

AMBUSH MARKETING: VALUE CO-CREATION OR CO-DESTRUCTION

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Aim of the paper

The purpose of this paper is to examine whether ambush marketing can be viewed as a strategy that adds to the equity of Olympic brand by co-creating value within the Olympic marketing system. The position of ambush marketing as either an agent of co-creation or co-destruction of value for the focal organization's brand (i.e. Organizing Committees of Olympic Games) is considered.

Theoretical background

While early studies on ambush marketing argued that ambushing has the potential to destroy sponsorship (Payne, 1998), its impacts on mega-event brands remain questionable (Ellis, Scassa and Séguin). Nevertheless, the threat of ambush marketing remains a key concern for sport organisations and their sponsors. In recent years, the International Olympic Committee (IOC) has taken strong measures against ambushing by demanding host country governments to endorse legislations that aim at protecting sponsors from ambush marketing (Ellis, Scassa & Séguin, 2011). These legislations usually fall under the wider scope of brand protection. However, it has been suggested that for some stakeholders (e.g. athletes, sport federations, host city businesses, etc.) such legislations have negative impacts and create important challenges (Ellis et al. 2011). Such actions seem to be contrary to recent studies on brand equity which suggests that strong brands are the result of stakeholders interaction that are viewed as part of a network of relationships that are 'co-creating' value for the brand (Jones, 2005, Helm and Jones, 2010). Jones argues that brand value is created through the interface between the brand and multiple stakeholders. This suggests that brand value is not just dependent on a single relationship (e.g. Olympic brand and its sponsors) but is reliant on a network of relationships that support value creation processes (Jones, 2005). Given that Olympic brand operates within a system of stakeholders (e.g. athletes, sport federations, citizens of host cities, sponsors, etc.) there are numerous opportunities for 'stories' that can indeed co-create value as opposed to co-destructing value for Olympic brand. This may well be the case for ambush marketers who may work with Olympic stakeholders (e.g. athletes) and indirectly contribute to the Olympic brand by co-creating value.

Methodology

This study is exploratory in nature using the Olympic brand as a case study. It is the intent of the investigators to use this study to develop original hypotheses to delve deeper into this subject. With the intention of reaching the required level of understanding, the authors performed several interviews with key stakeholders of the 2010 Vancouver Olympic Games including representatives of the Canadian Olympic Committee, international Olympic committee, VANOC, sponsors, national sport federations and Olympic athletes. The relevant stakeholders were identified via a purposeful sampling method so that those who would be interviewed had the knowledge required to provide valuable insights to our research question. The interviews were transcribed and analyzed. A deductive analysis was used so that emerging themes referring to the potential influence that ambush marketing plays could be identified. This is part of an ongoing research project and additional interviews are being conducted.

Results/discussion

Findings from the first step analysis show that ambush marketing is believed to be damaging for the Olympic brand and its sponsors (national and TOP sponsors). However, further analyses also suggest that if done properly, ambush marketing can also be co-creating value for Olympic brand. In fact, stories that are shared by ambush marketers around the brand are often positive and are believed to provide value-added between stakeholders and the Olympic brand. Perhaps the competition for sponsorships and advertising between stakeholders, even in the form of ambush marketing, can be creating value for the Organizing Committee and the IOC. On the other hand, it was found that the IOC's attempt to overly protect the interest of one stakeholder (i.e. sponsors) may be preventing others (i.e. athletes, sport federations) from sharing compelling stories with the public while possibly impacting their ability to raise the necessary funds to finance their training programs through corporate sponsorship. It could be that the need to protect the interests of sponsors through anti-ambush legislation for example may actually be creating problems for others. In a system where value is being co-created by all stakeholders such actions could be problematic in the future. Since application of anti-ambush legislation rests in large part with organizing committees the way in which they manage this sensitive issue in the future will dictate whether legislation is the ultimate form of brand protection and in then end, co-creating value with stakeholders.

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