AMBUSH MARKETING IN MEGA-SPORTING EVENTS:
DRAWING THE LINE WITH FREEDOM OF EXPRESSION

By
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Ambush Marketing in Mega-Sporting Events:
Drawing the Line with Freedom of Expression

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Abstract

International sporting mega-events such as the Olympic Games, are constantly in a behind the scenes and public all out commercial war. This war is a combat between event organizers and ambush marketers who engage in ambush marketing tactics. These marketing strategies can be found from big corporate companies to tiny local shops but almost always end in legal action. While this battle is very real it often goes unnoticed by the public and many fans. This war is fought during most sports mega-events in order to protect the highly lucrative commercial rights of an event’s sponsor. This paper will focus on defining ambush marketing within the realm of mega-sporting events, namely focusing on the Olympics. The paper will further explain the legal resources available to event promoters and official sponsors. Lastly, this paper will discuss the violation of freedom of expression in relation to ambush marketing.

Keywords: ambush marketing, mega-events, sports industry, Olympics, freedom of expression
# Ambush Marketing in Mega-Sporting Events

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HISTORY OF AMBUSH MARKETING

Ambush marketing can be seen throughout the sporting industry, in every league around the world. This paper will however concentrate on one of the largest sporting events in the world, the Olympics. The true meaning and extent of ambush marketing cannot be fully understood until one understands the history of ambush marketing and how it originated. The sponsorship fees for rights to the Olympic Games are continuously escalating. As the financial commitment continues to increase, large corporations are seeking more assurance that they are receiving exclusivity within their product segment. The prevention of ambush marketing has become an increasingly daunting task, especially in the United States, where the Constitution protects the freedom of commercial speech.

Commercialism and the Olympic Games

Commercialization dates back to the 1896 Olympic Games where organizers sold souvenir stamps to relieve financial pressure. In 1912 many photography companies were hired and allowed to sell their photographs. In 1924, large corporations were paying to advertise within the Olympic Stadium (McDonald). This innovation, however, reflected poorly upon the Olympic movement and signage was permanently banished and remains banned today.

As the Olympic movement continued to grow, the number of Olympic sports increased, the number of athletes increased, the number of participating countries increased, and the costs associated with managing the games increased as well. As one can see in Table 1 below, the games have been steadily increasing not only in the amount of competitive events, but also in the number of participating countries which increases the amount of participating athletes. The larger the games become the larger the need for financial backing from sponsors.
In the beginning of the Olympic movement, the Olympic Games were largely funded by the IOC. As the costs of running the event reached hundreds of millions of dollars, by 1970 it was no longer feasible for the Olympic Games to be solely, privately funded. This funding pressure created a particular problem for the United States. The United States Olympic team is the only team that does not receive any subsidy from its national government. According to the Amateur Sports Act of 1978, the USOC is the sole supervisor of Olympic sports in the United States. The Olympic movement within the United States, as well as the hosting of the Olympic Games when they are held in the U.S., is funded solely through nongovernmental money (McDonald). The United States also sends one of the largest delegations of athletes, sending 534 of the nearly 11,000 athletes in total at the London Games in 2012. The United States was only surpassed by the UK, the host country, with 557 athletes (Simons).

In 1976 during the Summer Games in Montreal, the necessity for private funding became apparent. By the time the event was over, the games had a $1 billion deficit. In direct contrast,
commercialization of international sports first made headlines at the 1984 Olympic Games in Los Angeles which required no public money and profited over $200 million (Louw). This change in the financial outcome was largely the responsibility of Peter Ueberroth, the president of the Organizing Committee, who enlarged, to an unparalleled amount, the commercialization of the games through expensive corporate sponsorship fees, categories of sponsorships, and the promise of exclusivity. The Los Angeles games reached $222.7 million in profits. The majority of that was the result of the $768 million brought in from television rights, commercial sponsorships and ticket sales. The Los Angeles Games built very little in the way of new venues, relying heavily instead on existing infrastructure, and also spread the Games out over the Southern California region. This kept expenses as low as $546 million, of which 73% was in administrative costs. It was with those 1984 Summer Games in Los Angeles that the potential of commercial financing was first seen and exploited. (McDonald).

**IOC Cultivation of Commercialism**

After the success of 1992 Olympic Games, the International Olympic Committee stated that “it is through television that the world experiences the Olympics” (Hall). With the increase spectatorship of sports through media outlets, corporate sponsorship interest has continually increased in sporting events and competitions, sponsorship often on an exclusive basis. Due to the success of the profitable Los Angeles Olympics, the IOC decided to start selling sponsorships worldwide, thus creating The Olympic Program (TOP). TOP sponsors did not just buy the rights to one Olympics, but for quadrenniums, or four consecutive years. In the 1996 quadrennium, the IOC was successful in selling sponsorships worth $40 million each (Hall). As can be seen in Figure 2, sponsorship sales have continually increased over the years.
Prior to 1985, the Local Organizing Committees (LOCs) were the only organizations selling sponsorships. When the IOC decided that they were going to sell sponsorships as well, it detracted from the potential revenue stream of the hosting country. Only 20% of the IOC sponsorship funds get distributed to the LOC hosting the games, forcing the LOC to sell sponsorship packages below TOP prices to be competitive (McDonald).

1996 Summer Olympic Games

The 1996 Atlanta Games were the largest games ever and represented the largest amount of commercialization associated with the Olympic Games. Olympic sponsors and non-Olympic sponsors attempted to take full-advantage of the Olympic association and benefit as much as possible. Sponsors such as AT&T, Budweiser, and Coca-Cola created villages in downtown Atlanta in order to further market their brands and sell their products. During these games Coca-Cola spent an additional $250 million in promotion beyond their original $40 million TOP sponsorship (McDonald).
Non-authorized advertisers who had not bought sponsorships from the IOC or the USOC, advertisers such as Nike, also tried to capitalize on the games. Nike spent $3 million purchasing an old warehouse near the Olympic Village in Atlanta and turning it into a sports museum. Nike also spent millions of dollars dressing national teams competing in the games. Nike received instant recognition and millions of television viewers from the Nike shoes Michael Johnson wore when winning the 200- and 400-meter dashes (McDonald).

Large corporations weren’t the only ones trying to capitalize on the games, a large number of local corporations that were not authorized sponsors also tried to capitalize as well. The city of Atlanta hired a marketing firm to sell vending rights to city parks and streets, making downtown Atlanta appear to be a flea market. The effects of non-sponsors were found by the IOC to be conflicting with the Olympic image and took away from the benefits of the actual Olympic sponsors.

Hosting the largest Olympic Games also required spending the largest amount of money. Expenses for the Atlanta games capped out at $1.7 billion. The issue then arose of trying to finance these expenses. Selling very high-priced sponsorships proved difficult and the result was the selling of hundreds of sponsorships ranging from $5-20 million (McDonald). Atlanta Centennial Olympic Properties also licensed agreements to hundreds of companies. Under these agreements, companies were allowed to display the Atlanta Olympic Game name and logo on merchandise for retail. In return, ACOP was to receive 7-10% of every item sold in order to maximize revenues (McDonald).

With the large number of companies using the games as an advertising vehicle, it was hard to tell which companies had paid for the rights to advertise and which had not. This greatly
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detracted from the exposure of the actual sponsors. In a survey taken after the Games, Nike, a non-sponsor, was ranked third as the most recognized corporate sponsor at the 1996 Olympics, only behind Coca-Cola and AT&T. For the first time, the ambushing activities of non-sponsors was seen as a threat to actual event sponsors and the 1996 Atlanta Games are seen as the tipping point for ambush marketing at the Olympics.

AMBUSH MARKETING DEFINED

Ambush marketing is not clearly defined in the marketing literature which is one reason why it remains highly controversial. According to the International Olympic Committee’s Technical Manual on Brand Protection:

The term ambush marketing...includes all intentional and unintentional attempts to create a false or unauthorized commercial association with the Olympic Movement or the Olympic Games. Ambush marketing includes: (a) a non-partner company’s use of creative means to generate a false association with the Olympic Games, (b) a non-partner company’s infringement of the various laws that protect the use of Olympic imagery and indicia, and (c) a non-partner company’s activities that intentionally or unintentionally interfere with the legitimate marketing activities of Olympic partners (Brand Guidelines).

In South Africa ambush marketing has a slightly different meaning according to the 2010 Act of Safety at Sports and Recreational Events. According to sections 19 and 22, the act defines ambush marketing as follows:

[An intentional act of an attempt on the part of a person which utilizes or attempts to utilize commercialization, publicity or public interest in an event arranged, organized or sponsored by others to obtain an unauthorized and unpaid for commercial benefit from,
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or association with, an event, without any official involvement or connection with such event (Republic of South Africa).

Thus, the practice of ambush marketing consists of any activities by companies who attempt to capitalize on association with events and who are not official sponsors. In a more traditional view point, ambushing is seen as a company’s efforts to weaken a competitor’s association with an event. For instance, American Express ambushed VISA during the 1994 Olympics in Norway with an ad stating, “If you’re travelling to Norway this winter, you’ll need a passport, but not a VISA” (McDonald). Not all ambush marketing efforts are focused on weakening a competitor’s campaign. For instance Nike, often capitalizes on the goodwill that is associated with an event, as seen by the sports museum set up outside of the Atlanta Olympic Village. Olympic ambush marketers falsely represent themselves as Olympic sponsors, but provide no support for the Olympic Movement, teams, or organizing committees.

Types of Ambushing

There are many forms of ambush marketing, of which many go unnoticed by the general public. Some of the most common tactics and examples include:

- advertising in or near event venues
- conducting consumer sweepstakes or promotions that include event locations or themes
- negotiating smaller sponsorship deals with teams, athletes, or organizations competing in the events
- purchasing broadcast time during or near event broadcasts
These tactics have been used for decades at mega-sporting events across the world. Figure 3 below depicts how certain organizations used such ambush marketing tactics during the Olympic Games.

<table>
<thead>
<tr>
<th>Olympic Games</th>
<th>Ambush Marketing Example</th>
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<tr>
<td>1984</td>
<td>Kodak sponsors TV broadcasts even though Fuji was the Olympics official sponsors. Fuji later returned the favor at the Seoul Games in 1988.</td>
</tr>
<tr>
<td>1992</td>
<td>Nike sponsored a news conference with the U.S. basketball team. Michael Jordan accepted the gold medal for basketball and hid his Reebok logo.</td>
</tr>
<tr>
<td>1996</td>
<td>Linford Christie, a British sprinter, wore contact lenses engraved with Puma’s logo, even though Reebok was the official sponsor.</td>
</tr>
<tr>
<td>2010</td>
<td>MasterCard used catering trucks at high-traffic intersections to deliver coffee to spectators, despite VISA being the official sponsor.</td>
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</table>

Figure 3: Ambush Marketing Examples

While the IOC sells the worldwide rights to Olympic Games sponsorships, it does not dictate how television advertisers buy times. As pointed out earlier with the VISA/American Express conflict, any company can ambush the efforts of a competitor by purchasing advertising time during an Olympic event. Networks often make this option appear very attractive as well, allowing such advertisers to label themselves as “Official Broadcast Sponsors of the Olympic Games” without as high of a price tag (McDonald).

Figure 4: Olympic Commercialization (Nielsen, Newswire)
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As can be seen from Figure 4 above, broadcast rights have increased from $155,000 in 1988 to $320,000 twenty years later. While these prices may seem to be quite high, when compared to the Super Bowl that charges nearly $3 million per 30-seconds, the Olympic broadcasting is quite a value for advertisers (Nielsen). To the general public there appears to be little difference between the company who purchased network television time and the company who paid millions to the IOC for worldwide sponsorship.

Conducting sweepstakes and promotional events in association with an upcoming event theme or location is another well-used tactic of ambush marketing. By distributing promotional products that insinuate association, many companies reap the benefits of being a sponsor without paying. Corporations often sign smaller sponsorship deals with athletes or teams involved in events, rather than sponsoring the events themselves. For example, during the 1996 Atlanta Olympics, Nike was the official sponsor for USA Track & Field. By being the sponsor, Nike provided all uniforms for the team, placing their logo on every track and field athlete, increasing Nike’s corporate presence to the general public (McDonald). At the time of the 1998 Olympics in Nagano, Wendy’s had a sponsorship deal with the NHL and USA Hockey allowing them to ambush the TOP sponsor McDonald’s. Advertising in or near events has been a popular tactic, especially noted at the Atlanta Olympics. Throughout the city of Atlanta, Fuji Film had purchased eighteen billboards displaying, U.S. athlete, Dan O’Brien, who became the decathlon champion, deterring from the TOP sponsor Kodak (McDonald).

Legal Recourses for Event Promoters and Sponsors

Under United States law, there are various legal recourses event promoters can use to combat ambush marketing. The first recourse is a trademark infringement action against an
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An ambush company using a trademarked logo, symbol, or name. According to the Lanham Act, a company can be held liable for using a mark that can cause confusion with respect to corporate affiliation. The event organizer is also required to show that there was damage due to the confusion. Courts generally require proof that consumers are likely to be misled and that the misleading would result in a change of purchasing behavior (Uphoff).

The Amateur Sports Act of 1978 gives additional protection to Olympic sponsors. By making the USOC the official Olympic organizer in the United States, it gave the USOC the power to bring civil action against any users of the Olympic symbol or marks who are unauthorized to do so. These marks include both the names “Olympic Games” and “Olympics,” as well as the symbols portraying the interlocking rings, Olympic flame, and the Olympic torch (Uphoff). This power allows the USOC to sue any organization or company that uses these general and broad marks without permission from the USOC or IOC. An action for the misappropriation of goodwill, is a third legal recourse that event promoters can use at their disposal. If a company falsely represents itself by wrongfully using a sponsor’s goodwill, then there are grounds to sue.

The 2012 Olympic sponsors and partners together spent billions of dollars to be associated with the London Games. Non-sponsors who were attempting to be a part of the games were also paying a high price of 20,000 Great British Pounds ($31,228.74) for violating such marketing laws or guidelines as established by the IOC (Smith). When London won the bid for the 2012 Games, the government passed the London Olympic Games and Paralympic Games Act of 2006. This act was implemented to supplement already existing laws regarding intellectual property. According to the IOC:
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Certain rights are acquired by companies who ‘invest millions of pounds to help support the planning, staging and organization of the 2012 Games in an official capacity. People who seek the same benefits for free, without investing in the Games by paying for these rights are effectively depriving the Games of key revenue (Smith).

Reasons for the Prevalence of Ambush Marketing

Ambush marketing continues to exist for various reasons. Some of the main reasons are listed as followed:

- Increasing sponsorship rights fees
- Very few cases make it to trial due to lack of precedents
- Ambushing corporations have learned to protect themselves

One reason involves the continuously increasing rights fees for sponsorship of mega-sporting events. As the price increases, corporations veer away from traditional sponsor packages and lean more towards creative ways to benefit from association with events. While there are legal recourses for organizers and authorized sponsors, as mentioned above, ambush marketing still exists due to the existence of limited case laws, the success of corporations in defending themselves, the fact that most ambushing campaigns are short lived, and the threat of unfavorable court decisions creating an assault of ambush activity and this restraining actions against ambushers.

In fact, while there are laws that are applicable to the issue of ambush marketing, only a few cases have actually progressed through the judicial system (Smith). When it comes to the theory of misappropriation this challenge is especially true. Issues of legality often take much time and effort, so very few event promoters or sponsors take ambushing corporations to trial.
The second potential reason for having very few ambush marketing cases is that corporations have become skilled in protecting themselves against such lawsuits. Moreover, companies have used tactics such as implying their association with certain events without actually using the official event trademarks. Corporations have also been known to add disclaimers to all materials stating that the company is indeed not an official paid sponsor of the event. Most mega-events are short lived and only last a few weeks at most, which gives ambushing companies a very small window to market as-well. When events are so short, it rarely gives the event promoters or sponsors enough time to take legal action and restrict ambushing activity.

The most common reasons why so few legal actions are brought to trial appears to be that sporting organizations and events fear the consequences of losing a law suit. Because there is a lack of case law regarding these marketing tactics, any court decision in favor of an ambushing company would set a dangerous precedent. Once a precedent is set any other corporation could use it while initiating an ambush marketing campaign. The result of such a precedent would devalue sponsorship rights and increase the amount of ambush marketing. Taking an ambush marketing case to trial would also generate a lot of attention from the media and put the ambushing company back in the spotlight, allowing them to gain the exposure that they set out for from the beginning at no profit to the Olympics.

Repercussions of Successful Ambushing Marketing Efforts

The success of ambush marketing makes it difficult for sporting organizations to maximize profits from high sponsorship-right fees. When a sponsorship contract is signed, that initial fee is only the beginning. In order to fully benefit from association with an event,
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corporations often spend millions more creating targeted advertising and promotional campaigns for the event. During the 1993-1996 quadrennium, Coca-Cola paid $40 million to be a TOP sponsor, and spent an addition $250 million on its Olympic marketing during the Atlanta Games (McDonald).

In order to secure long-term, lucrative deals, such as with TOP sponsors, organizations need to be able to offer exclusivity from any competitors. While exclusivity is currently offered, protection from competing advertisers is not. It is important that the event organization can provide protection and resistance to ambushing activities. If an ambushing campaign is successful, the event organization was unable to deliver on the exclusivity promised. This often displeases the sponsor and they may choose to no longer renew their sponsorship. Without renewal of sponsorships, the financial viability of the event is weakened because sponsorship fees payoff for majority of operating expenses.

Public Awareness of Ambush Marketing

One of the largest problems of ambush marketing is that the general public is simply unaware that there is even an issue. A Survey was taken by Sponsorship Research International (Sri) of the general population of nine different countries (Australia, Brazil, China, Japan, Malaysia, South Africa, Spain, the United Kingdom, and the United States) in August 1996 after the Atlanta Games. From this table alone can be seen that ambush marketing is not highly thought of if thought of at all.
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<td>Australia</td>
</tr>
<tr>
<td></td>
<td>91</td>
</tr>
<tr>
<td>If I see a company that is not a sponsor trying to pretend that it is supporting the Olympics, my opinion of that company is lowered</td>
<td>83</td>
</tr>
<tr>
<td>I think it is wrong for companies to deliberately avoid paying for Olympic rights</td>
<td>83</td>
</tr>
<tr>
<td>I think companies who avoid paying for the right to use an Olympic message are clever</td>
<td>17</td>
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Figure 5: *The Olympic Marketing Newsletter* (Aug. 1997)

According to Figure 5, of those who were surveyed, 80% agreed that only official sponsors of the Games should be allowed to advertise Olympic messages and 68% of respondents said that they would lower their opinions of companies who partake in ambush marketing tactics. What is even more surprising is that almost 1/3 of the spectators at the 1996 Atlanta Olympics believed that the only advertising during the Games was by worldwide sponsors and the respondents were
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not aware that extensive ambush marketing was present. Even more surprising was that once informed of the presence of ambush marketing, only 45% of respondents felt annoyed by the activities of the ambushing companies (McDonald). This kind of public indifference to this problem further encourages ambush marketing. If a company is confident that its public image will not be tarnished by this behavior, then the company will be more likely to follow through with more of the same. The issue then lies with the event promoter to educate the public on who the event sponsors truly are and the negative influence on the event that ambush marketing incurs.

Reasons in favor of Ambush Marketing

With the price of broadcasting rights growing exponentially, it is no wonder that companies are turning to ambushing techniques. Over a 15-year period, in the United Kingdom the broadcasting rights fee for Premier League soccer matches increased from GBP 6.3 million for 2 years in 1986 to GBP 1.1 billion for 3 years in 2001 (Louw). To put it more simply the price jumped from GBP3.15 million to GBP 367 million per year. In the United States, the sale of television rights is the NFL’s main revenue source. From agreements with CBS, NBC, ESPN, Fox, and Direct-TV, the league earns a little over $3.75 billion per season. Most shocking of all was the report from the IOC president in 2008 amidst the global recession. At a time when the majority of the world was hurting economically, television income for the 2010 Winter and 2012 Summer Games resulted in a 40% increase from $2.6 billion in 2006 and 2008 to $3.8 billion USD (Louw).

It is not just sports leagues that are cashing in on commercial deals, but many top athletes are also seeing the benefits from personal endorsements. The professional soccer player David
Beckham earned an additional stipend of GBP 33,300 per week from Manchester United for the use of his image on club merchandise. Tiger Woods earns far more in sponsorships and endorsement contracts than he does from golf tournament winnings. Prior to his infidelity scandal, Woods was earning approximately $90 million a year in marketing sponsorships and was considered the 11th most effective product spokesperson (Vranica).

PriceWaterhouseCoopers, the auditing and financial services firm, has reportedly stated that the sports marketing industry has exploded into a multi-billion dollar business. Global sponsorship spending in 1984 resulted in merely $2billion and grew to $43.5billion in 2008 (Louw). As the industry continues to grow, the media continues to branch out and has been recently focusing on the purchasing of clubs and teams.

**WHERE TO DRAW THE LINE?**

**Modern Media Marketing**

As the popularity of new media increases, the usage of traditional media sources decreases. The Vancouver Games held 24,000 hours of worldwide TV coverage which was impressive in 2010. What was more impressive was that there was an equal amount of digital media coverage, of which 25% consisted of mobile coverage (Vinjamuri). Modern media tools such as blogs, podcasts, social media, etc. are often less expensive or even free to use, which reduces the cost of media placement. Consumers tend to find modern media marketing more genuine and authentic because it is seen as a form of unedited communication and opinion sharing among people (Rogers). New media marketing also has the capabilities to make or break reputations as breaking news can be spread virally and quickly spread around world.
Social media has been one of the fastest growing segments of modern media marketing. Twitter, for instance, was founded in 2006 and by 2011 had 200 million users. On any given day, 50 million people use this social media site and send over 350 million tweets, a rapid improvement from 2007 with 5,000 daily tweets. Facebook has also significantly grown from its 12 million users in 2006 to over 800 million users in 2011. Of these 800 million users, 75% of them were located outside the United States, which depicts the global impact the social media can have. In 2010 the Vancouver Olympics received 14,000 followers on Twitter and 1.1 million Facebook fans. The IOC has over 4 million Facebook fans, and 110,000 Twitter followers (Vinjamuri). According to the IOC President Jacques Rogge:

Through our digital platforms, the IOC wants to reach out to young people using their own language and channels of communication. This is what the IOC has always strived to achieve: to get people active regardless of their age, gender, or athletic ability. Thanks to our initiatives in social media, we are reaching out to an even greater number of people around the world and spreading the values of sport.

With such a vast market, sport sponsors are using these social media sources to target consumers as part of their Olympic partnership marketing platforms. Yet, with the increased use of Social Media, it is easier than ever for companies to ambush market. During the London 2012 Olympics, Twitter worked with the Local Organizing Committee to ban all non-sponsors from buying promoted ads with hashtags that implied association, such as #London2012 (Smith). Participants such as athletes were also not permitted to promote any product, brand or service within a tweet or any other social media platform throughout the games.
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Rule 40

Rule 40 states that “Except as permitted by the IOC Executive Board, no competitor, coach, trainer or official who participates in the Olympic Games may allow his person, name, picture, or sports performances to be used for advertising purposes during the Olympic Games” (Vinjamuri). Upon first glance, Rule 40 seems reasonable in order to protect the contractual sponsors’ rights and restrict competitor’s advertising. The modern Olympics games are highly driven by profits from broadcasting, merchandising and sponsorship rights, but the athletes are not. Athletes do not get paid for their participation in the Games and while it is seen as an honor to represent one’s country, they are essentially unpaid entertainers. Of the games’ revenue 92% (if there is revenue) goes to the host and national Olympic committee (Vinjamuri). While some of this money is used to support the athletes, it is not provided to all athletes, or even all medaling athletes.

The true issue with Rule 40 is in the word “during” which implies that the IOC is seeking to control freedom of expression of athletes for the duration of the Olympic Games, rather than just inside the sporting arenas. Controlling expression outside of the venues, on participants’ private time, can be seen as a violation of civil rights such as, in the U.S., those guaranteed by the 1st Amendment. The IOC claims that the necessity of Rule 40 revolves around protecting the integrity of amateurism, but also conveying that commercialism is acceptable as long as the IOC approves of it and profits from it.

The Olympic system, especially within the United States, relies heavily on private sponsorship to support athletes’ preparation and training. As previously stated, the United States government does not support the Olympics, as is the case in many other countries, and
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participants are therefore forced to provide their own income to pay for their expenses. The expenses that are incurred from training fulltime are more than just for equipment, coaches, and facilities, but also basic living and travel expenses. It is reasonable that the IOC wants to control advertising inside of its venues, but managing their social media to ensure that the sponsors who have allowed them to compete at the Olympic level are not gaining exposure is taking it a step too far.

The IOC defended Rule 40 with the rationale that the rule stemmed from the amateur roots of the Olympic movement. The IOC argued that the rule was meant to promote and encourage amateur athletes. The highly commercial state of the sports industry as a whole and the fact that the amateur rule was lifted in the 1971 undermines the IOC’s argument (Vinjamuri). The IOC further argued that Rule 40 helps support the lesser known athletes and countries. While in many countries, the NOCs receive money from the TOP sponsor revenues, for many lesser known athletes their shining moment only comes once every four years and they deserve to be able to capitalize on it.

First Amendment

“Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof; or abridging the freedom of speech, or of the press; or the right of the people peaceable to assemble, and to petition the Government for a redress of grievances” (Bill of Rights). The key point that many don’t understand about the first amendment is that the government cannot tell you what you can or cannot say. The first amendment is not talking about private individuals, a group of people, or corporate entities but solely government suppression.
Many organizations require their employees to dress a certain way. As of 2012, the NFL requires players to wear Nike clothing and prohibits any other brands. When it comes to employment law, employees can require employees to wear uniforms. Olympics athletes are not employed, however, by the International Olympic Committee, or the Local Organizing Committee, of the Local Olympic Association (Cheever). And while in the U.S. the First Amendment only applies to the government or entities serving a governmental purpose, it is difficult to see the IOC as a non-governmental body.

MANAGING AMBUSH MARKETING

Management should protect paid sponsors against ambush marketing in large sporting events. The IOC needs to be able to offer sponsors the exclusive right to promote inside and near the surrounding venues in order to make a sponsorship deal lucrative. However, due to the fact that Olympic athletes are not employed by the International Olympic Committee, personal sponsorship deals should not be void during the Olympic Games. Athletes should be permitted to wear and promote what they choose and have freedom of expression. Personal sponsorships are what helped the athletes to get to the Olympics in the first place and it is wrong for the IOC to dictate that athletes turn their backs on those that have supported them to reach their dreams.

This topic has proven to be highly controversial due to the ambiguity surrounding the topic. TOP sponsors have paid their way into prime marketing opportunities and other companies should respect that. On the other hand, ambush marketing is just another form of competition. Management needs to learn where to draw the line and how to manage both sponsor and athlete needs. That is a fine line, but management should prevent authorized event sponsors from dictating what happens outside the event itself and trying to control the individual athletes.
A simple fix to this problem is to do away with Rule 40 and allow athletes to bring their individual sponsors into the games. The International Olympic Committee should see this as a marketing opportunity because it is not the sponsors that attract the fans, it is the athletes. Moreover, the IOC should be encouraging athletes to use social media, rather than discouraging, and get fans talking about the Olympics, which would encourage fans to watch the Games. Social media is a free marketing tool that could potentially promote viewership of less popular and commercialized sports such as rowing, archery, or weightlifting. By allowing athletes to tweet and gain a fan base, they are simultaneously promoting the Olympics and increasing viewership, which is the main goal of the TOP sponsors who want to be recognized by as many people as possible.

The IOC should also allow athletes to continue to be supported by their individual sponsors. This does not mean that the athletes or the sponsors should be allowed to infringe on the IOC’s intellectual property, but the athletes themselves should still be allowed to appear in advertisements and promotion. Once again the IOC should view Olympic athletes as brand ambassadors who are promoting the Olympics, instead of viewing them as potential ambush marketers.

As long as the Olympics are televised, the IOC will always have the problem of ambush marketing and companies competing to capitalize on the games. Too much money and exposure has been poured into the Olympics which has made them what they are today. There is no realistic way to bring back the alleged purity of the early Olympics, an Olympics without global sponsors and merchandisers. The Olympic Games have changed and the IOC needs to continue to change with them.
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Works Cited


