

Executive Summary

Design for Business: Research
International Conference and Publications

Just do it! Using Design and Ambush Marketing Effectively

Issue #6 Sep-oct 2015

Presented by Ideas on Design with the State Government of Victoria

Presenting the
latest thinking on
design as a strategic
resource for business

“Recent years have seen a considerable rise in so-called ‘ambush marketing’, where unofficial brands aim to capitalise on the hype generated by an event. It’s not difficult to see the attraction. Having saved a considerable chunk in sponsorship spend, brands have more financial freedom to invest in social media campaigns, viral content, PR stunts, celebrity endorsement and ad buying.”

Sally Morgan
Brand Perfect

“Ambush marketing is a term used to describe a practice by which a rival company is trying to associate its products with an event that already has official sponsors.”

Gjoko Muratovski

This is the sixth issue of a bi-monthly bulletin sharing executive summaries of international research papers about design driven business strategy.

Researchers profiled in these Executive Summaries come from esteemed universities, research centres and businesses.

Their expertise in design led innovation has been sought by leading businesses such as Coca-Cola, P&G, Turner Broadcasting, Unilever, General Motors, Kraft, Nielsen, Rio Tinto, BHP Billiton, Melbourne Airport, ANZ, Deloitte, Fuji Xerox, Vodafone, Bentley, Cadbury, Sydney and London Olympics, Nespresso, NFL, General Electric. IBM, Harley-Davidson, Nike, Converse, GAP, Caterpillar, British Airways, MasterCard, and many others.

This sixth issue presents:

Ambush Marketing: Nike at the Olympics
by Gjoko Muratovski
Auckland University of Technology

Ambush Marketing: Nike at the Olympics

Gjoko Muratovski
Auckland University of Technology

Nike has a long tradition of sponsoring athletes and maintaining a high Olympic profile despite its non-sponsor status in relation to the Games themselves. However, the only way that could achieve such high presence, given their non-sponsorship status, is by engaging in 'ambush marketing'. Even though these types of marketing practices are not breaching any legal regulation, they are still seen as unacceptable for the Olympic host cities that depend on their sponsor money to stage the Games. As a result, a number of new rules and laws have been created that can result in fines or even criminal charges for 'ambushers'; and thanks to that, many illegal ambush practices have been largely kept at bay. This is why companies such as Nike, who want to be present at the Olympic Games but are not official sponsors, have to devise increasingly complex marketing tactics that will not breach any legally-binding rules.

Out of the many marketing initiatives that Nike launched around the 2012 London Olympics, two of them have been particularly instrumental in raising Nike's profile during these Games: the introduction of the infamous neon-green/yellow Volt spikes shoes that all Nike athletes wore during the athletic competitions, and the 'Find Your Greatness' video commercial

that featured athletes competing in towns and places named London from around the world—except London, UK.

The so-called ambush marketing approach has proven to be a highly effective marketing practice for Nike. If we take into account the social media metrics surrounding the Olympics, then we can see that Nike was far more successful than Adidas, even though they held the 'high ground' as an official sponsor of the event. According to some reports, the breakdown of the results show the following:

- Over 16,000 Tweets associated the work 'Nike' with 'Olympics', in comparison with fewer than 9,300 for Adidas.
- @Nike followers grew 11% from opening to closing ceremonies, adding more than 57,000 to the brand, while @Adidas Originals grew only 4%, adding 12,000 followers to the brand over the same period.
- 'Find Your Greatness' ad had earned over 7,000 more Tweets than Adidas' 'Take the Stage' campaign that was launched at the same time.
- Over the course of the Games, Nike added twice as many Facebook fans as Adidas (McNaughton, 2012).

Over 16,000 Tweets associated the word 'Nike' with 'Olympics', in comparison with fewer than 9,300 for (game sponsor) Adidas.



Image: www.sportmarketingnews.com

Ambush marketing does work, especially if this is supported by research, creative zeal, and it is executed with great attention to detail – for legal purposes.

It has been reported that, as the 2012 Games began, in one week Nike's 'Find Your Greatness' received the No.1 spot on the Viral Chart with 4.5 million views, compared to Adidas' 'Take the Stage', which arrived at No.3 with 2.9 million views. In addition to this, an online survey conducted in the US showed that 37% of the participants identified Nike as an Olympic Sponsor, compared to 24% that identified Adidas as the sponsor.

While the merits of being an ambush marketer are clear for the rival brands—as the case of Nike shows—these benefits are essentially achieved at the expense of the official sponsors and the organisers. Such activities are significantly weakening the impact of the official sponsors and the logical consequence is that corporate sponsors may lose interest in sponsoring events such as the Olympics, who rely on heavy corporate sponsorship in order to exist. Nevertheless, ambush marketing does work, especially if this is supported by research, creative zeal, and it is executed with great attention to detail—for legal purposes. This, however, does not mean that sponsorship is an ineffective marketing activity. Sponsorship is still a very attractive option for marketers, especially when they want to associate themselves with positive

and highly visible figures or events. Yet, for multinational corporations eager to transcend cultural barriers and promote their standardised messages to a worldwide audience, the opportunities are far fewer. Sporting events such as the Olympics have the global appeal that these corporations want, but they provide expensive and limited sponsorship prospects. That is why some brands, such as Nike, have chosen to pursue an alternative route and engage in ambush marketing instead.

Then again, Nike's decision to associate themselves with high-performing athletes, rather than with the organisation that manages the event where the athletes are participating appears to be a strategic decision on their end. In their advertising campaigns, Nike always puts the emphasis on individual athletes by glorifying them, or encouraging them to do better. From this point of view, it makes sense for Nike not to be an official sponsor of the Olympics, and instead to stand behind the athletes (the people) rather than the Games (the institution). This seems to be an ideological choice grounded in the essence of the brand. Rebelling against the system and challenging the convention is simply a part of the brand image that Nike tries to project.





Design for Business

The Design for Business program conducted in Melbourne is a key event at the annual Melbourne International Design Week. The program is presented by Ideas on Design in partnership with the State Government of Victoria. The program includes a Business Seminar and Research Program.

Research Program

Initiated in 2011, this trans disciplinary conference invites researchers and professionals from Australia and around the world to present their latest studies on the intersection of design and business. All submissions are subjected to rigorous peer review. Reviewers are drawn from a panel of over 100 internationally acclaimed experts.

By encouraging discourse on design and its benefits to business, we help our stakeholders to further understand the role of design in creating value. Full papers presented at this conference are published globally via Intellect Books and their association with University of Chicago Press.

This research program is presented in partnership with Swinburne University of Technology with support from Auckland University of Technology and RMIT University School of Business.

Business Seminar

Another key event for business presented annually by Ideas on Design during Melbourne International Design Week, Business Advantage, presents business case studies about how design can make a difference to awareness, performance and profits.

The selected speakers for Business Advantage are pivotal in applying the power of design to achieve highly effective solutions. Through their case studies, we show how design is essential for innovation.

Design Matters

The Victorian Government Department of State Development, Business and Innovation has partnered with the Ideas on Design programs to establish Design Matters. We exist to highlight, celebrate and nurture all forms of design in the state of Victoria from an international perspective and present the Melbourne International Design Week. Our goal is to help raise awareness about the role of design as a catalyst for innovation to raise standards of living and increase economic prosperity.

designmattersvictoria.com should be your first port of call when you're looking for Design Matters events during the year. This online portal will promote design events across Victoria throughout the year for the Victorian public, and national and international visitors.

Partnership Opportunities

The program offers a number of key opportunities and benefits for brand awareness across a range of diverse marketing channels, including event publications, current partnerships and event tickets.

Contact us for information about aligning your brand with a world class research program committed to sharing and developing design and design thinking for improved business outcomes.

Additional Resources

For video content from the business seminar and research conference and details about the next live event or to find research experts for your business needs, go to ideasondesign.net



Design for Business: Research Program Advisory Board

This research conference is organised and presented by Ideas on Design under the guidance of an advisory board of eminent academics.

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Future bulletins

Upcoming issues of the Design for Business bulletin will present abstracts from papers addressing the following topics:

- Collaborating with design consultancy firms for effective strategic decision-making in new product development
- Making sense of flying: Designers give sense to the aviation manufacturing industry
- Innovation is in the eyes of the beholder: The case of the ageing consumers
- Design as a competitive advantage in startup fundraising
- Exploring the role of mindset in design thinking: Implications for capability development and practice
- Service design integration with business development: Six Finnish case studies of digital service development

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The Design for Business bulletin is published by the Design Foundation, a not-for-profit organisation that manages the online design resource platform Ideas on Design, agIdeas events, Design Matters and Melbourne International Design Week.

We seek to encourage excellence in design and promote design-driven innovation.

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Acknowledgements

The Design for Business: Research Conference is a landmark event at the annual **Melbourne International Design Week**. The program is presented by Ideas on Design in partnership with the State Government of Victoria and Swinburne University of Technology, with support from Auckland University of Technology and RMIT University - College of Business.

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