INTRODUCTION
Ambushing is defined as ‘a company’s intentional efforts to weaken—or ambush—its competitor’s “official” sponsorship by engaging in promotions and advertising that trade off the event or property’s goodwill while seeking to confuse the buying public as to which company really holds official sponsorship rights’ (McKelvey, 1994, p. 20). It occurs when a company that has no formal rights as an official sponsor, associates its own brand with a sport event with the intent of communicating the false impression that it is a sponsor. Ambushing has also been termed ‘parasitic marketing’ because detractors argue that ambushers are obtaining nourishment from the host event without giving anything in return.

This paper addresses four issues. First, it identifies and discusses seven potential ambush opportunities that competitor companies may pursue. Second, the question is asked, ‘Does ambushing work?’ Third, legal and market strategies available to counter ambushing are presented. The final section of the paper reviews the debate as to whether ambushing is an ethical marketing strategy.

Ambushing has two complementary goals. The first is to weaken the public’s perceptions of a competitor’s official association with an event, so official sponsors derive less benefit from that association than might have been anticipated. The second goal is to associate indirectly with the sports event in order to gain some of the recognition and benefits that are associated with being an official sponsor.

The term appears to have emerged at the 1984 Olympic Games when Kodak announced itself as the proud sponsor of ABC’s broadcast of the Games and became the provider of the official film of the US track team. This strategy was aimed at undermining and reducing any gains that accrued to Fuji, one of its primary film competitors, which had paid to be an official sponsor of the Games.

The opportunity for ambush arises because there are usually multiple entities involved in the staging of a sport event. These may include a sports federation or league; individual countries or teams; individual athletes; the media; and merchandise licensees with authorization to produce books, videos, records, toys, photographic collections et al., all of which offer sponsor-
ship opportunities. Each of these entities has the right to sell sponsorship. This makes it almost inevitable that there will be conflict between competing companies all of which have legitimately paid for sponsorship rights with one of these entities. This proliferation of entity sponsorships has been described as ‘the biggest challenge facing sponsorship as a medium, and indeed perhaps the major contributor to sponsor confusion, an environment in which ambush marketing is able to thrive’ (Meenaghan, 1998, p. 309).

The proliferation of sponsorship opportunities makes it unlikely that one company would invest the resources to purchase the rights to all avenues for association with a property, or to ‘buy the rights to the entire thematic space in which the purchased property is usually only one resident … When you own and license Kermit, you sell only the rights you own to one specific frog—not all frogs—and maybe not even all green ones’ (Welsh, 2002, p. 4). Competitors which are not official sponsors have to ask the question, ‘What promotional efforts or programs can I do within this thematic space to get marketing benefits that are not part of the official sponsorship agreement?’ (Welsh, 2002, p. 4).

Two key points about ambush marketing should be emphasized. First, it is a well-planned effort, not a one-shot commercial or ad-hoc decision. It may be costly to get people to perceive the ambushing company as being a sponsor, involving prime-time advertising and expensive tie-in promotions. Thus, the popular perception that ambushing may capture the benefits of a sponsor at a fraction of the official sponsor’s costs often is fallacious. Second, the main objective is not exposure per se since this could be achieved by regular advertising independent of the sport event. Rather the intent is ‘to create miscomprehension in the consumer’s mind about who the sponsor is and therefore gain the benefits associated with being a sponsor or weaken the impact of a main competitor being the exclusive sponsor of an event’ (Sandler and Shani, 1989, p. 11).

### AMBUSH OPPORTUNITIES

Seven potential ambush opportunities are discussed in this section. They are listed in Table 1. They serve as a checklist from which competitors select elements for their ambush, and which sponsoring companies review in order to develop strategies for defending against an ambush. Often some combination of all of them will be used in an ambush campaign.

#### Sponsorship of the broadcast of the event

This occurs when television rights holders create and offer to nonsponsors the right to be ‘a proud sponsor of the [say] NCAA Final Four Championship broadcast’. The sponsor pays a rights fee to the broadcast company, not to the NCAA, which is likely to cost much less than sponsoring the event itself. The sponsor’s expectation is that the general public will not recognize this distinction: NBC facilitated this strategy when it paired its logo with the Olympic rings and used it on advertisements which ‘thanked’ and promoted a variety of network advertisers, many of whom were not Olympic sponsors. This access to the corporate logo was intended to provide advertisers with ‘value added’ assistance and was available to competitors seeking to ambush official sponsors.

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**Purchasing advertising time in and around event broadcasts**

The media often are reluctant to accept and acknowledge the role of sponsors of a sport event. They believe that to credit sponsors in editorial coverage could potentially harm their advertising revenue, since companies are spending their communications money on the sponsorship rather than on advertising. The prevailing philosophy is, ‘When you are in the business of selling media time or space, you don’t want to give away time or space’. As a general rule, broadcast media will not credit title sponsors unless the event or sponsor purchases advertising time during the broadcast. Typically, broadcasters require title sponsors to purchase between 15% and 25% of the total advertising time inventory. In return, sponsors receive title credits in pre-promotions of the event, graphics, and on-the-air pictures and mentions. Contracts usually specify such details as number of mentions and when a brand’s sign will be shown on camera. However, even after a title sponsor has purchased 15%–25% of the advertising inventory, this still leaves 75%–85% of it available for competitors. If most or all of it was purchased by a competitor the saturation effect could overwhelm and negate association with the official sponsor.

For example, at the 1998 World Cup, Nike was not an official sponsor but did have an endorsement contract with the favourites, Brazil. Nike bought advertising slots worldwide in the breaks in the games and featured the Brazilian team in the adverts. Nike also built a football village near the World Cup’s main stadium in Paris and paraded its star teams there including Brazil, and the Brazilian team was featured as a major attraction of the village. The campaign was backed by a major poster campaign. Nike achieved a slightly higher awareness rating for the World Cup than Adidas, its main rival and official sponsor of the event. After this experience, Adidas announced it would review its decision to remain a major sponsor unless it could be assured that its investment could be better protected (Gratton and Taylor 2000).

The basic scenario of the official sponsors being ambushed by others frequently acquires an added dimension from active intervention by media companies. In these contexts, the media are not merely a passive conduit in the ambushing conflict, but rather an aggressive force in fostering it because it offers opportunities to enhance their revenues. Thus, unless their agreement with the event or the sponsor specifically prohibits them from doing so, the media are likely to aggressively solicit competitors and point out the ambush potential of the opportunity. One experienced sponsor commented:

Presumably, since your competitors haven’t already spent many millions of dollars to be the official sponsor, they’ll have the cash to buy in. And the truth is, the average American on his or her couch lazily watching these competing commercials is unlikely to notice who’s ‘official’ and who is not. (D’Alessandro 2001, p. 85)

**Sponsor entities other than the organizing body**

This can occur in forms such as sponsoring individual teams or individual athletes. The NFL had a sponsorship agreement with Coca-Cola, but the Dallas Cowboys sold ‘pouring rights’ at their home stadium to Pepsi. The seminal event of the Atlanta Olympics was Michael Johnson’s victories in both the 200 and 400 meter races, and the remarkable world record he established in the 200 meters. Reebok was the official shoe sponsor, but Nike shoed many of the most prominent athletes including Johnson who wore distinctive gold Nike running shoes. The commentators and other media made frequent mention of the shoes and Johnson waved them prominently and frequently for the cameras. Johnson presented the shoes to his parents in tribute after his world record
performances: ‘It was a highly emotional moment, pure catnip to broadcasters who proceeded to spend the next 24 hours flashing closeups of Johnson’s gold Nikes in living rooms across the globe’ (D’Alessandro 2001, p. 45). As a result Nike usurped much of Reebok’s association with the Games. Indeed, surveys after the Games reported higher numbers credited nonsponsor Nike with Olympic sponsorship than Reebok. At the Olympics in Sydney, Ian Thorpe dominated the swimming events in his home country. The official clothing supplier for the Australian Olympic Team was Nike, but Thorpe was sponsored by Adidas. At the medal presentations, the swimmer draped his towel over the Nike logo on his official team tracksuit so it did not show in the photographs of him which appeared around the world (Kendall and Curthoys 2001).

Purchase advertising space in close proximity to the event venue

The official clothing sponsor of the European Soccer Championships was Umbro, but Nike billboards saturated the entire road infrastructure leading to the major stadiums where the games were played, eclipsing Umbro’s presence. In the case of the Olympic Games, the IOC removed this strategy by requiring that any city bidding for the Games must secure all advertising space within the city limits for the entire month in which the Games are to be held. This includes billboards, posters, advertisements on buses, paintings on buildings and so on. The city of Athens, host of the 2004 Games, committed to do this at a cost of $10 million (Kendall and Curthoys 2001).

However, this solution is unique to the Games and not feasible in most other contexts. Thus, smaller events are confronted with competitors to their sponsors offering product trials immediately outside the event gates and comprehensive advertising and signage around the external periphery of the venue. In situations where the sponsor and/or sport organization is unable to control access to an event, for example, a marathon race using public thoroughfares, they are particularly vulnerable to this form of ambush.

Home Depot and Lowe’s are the two largest do-it-yourself retailers in the US, but they are also major sponsors of two of NASCAR’s top drivers and Lowe’s is the sponsor of Lowe’s Motor Speedway in Charlotte. Home Depot displaced Lowe’s as the official home improvement warehouse sponsor of NASCAR. Thus souvenirs featuring Home Depot’s driver in raceway gift shops were removed at the six tracks operated by Speedway Motorsports, Inc., the owner of Lowe’s Motor Speedway. When the Coca-Cola 600 was held at Lowe’s Motor Speedway, Home Depot acting in its capacity as an official sponsor put up a giant billboard that fans saw as they entered the speedway. It featured the driver Home Depot sponsored and the message: ‘We’ll see who really owns the track’. Home Depot also gave away about 75,000 luminous orange glow sticks to fans so its corporate colour would bathe the stands at dusk. Lowe’s ambushing riposte came at a later meet in Alabama, when the Home Depot driver in an unguarded moment called the local fans ‘obnoxious’. Lowe’s then put up billboards throughout Alabama that read: ‘We love all fans’ (Markiewicz, 2003, p. C2).

Thematic advertising and implied allusion

Themes, symbols and images associated with the event may not carry direct reference to it because this is a sponsor’s prerogative, but they may be sufficient to generate the desired association that competitors are seeking. Protected symbols aren’t used but the advertising is developed in such a way to give the impression that it is officially related to the event. A variation of this approach is given in Figure 1.

The Sun newspaper in the UK, positioned booths outside the main stadium for the final
The 6-day Redlands Bicycle Classic race began in Redlands, California and drew more than 50,000 spectators. The race’s official sponsor was the dominant newspaper in the area, the San Bernardino County Sun. Its neighboring rival from Riverside, The Press Enterprise, was expanding into San Bernardino County. It had failed in repeated attempts to replace the Sun as the race’s official sponsor, but viewed such sponsorship as an important promotional vehicle for building its circulation in the new area. Frustrated Press Enterprise executives decided to launch an ambush to try and become the public’s perceived newspaper sponsor of the event. Among other things The Press Enterprise:

- Published editions with special wrap-around covers about the race, and had hawkers sell them.
- Expanded race coverage by increasing the sports section with two added full-colour pages and a blizzard of race photographs.
- Published a 20-page race guide, and deployed 30–40 college students to hand out 4,000 copies of the free guide.
- Rented a lot within sight of the race starting line and parked a big delivery truck with a 28-foot-long ad for the paper on the side facing the crowd.
- Set up a booth at the first turn in the race to give away guides, sell the paper and sign up subscribers.

The Press Enterprise vice-president for marketing concluded: ‘We were successful in creating the impression that we were the official newspaper sponsor, which, of course, we weren’t’.


Figure 1 Ambushing the sponsor of a bicycle race

of the European Soccer Championships held in England and handed out hats emblazoned with their logo to the fans. Their logo dominated the stadium at the event. Most people probably assumed The Sun was an official sponsor, when in reality it had no sponsorship role (Staheli, 1998).

The official sponsor to the 1999 Rugby World Cup was Stein lager beer company. Fosters, a competing brand, ran an advertising campaign around the theme ‘Swing Low, Sweet Caro’ in the United Kingdom. Swing Low, Sweet Chariot is the rugby anthem of the English rugby team who were finalists in this tournament which was held in England (Kendall and Curthoys 2001).

Wendy’s used this approach as an element in their strategy to repeatedly ambush McDonald’s which was an official Olympic sponsor. Wendy’s associated itself with the Games for a fraction of the cost by featuring posters announcing ‘We’ll be there!'; by printing Olympic stories on its tray liners; and by being ‘A proud sponsor of ABC’s broadcast of the Olympics’. Their advertisements frequently were set in Olympic venues with Olympic stars. As one critic observed, ‘They looked, smelled and tasted like Olympic sponsors, but they weren’t’ (Roskin, 1995).

An alternative version of this strategy is for an ambusher to organize a contest relating to the event, and to give away as prizes licensed souvenirs, free tickets or free trips to it,
suggesting sponsorship involvement (Meenaghan, 1994). Coors organized a ‘Tourney Time’ promotion featuring Dick Vitale ‘the voice of college basketball’ on American network television. The grand prize was a ‘Trip for two to New Orleans, Louisiana, April 4–8, 2003’. The National Collegiate Athletic Association (NCAA) Final Four Basketball tournament was being held at that time. The average viewer probably assumed the company was an official sponsor as a result of this promotion, but it was not (McKelvey, 2002).

Historical allusion may be an effective ambush strategy if a competitor previously was an official sponsor of an event, but no longer holds those rights. Their historical ties may be used to continue the association with the team or event in the public’s mind. The National Rugby Team are known as the ‘All Blacks’. The All Blacks have always been one of the world’s top teams and are a source of great pride to New Zealanders. The team’s official clothing sponsors from 1928 to 1999 were Canterbury International Ltd. (CIL). When they were pre-empted in 1999 by Adidas, CIL developed a range of clothing known as Invincibles which was the name given to a legendary All Black team from a previous era that had worn CIL-made uniforms. The promotional campaign was dominated by photographs featuring members of the original Invincibles team. The allusion CIL attempted to create was that this clothing range was officially sanctioned by the New Zealand Rugby Football Union (Haek and Gendall, 2002).

**Creation of a counter attraction**

Counter attraction could serve to mitigate the official sponsor’s positive impact. Anheuser-Busch was prohibited from bringing its Clydesdale horses, which it uses prominently in its advertising for Budweiser beer, into a Miller beer sponsored rodeo. Thus, Anheuser-Busch siphoned people and media attention away by scheduling the horses’ visit to the city on the same day as the rodeo (IEG, 1996).

An accidental ambush may be created inadvertently by an event owner not being aware of the potential of third parties to innocently introduce competition. Examples include:

- Inviting an attraction, for example, skydivers sponsored by a competitor.
- Not controlling merchandising rights and having a competitor’s brands sold by fast food outlets, for example, the competitor’s beer getting pouring rights at the event.
- Beverage vending machines and fast food trailers advertising a competitor’s products.
- Competitor equipment sponsored by the opposition, for example, timing clocks, radar guns and referees’ attire (Kolah, 2001).

**DOES AMBUSHING WORK?**

The few studies that have investigated the issue and published their results in the public domain have been limited to assessing recall and recognition of official sponsors and ambushers. For example, a national advertising agency which has surveyed public recall of Olympic sponsors after every Olympic Games since 1984 has consistently found that non-sponsors which advertised were perceived by most as being official sponsors (Ukman, 1998).

A limitation of using recall in measures of sponsorship effectiveness is that recall is notoriously faulty. People are more likely to associate a sponsor with an event based on the brand’s popularity rather than on their remembrance of seeing a company’s signage on-site. For example, one study reported that only 6% of people used their actual memory of the sponsorship when asked to recall event sponsors; 42% of them recalled sponsors based on ‘relatedness’ (that is, congruence of image between an event and a brand).
and 21% tended to assume that a market leader in a product category was the company affiliated with the event; the remaining 31% of responses were based on random guesses (Pham and Johar, 2000). Another study reported that people recalled seeing the brands they used, irrespective of whether the brands were involved in sponsorship (Haek and Gendall, 2002). An implication of this phenomenon is that any ambushing strategy initiated by market leaders and highly related companies is likely to have a high probability of success.

There is a widespread belief among company executives that ambushing works and this belief underlies its persistence for over 20 years. Companies continue to invest large amounts of money in this strategy because they believe in its effectiveness. A key issue which appears to be unresolved is the extent to which consumers harbour negative feelings towards ambushers for ‘hitching a free ride’. It is possible that to some extent ambushing may be counter-productive by alienating some of those who are loyal to an event. Work undertaken by the IOC suggests that companies ambushing Olympic sponsors are not held in high regard, but other research has reported that consumers were generally indifferent to the issue showing little support for the contention that the practice is unfair or unethical (Meenaghan, 1998). This may reflect a lack of awareness among respondents of the potential adverse financial impacts of ambushing on an event.

On the other hand, there may be some who admire and applaud ambushing as the imaginative attempt by an underdog to match a market leader:

It’s a David and Goliath situation, where you’ve got the establishment spending a fortune on sponsorship. If you can find an imaginative way of hijacking the event, it’s a very compelling thing to do. It’s got this slightly subversive, guerrilla marketing feel about it. (Staheli, 1998, p. 34)

**STRATEGIES TO COUNTER AMBUSHING**

Official sponsors can pursue both legal and market avenues to defend their rights. Both are discussed in this section. Legal remedies are pursued when it is believed ambushers appropriate property rights that they do not own. For example, if the logo or symbol of a team or event was used without official authorization this would be an infringement of the entity’s intellectual property rights. Similarly, it would be an obvious breach of the law to claim an official relationship with an event when none existed. However, the discussion of ambush strategies in the previous section showed that ambushers rely on implication and allusion rather than directly affronting the legal rights of properties. The issue then becomes one of degree—how far can they push the allusion before it infringes on an event’s property rights?

Few cases have reached the courts because (i) this process is costly, so there is incentive to settle disputes privately; and (ii) the courts’ decisions typically have favoured ambushers, refusing to find a violation of existing law unless there has been a clear ‘trademark and tradename infringement’ and this infringement is part of an overall marketing campaign (Kendall and Curthoys 2001). The most prominent case, which was heard in a Canadian court, is summarized in Figure 2. The case related to Pepsi-Cola’s ambushing of the National Hockey League (NHL) and Coca-Cola, which had paid $2.6 million to be the league’s official soft drink sponsor. In effect, the court confirmed Pepsi had the right to associate with professional hockey by using a promotion based upon professional hockey players even though Coca-Cola had purchased exclusive sponsorship rights from the NHL.

After Sydney was awarded the 2000 Olympic Games, the Australian government passed the Sydney 2000 Games (Indicia and Images) Protection Act which was intended to protect official sponsors against ambush-
Pepsi-Cola Canada conducted a widely publicized consumer contest called the ‘Diet Pepsi $4,000,000 Pro Hockey Playoff Pool’, whereby fans matching information under bottle caps with actual NHL Playoff results became eligible for prizes. The NHL (probably under pressure from Coca-Cola) filed a lawsuit, alleging that Pepsi-Cola Canada, which had no rights to NHL trademarks, had engaged in misappropriation and unfair competition by using marks ‘confusingly similar’ to those owned by the NHL, had infringed on the NHL’s trademarks, and had unlawfully interfered with the NHL’s business associations.

The Supreme Court of British Columbia ruled against the NIH. The Court found that Pepsi-Cola Canada had used three techniques which effectively defended them from this charge. First, they generically referred to the promotion as the ‘Pro Playoff Hockey Pool’ instead of the NIH Playoff Pool. Second, in all their promotion material relating to the contest they included a disclaimer that the contest ‘is neither associated with nor sponsored by the National Hockey League’. Third, under the bottle caps and scratch cards were city names of NIH Playoff participants, not the full trademarked team names.

Pepsi’s commercial spots advertised the promotion during NIH broadcasts and they featured former NHL coach Don Cherry, a regular on the television program ‘Hockey Night in Canada’ who was viewed by many as the voice of the NIH. The NIH argued that the defendant’s advertising by using a personality clearly identified with the NHL games and by causing the commercials to appear during and in conjunction with the broadcasting of NHL playoff games was ‘likely to convey to the public a false impression that the NHL and its member teams approved, authorized, endorsed or were in some manner associated with the contest, and thereby, Pepsi’s products. The NHL states this was clearly designed to tie into and trade upon the goodwill and regulation of the NHL and to thereby misrepresent or create confusion with the public as to Pepsi-Cola Canada’s relationship with the NHL’. This argument was rejected by the Court who indicated that by purchasing advertising within the playoff broadcast, Pepsi had a legitimate connection with the games.


**Figure 2** NHL vs. Pepsi-Cola Canada: overview of a sports ambush case

However, a retrospective review of the Act’s effectiveness concluded:

The Sydney 2000 Act, aimed as it was at rectifying the situations of most concern to official corporate sponsors, did not achieve that which its proponents had hoped for. As such, it does not stand out as an acceptable alternative for those charged with organizing future events and raises the question as to whether more can indeed be done to ensure better protection. (Kendall and Curthoys 2001, p. 29)

More could be done and was done in the US when in 1998 the government passed amendments to the Olympic and Amateur Sports Act of 1978. These were designed to provide special legal protections for the Salt Lake City Winter Olympics. They entitled the USOC to sue companies that created even the appearance of an Olympics sponsorship.
They were effective in substantially reducing ambush activity at those Games (McKelvey, 2002). However, these wide-embracing protections were confined only to the Olympics and not available to any other organizations.

For the most part, events and official sponsors receive little legal protection from ambushling, so they have to develop market remedies to protect the value of their rights investment. Laws alone are unlikely to be equal to the task of responding to the imaginative ambushling strategies of marketers. Three types of market remedies are available.

The first pre-emptive market tool remedy for combating ambushling is the contract. In the past, ambushling was facilitated by poorly written contracts, but many previous loopholes are no longer there. Thus, greater coordination between event owners and broadcasters has reduced the likelihood that official sponsors will be ambushed by competitors claiming ‘official broadcast sponsor’ status. Similarly, event sponsorship and advertising sales now are frequently linked. Media now tend to offer first option to the official sponsors to buy up remaining advertising time. In the case of the Soccer World Cup, all advertising time surrounding broadcast of the event in the US market on the ABC and ESPN television networks, the official broadcasting networks for this event, was presold to a selection of official sponsors, such as Coca-Cola, MasterCard and General Motors, at the time of purchasing sponsorship rights to the event itself (Meenaghan, 1994).

The downside of this approach is that sponsors may be required to purchase large amounts of advertising they don’t want. This can be addressed contractually either by sponsors being given first right of refusal which preserves their chance to reconsider if a competitor seeks to buy time, or by not allowing media to sell advertising time around the event to any competing brand.

Other ambushling loopholes that can be closed through a contract include: (i) specifying how tickets will be dispersed to avoid a competitor accessing blocks of tickets and awarding them as prizes; (ii) web links to the event site and from the event site to the sponsor’s site, and to cosponsor sites; (iii) protection against ambushling through technological detection which puts video insertions into a television broadcast to create advertising messages when none existed and delete ones where they exist (O’Sullivan and Murphy, 1998); (iv) event owners prohibiting broadcast partners from ‘sub-letting’ the event’s trademark rights to non-official sponsors through the use of composite logos and titles that convey an official association between the non-sponsor and the event; and (v) having a host city and/or event site ban advertising that directly competes with official sponsors. The NCAA creates a ‘clean zone’ for its Final Four Basketball Tournament whereby it imposes a ban on advertising in the area surrounding the facility hosting the event and at official Final Four hotels. To create the clean zone at the 1999 men’s Final Four in St. Petersburg, 30 signs surrounding Tropicana Field that would be visible from the basketball court were covered up. Nonsponsors’ promotional items were also banned from the area outside the arena and the official hotels (Mullin et al. 2000).

The second preemptive market remedy for combating ambushling is comprehensive use of the platform the event provides. The sponsorship is a payment that buys the company a platform that offers a central theme around which a focused, integrated promotional message can be communicated through an array of different communication vehicles. Leveraging the platform involves developing a promotion plan which specifies the role of each vehicle and the extent to which it will be used. A decade ago, a 1 to 1 ratio was most frequently cited as the appropriate ratio, meaning that for every dollar paid for a sponsorship another dollar should be
invested in related promotion. Today, the conventional wisdom is that $3 should be invested in activation to leverage each dollar spent to acquire a sponsorship. If sponsorship of an event is used to integrate and provide focus for an extensive set of marketing activities which are pursued for an extended period both before and after the event, then the potential impact of an ambush is minimized.

If all else fails, a third market remedy to forestall ambushing is to 'name and shame' the ambushers. This involves publicizing the ambush and embarrassing the competitor. Opel Ireland (General Motors) were the long-time major sponsors of the Irish national soccer team. They had initiated the sponsorship at a time when the team was not doing well. Some years later the team’s fortunes changed. They succeeded on a world stage and the players were feted as national celebrities. At that point, a financial services company tried to ambush Opel using sponsorship of the players as its platform. Opel responded with an advertising campaign featuring the first team they had sponsored many years earlier, with the caption line ‘We sponsored the band before the bandwagon’. The financial services company was chas- tised by committed Irish soccer fans who expressed unbridled hostility towards it terming it a ‘bandwagon supporter’. As a result of the outcry, the company quickly ceased its involvement with Irish soccer (Meenaghan, 1998).

The US Olympic Committee threatens to ‘name and shame’ ambushers with campaigns which would consist of half or full page advertisements in many of the country’s major newspapers featuring a photograph of an ambushing company’s CEO under the headline, ‘Thief’. It is possible that other entities could mount a ‘Don’t hurt our Athletes’ campaign against ambushers which might persuade them to ‘cease and desist’ (McKelvey, 2002).

**IS AMBUSHING ETHICAL?**

Is ambushing unethical, or is it an example of imaginative, creative ethical marketing? The issue has been extensively discussed, with the debaters predictably espousing views that reflect their self-interest.

Among sport property owners and official sponsors, the consensus is that it is unethical. They perceive that ambushers are appropriating something that does not belong to them, usurping benefits from it for which they have not paid, and in so doing jeopardizing the financial standing of the property. Their pejorative rhetoric is robust and emotionally charged: ‘Like leaches they suck the lifeblood and goodwill out of the institution’; ‘It is a form of theft practiced by corporate pariahs’; or from the marketing director of Visa, ‘Ambush marketing implies a connection to an event for which you have not compensated the owner. There’s another word for it: stealing’ (O’Sullivan and Murphy, 1998, p. 353).

Those who engage in ambushing resent the suggestion that it is unethical and state that such charges represent only ‘self-serving pleading in the guise of intellectual commentary’(Welsh, 2002, p. 4). They consider it to be a healthy business practice consistent with the American tradition of encouraging competition in the market place. Indeed, it has been argued that such healthy competition has the long-range effect of ‘making sponsorship properties more valuable, not less, in that successful ambushes, over time, help to weed out inferior sponsorship properties’ (Welsh, 2002, p. 4). There is no doubt that ambushing has resulted in more extensive and creative use of the platform that sponsorship provides for integrated promotion, and to much cleaner, tighter contracts between properties and sponsors.

The free enterprise economic system is designed to encourage companies to compete vigorously, but lawfully. Managers have a moral obligation to maximize returns to the
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stockholders for whom they work. Provided actions are lawful and in the company’s best long-term interest, they should be pursued. Thus, ‘the argument that if I’m an inventive non-sponsor mining the sponsored thematic space in a clever way, the public may come to think of me as an Olympic sponsor is not an argument supporting non-pursuit of ambushing activities, but is rather a possible testament to the marketing skills of a non-sponsoring competitor’ (Welsh, 2002, p. 4).

A sponsor’s investment does not operate in a vacuum, free of the competitive pressures that are inherent in the economic system. Sponsors and properties have an obligation to identify the parameters of what they are purchasing, including an understanding of what they can and cannot control. These are key factors in determining the price/value of a sponsorship. Competitors have no ethical obligation to make sure an official sponsor’s investment is successful. The obligation lies with sponsors and event owners to remove or minimize ambushing opportunities.

CONCLUDING COMMENTS

The modern era of sports sponsorship emerged in the early 1980s with the coalescing of a number of factors (Howard and Crompton 2004). One of those factors was the obvious benefits that accrued to companies which sponsored the 1984 Los Angeles Olympic Games. That event also marked the beginning of sponsor ambushing. During the past two decades, sponsorship agreements with sport property owners have become much more imaginative, complex and expensive. Concomitantly, ambush strategies also have become more imaginative, complex and expensive. It is unlikely that sponsors can ever be fully protected from ambushing, but the magnitude of their investments has required that they demand sport property owners make it more difficult and expensive for competitors to effectively engage in such a strategy.

The irony of ambushing is that it has resulted in much tighter contract agreements and more emphasis on leveraging the platform in which sponsors have invested. In short, the adage that ‘competition makes us better’ appears to fit the ambushing phenomenon. There has been a realization that the purchase of sponsorship rights is the beginning of a promotion process, not the end. If a company does not invest resources to exploit the platform that a sponsorship provides, it is likely to have wasted its investment, because ambushing competitors are given the opportunity to usurp its position in the eyes of the public.

REFERENCES


