



Comprehensive analysis: Ambush marketing

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Abstract

In this research paper our aim is to explain the ambush marketing in the real world between the company rivals. It is the marketing activity done by a company to degrade the marketing of the other rival company. We have focused mainly on the two German automobile companies i.e. AUDI and BMW. We have discussed about the event of marketing between the two companies and also their comparative analysis in the fields of ambush marketing. We have also discussed the different strategies of both the companies and their current marketing state. We have done an in- depth research in the ambush marketing activities and how it affects the marketing activities of the other companies in the market. As it is also known as a negative marketing so it always disturbs the relations between the companies. It is also done in two ways direct and indirect which we have discussed further in this research paper.

Keywords: Ambush marketing, companies, AUDI and BMW

Introduction

Ambush Marketing is the one by which an organization takes favorable position of occasion exposure done by the other organization without being authentic supporter of that occasion. It is for the most part predominant in brandishing occasions like football, cricket, Olympics, federation amusement and so on. When one brand pays to end up authority supporters of an occasion and another contending brand endeavors to astutely interface itself with the occasion, without paying the sponsorship charge and without violating any laws around then Ambush Marketing happen. At the 1992 summer Olympics in Barcelona, Nike took lead on Reebok-Reebok was an official supporter of the Olympic 1992, however around then Nike supported just public interview with the US crate ball crew and associated itself with Olympic without being authentic patron of Olympic, 1992.

Direct Ambushing

The non-support gives the impression of being an official sponsor by utilizing words, players or images related with the occasion. For instance, Reliance Communication attempted to associate itself with world glass by utilizing Sachin Tendulkar in publicizing effort amid the Cricket World Cup 2007, yet for world container Hutch was an official patron of an occasion not dependence Infocomm. Box has additionally griped to the International Cricket Council about Sachin Tendulkar embracing Reliance Infocomms' telecom items in light of the fact that the players who are partaking in the World Cup cannot underwrite the brand of support's rival amid the world container. According to ACNielsen India overview on Recall of World Cup Sponsors, Reliance Infocomm enlisted 15% relationship with an occasion and it is more than authority support Hutch.

Indirect ambushing:

Several different ways backhanded Ambush Marketing happen like supporting the communicate of occasion, supporting the subcategories of real event. For instance, in

1996, soda pops goliath coke was the official patron of the World Cup. Opponent Pepsi quickly propelled an enormous promoting rush, in light of the catch-line: "Nothing Official About It". The Pepsi crusade caught the general population creative ability - and Coke, the official support, missed out

Concept of the Paper

History of the case

Ambush marketing in simple terms means the process of hijacking the advertisement campaign of another company so as to acquire an upper hand by grabbing the spotlight from them without actually paying for a sponsorship fee. Over the years the meaning of ambush marketing has completely evolved, in the early days it was a brand or a company's effort to equate itself to an event without purchasing the rights from the official sponsor.

It was performed in order to acquire large audience or to attack its competitors. The concept of ambush marketing can be explained through the case of BMW and Audi, Santa Monica and California may be popular for its amazing weather but was also a battleground for the two of the world most dominant automobile manufacturers waged a battle for the billboard dominance. This hoick started not long after BMW facilitated a rally in Wisconsin, an occasion that was advanced through a going with campaign.

The motto of the campaign was "A BMW rally with two nearby service centers. What's next, paramedics at a chess tournament?". Looking at these slogans which didn't make any sense to Audi, it saw a chance to capitalize over BMW's campaign. In light of BMW's advertisement, Audi acquired a billboard in Santa Monica promoting its new flagship vehicle Audi A4 while mocking BMW's slogan by quoting "Chess? No thanks, I'd rather be driving" not too long after this billboard, Audi erected another huge hoarding to instigate BMW, by quoting "Your move, BMW". In response to the underlying attacks by Audi, BMW replied with another billboard "Checkmate" and this continued to more erection of further more billboards and soon became a global news.

Relevance

Lately there has been a lot of debates about ambush marketing being relevant or not. To make ambush marketing relevant it is important to understand the ethical issue attached to it. Typically, sports enterprises and sponsors see the practice as immoral and sometimes illegal. Whereas on the contrary some companies who are unable to afford the sponsorship fees will continue to engage in the practices as a legitimate form of competitive behavior. Ambush marketing is performed by the companies in order to create a perception in the minds of the people that the service or product they give is better than their competitors by directly attacking at the advertising campaigns of its competitors in order to create and expand more market share.

We can explain the above argument by the incident of Indigo wherein a male passenger at the Delhi airport was assaulted by a ground staff. Looking upon this incident, Jet Airways and Air India saw some relevance in following ambush marketing, whereby, Jet Airways changed their tagline to "We beat our competition, not you" and Air India changes their tagline to "Unbeatable Service". Relevance of ambush marketing depends on the amount of benefit a company receives from attacking its rivals. For instance, in October 2011, when apple launched its flagship iPhone 4s in Sydney, Samsung its direct rival also launched its new S II. Samsung opened an extemporized retail outlet close to Apple's and sold its phone for AUS2\$ instead of AUS850\$ which was its official price. Later in the time, Samsung had longer lines at their stores when contrasted with apple.

Ambush marketing becomes irrelevant for the corporate sponsors who pay for the rights of the events but because of the few companies who follow the ambush marketing in order to reduce their cost, it diminishes the commercial value of the event.

Relativity and Importance

In the light of the situation, it is very convenient to mention advertisements as over the bar or ambushed in most cases. As such type of marketing has always seemed to impact the general being of the consumers; it should be considered that it leads us towards negative marketing. A tussle between competent organizations paves the path for billboards, magazines and other forms of media to take a stand in the most obvious way. Although rise in innovation and development in these sectors have always proved beneficial for either of the firms. Historically, marketing has dealt with manipulating customers to make them revise their wants and create acquaintance and demand for greater innovations. As this paper explores various forms of marketing strategies proves successful, we look forward at one major factor which is the extent to which ambush marketing has affected firms and their market capital.

One of the greatest cases of this particular form of marketing is the advertisement wars between BMW and Audi. These luxurious German automobile companies have successfully established their clash and the competition they have been holding for quite a while. The crucial areas of dominance of each of these companies have been the level of effect they have on consumer reactions to the kind of an advertisements. Truly, it does put in an aura of drama and exuberance amongst the divergent crowd but looked at it from a comprehensive perspective, the effect is unseen. Rise in the share of market growth has driven these companies to encourage each other's prolific competition and this official

sledging concentrates on the core factor of giving equal importance and respect to the opposition's new tools of marketing, subtly.

Companies worried about the effectiveness of conventional strategies for showcasing interchanges have embraced a scope of elective media to target groups of audience. One such medium is business sponsorship, which has developed fundamentally as of late. By supporting an occasion or giving a financial plan to an occasion's communicated, a support can produce group of customer's mindfulness while at the same time making relationship of the occasion's qualities in individuals' brains.

Continuing a more detailed study would require us to explore different tangents of examples of such level of intense competition in other industries. Therefore, this paper has gained more importance on several levels as it focuses on ambush marketing, its impact on certain firms and as to how has it led to the influence of these market player's strategies that determine their future stake at the market they operate in. Since most ambush marketing campaigns directly respond to or otherwise leverage an existing campaign by a close competitor, ambush campaigns can – and often, have to – be extremely creative. This includes everything from visual trickery to witty wordplay. As a result, ambush marketing campaigns are often a lot more memorable than a typical ad precisely because they're unusually entertaining or clever. Subtle references and sly jokes are often integral to the success of ambush marketing campaigns. As we saw in the Audi vs. BMW example, ambush campaigns often respond directly to one another, which can turn visual humor into a vital competitive edge.

Currently the plight of the technology market has concentrated more on certain aspects. No matter how competition paves its way no consumer can ever deny the greatest Smartphone rivalry between two giants being Apple Inc., and Samsung. Entering the Smartphone market with its subtle and strong marketing strategies, Apple managed to grab successful market capital, however forcing Samsung to take innovation seriously. With the rise in the sale of Apple Smart phones, this competition led them to become the largest smart phone company in the world.

The guerrilla marketing strategy is the most recent erupt in the escalating rivalry between two of the greatest players in the cell phones industry that has likewise observed them fight in courts all over the world over licenses and makes the fight so spellbinding that the two organizations are such complexities. Apple is known for development and enormous thoughts that make totally different markets. What Samsung needs in thoughts, it compensates for with a smooth generation framework that is exceptionally quick in offering new items for sale to the public. In any case, Samsung Electronics postponed the divulging of its most recent cell phone, the Nexus Prime, by seven days to Wednesday as an indication of regard following the demise of Apple's fellow benefactor Steve Jobs — Apple is Samsung's greatest clients for microchips.

These famous rivalries can and will go till decades. Technically, we need these competitions so that we realize and understand the importance of relative development in the generations following to us. Ambush marketing leads to a fierier change in dynamics, statistics, viewpoints and success of the firms involved in it.

Events

- In 1994 when BMW marked the agreement that assumes control over the British Rover group which incorporates the rover brands, mini and land rover it had an extraordinary effect to the Audi and afterward around the same time Audi presented Audi a8 with Audi space outline innovation. The Audi a8 was acquainted with full aluminum body which lessens the heaviness of the vehicle to help the Quattro four-wheel-drive framework.
- In 2003 the rolls Royce mark turned into an official piece of the BMW gathering and its first model rolls Royce phantom was propelled and the another rebound by the Audi was in 2004 by turning into the primary producer to highlight fringe white LEDs as daytime running lights on the Audi vehicles.
- In 2018 Paris engine show Audi propelled the eagerly awaited electronic E-TRON SUV which was proficient as it beats the BMW new I-NEXT SUV which was additionally an electric SUV.
- BMW in order to market its products launched a social media campaign and website called snow chat by seeing the increased followers of the snapchat. In snow chat the users shares the pictures which lasts only for seconds. This site promotes the new BMW X4 SUV.
- BMW collaborated with a creative agency in Australia to launch illuminated landscapes to promote the new BMW X5. Illuminated Landscapes lit only by the X5's Laser lights. Beaming an impressive 500 meters, the Laser lights are one of the X5's innovative technical features.

Troubles for automobile industry

In 2019 Detroit show BMW and Mercedes both are not going to grandstand their vehicles as a result of the expansion weight from a lot bigger show of THE CONSUMER Electronics SHOW in Las Vegas. It has a bigger scene and greater groups and it's advantageous for the brands to dispatch their new vehicles in that appear. Presently Audi is additionally not going to showcase in the Detroit show which creates an inconvenience for the automobile expos all around as automakers center a basic eye towards the occasions where they rival each other to pick up the consideration and ubiquity of the media for their items. As of late numerous different brands, for example, Volvo, Porsche, and so on has additionally hauled themselves out of the show on account of the large citing expenses and their choice to dispense the promoting costs.

Rivalry from Externals

Nissan's excellent image INFINITI is energizing assault on BMW and Audi. It intended to utilize the basic changes of the business which is moving towards the electric and self driving autos and INFINITI additionally established it as a chance to infuse the Japanese touch into its models. In the wake of battling for a considerable length of time with the German opponents it effectively limited the hole of the BMW deals by moving multiple times ahead a year ago.

Audi Current State

AUDI is currently the no.37 brand in the world in the Forbes list of top brands. AUDI made new record-breaking sales in the year 2017 of 1878100 automobiles. It has increased its growth rate consecutively for the 8th year in a row. It was an increase of 0.6% to the company's sales which was better than the previous year sales. Every single country contributed to the record-breaking sales as stated by the sales manager of

the company. AUDI A3 and A4 were the most popular models to be sold out. Current revenue of Audi is 60.128 billion Euros, for the first time AUDI crossed the 60 billion mark. AUDI is currently focusing on the launch of electric cars in 2019 so as to meet the upcoming future trends. AUDI is facing investment problems in India due to the tax structure of the country which is unfair for the luxury carmakers. India being a strategic market prevents the company for full throttle investments. AUDI is currently also changing the product strategy in order to achieve the top sport in the local luxury market of India which it lost in 2015 and is now behind the two rivals i.e. BMW AND MERCEDES.

BMW Current State

BMW is currently the no.20 brand in the world in the Forbes list of top brands. The total revenue of BMW crossed the 10-billion-dollar figure in the year 2018 with profits of more than 10 billion dollars. Currently BMW signed an agreement with the Chinese manufacturer to produce mini electric vehicles which is the future strategy of every company seeing the shift of demand towards the electric cars. This joint venture is based in china with 50:50 partnership. BMW also signed an agreement with the critical software group so as to develop the software inlets of the BMW cars. Currently they are focusing on their future oriented strategy i.e. ACES (automated, connected, electrified and services) programme. The aim is to increase the sales from 1.4 million to 2 million till 2020. BMW generally provides cars for the youngsters such as sports cars which are in growing demand in today's world. For India BMW has planned to reach the customers of 2tier and 3 tier cities because most of the sales has done from these areas in the last couple of years. The BMW India chief said that they will target the niche segments and will focus on being value for money as Indian customers are more value sensitive and less price sensitive. BMW is also facing problems by the Indian government due to the high customs duty in the last year budget plan which is against the interests of the luxury carmakers.

Ambush marketing in automobile industry and its effects

Ambush marketing is a type of advertising strategy in which a company ambushes an event to give competition to any other company. Companies in a perfect market often use ambush marketing strategies to gain greater control over fellow competitors and have their control over market. For e.g. if a company launches a new product it will ambush the existing similar product of competitors and convey to its customers how their product is better than others.

German automobile companies Audi and BMW came into an advertising war by using ambush advertisement. Audi and BMW ambushed each other by putting up billboards which displayed their cars and had writings against the other. Both the companies have used ambush advertisement extensively as a part of their marketing strategies. As Audi and BMW were in an ambush advertisement war, other brands like Subaru, Mercedes Benz and Bentley also entered the marketing war between Audi and BMW with Bentley ending it.

In most cases ambush advertisement is done at various events in which the company is a sponsor. Similar was in the case of Audi and BMW, BMW advertised at the 35th MOA Rally (Chess Tournament) about their cars ambushing Audi. In response, Audi too ambushed about BMW cars as being a superior player in the market. This continued till various

levels. Ambush advertisement has various impacts on customers as well as the companies involved in it. First of all, the viewers of the event or advertisement often face a confusion about which of the two company is actually sponsoring the event. In this case as BMW was the one sponsoring, Audi had an advantage as it got the public attention due to the ambush advertisement at a very low cost when compared to BMW. The companies losing in case of ambush advertisements are the other sponsors, they lose a lot of public attention on their ads as majority fame is drawn by the companies ambushing.

Ambushing can be difficult as it needs a lot of creativity, innovative ideas to advertise without paying actual sponsorship fees or breaking any law. Ambush advertisement always has a negative impact over scope for future title sponsorship of the companies, if any sponsor company involves itself in an ambush advertisement, it draws attention of other events regarding granting of sponsorship titles to the respective company. This is because, though the company gains a lot of fame through ambush advertisement, the particular event loses the desired attention or marketing advantage as the ambush war out shadows the event. Thus, BMW was very successful in promoting their cars but lacked scope of title sponsorship in upcoming events. Audi on the other hand, being the respondent to BMW's ambush, had benefitted because they did not incur the sponsorship cost and got the opportunity to showcase their cars and recent achievements at much lessor cost. Audi was successful enough to advertise its new sportscar Audi R8 ambushing BMW, whereas BMW replied to this by showcasing its new formula one car. In an overall scenario, Audi was on the beneficiary side, though both the companies were successful enough in promoting their respective products, BMW incurred more cost and had negative sponsor image whereas Audi did not face such impacts, it was only successful in showcasing its cars.

Comparative analysis of BMW and Audi worldwide

Audi and BMW are a premium sector brand providing luxury and sports car. Both have a worldwide presence with competitors like Mercedes Benz, Jaguar, Land Rover, Porsche, Bentley, Volvo, etc. Vehicles of these brands require premium investment. Both the companies provide high quality German built for their products, which provide them a great advantage with their competitors from Japan or USA. These factors do not provide clear differentiation between the two, thus more strong attributes must be considered to compare the two.

Investments made by Audi in the Olympic Games still continues to favor the company. Sponsoring the US Alpine Olympic Team, Audi registered a long-term market hold worldwide. With the introduction of Quattro, Audi showcased its technological upgradation, it created a differentiated market propositions in its product portfolio. BMW on the other hand invested in neuromarketing and made its brand as a status symbol for their customers worldwide. However recent reports show that there is an increasing number of people thinking BMW as an overpriced product when compared to brands like Audi and Mercedes, this is a cause of concern for BMW.

Audi successfully uses the global buying power of its parent company i.e. Volkswagen, it has continued to invest in the R&D for providing a premium automobile worldwide. Audi's distribution strategy adds to the competitive

advantage it has, it follows an authorized streamlined distribution channel which makes its flagship vehicles available to the customers and maintain service quality. Audi also focuses majorly on the area or space for display, it proposes to have large spaces in order to display all the cars, the location of the store should be posh, due to such reasons, it also provides a high margin to the dealers. It focuses on brand loyalty, repeat customers is one of the key areas, reports show a growth of 4.9 percent in repeat customers in 2013. Key marketing strategies involve sponsoring automobile races and sport events. Audi has undertaken several measures to become a premium brand from a mainstream brand, like focusing on quality of products, efficient logistical processes, synchronization of Audi production system, highly qualified and motivated employees. Audi was successful in tapping opportunities in the Asian market by capturing rising demands for luxury cars in these markets.

On the other hand, BMW maintain its market hold through product differentiation with great focus on design and digitalization. Electro mobility is the emerging project by BMW which has risen standards for competitors. Launching of the i3 in 2013 was a remarkable move by BMW followed by plug-in vehicle i8 in 2014. BMW believes in raising short-term profitability and long-term value. Neuromarketing was used by BMW to make their product as a status symbol worldwide, their vehicles were interpreted as an achievement in the society, this was done by effective pricing strategy and maintain high quality standards of their vehicles. Technological upgradation was also one key factors of growth. BMW focused on post sales service, customer satisfaction was marked as key factor for repeat purchases.

Ambush marketing: BMW and Audi

BMW started with promoting the 35th MOA Rally (Chess Tournament) for which they released an AD Campaign. The advertisement was "A BMW rally with 2 nearby service centers. What's next, Paramedics at a chess tournament?" In California Audi placed a huge billboard for Audi A4 with a caption "Chess? No Thanks I'd rather be driving". This billboard stayed for a while and was changed to "Your move BMW" which initiated the war between the 2 German giants. To come up with a marketing strategy to reply to Audi, BMW immediately placed a hording next to the Audi board. Three times the size of the Audi billboard with a message "Checkmate" where the featured a BMW 3 series. To reply Audi placed a same size board with an R8 with a loud and clear message for BMW as "Your pawn is no match for our king".

Lastly BMW placed a blimp (balloon airship) attached on the Audi R8 billboard with a message "Game over". Which featured its F1 car. To continue the war, Audi placed another billboard somewhere else with a reply as "Time to check your luxury badge".it didn't end there BMW went rogue in terms of exploring opportunities and placed a billboard at city of Mexico. Where they placed their cars on the billboard (whole "M" range cars") their luxury segment. When people thought the war was over. Audi came up with a new strategy of sarcastically congratulating BMW with a billboard stating "congratulations to BMW for winning world car of the year 2006 – from the winner of 6 consecutive Le Mans 24-hour races 2000-2006". This aggravated the situation and BMW replied by "congratulations to Audi for winning South African car of the year 2006 -from the winner of car of the

year 2006.” To which many other car brands joined the battle and tried taking advantage of this war and push their car market instead. Subaru and Bentley tried to have a face in the market by trying to fire the war between Audi and BMW. For ambush marketing to be successful, BMW and Audi had to be witty with their replies and be smart and creative without being rude. Understanding the motive of the rivalry being a part of the war was taken very sportingly. Winning the war does steal the market from the other brand, but creativity is a more important part. Audi and BMW took all the steps very creatively and created an impact in the market by attracting the consumers to be engrossed in some hot topic in the market.

Ambush marketing – Apple and Samsung

After a courtroom fight Samsung was not content and tried to ambush to launch of Apple iPhone 4s. When the 4s was going on sale, people were standing in queues for the phone and Samsung rented pop up shop just meters from the Apple’s Sydney store, offering buyers the Samsung Galaxy II for \$2 for one week only. They limited the handsets to first 10 people in the line every day. Samsung did not just go in for the device sale but also their new online subscription service, Music Hub. The people queuing outside the Apple store were approached by Samsung representatives, encouraging the consumers to switch queues and stand at the Samsung store instead. The strategy failed as most people didn’t go in for the switch.

Conclusion

Ambush marketing refers to a very fierce but creative marketing technique in which a company preys on its competitor’s ground of operation or market and uses the situation to their advantage to improve their sales. Companies indulging in this kind of activity work as a parasite since they eat up the market share of their rivals. It is a negative form of marketing and maybe misleading at times since companies push their boundaries due to a stiff competition for survival. In recent times, there are a lot of instances which give us a brief insight of how this strategy is used in the modern market. At times it may be done out of mutual respect, as seen in the case of one of the most successful automobile companies; Audi and BMW but, mostly it is executed for competing with a direct rival like Apple and Samsung. In both the cases, it is very common to see a face-off through rigorous advertising in which one company tries to make a statement to the other. Ambush marketing has both its pros and cons. Since it is a fierce strategy of marketing, it is bound to bring success to a firm but, on the other side, it creates some problems too. Often firms practicing ambush marketing get involved in legal battles with their competitors and have to pay large settlements to waive off charges. Hence, this technique should be used in a very precautionary and well-planned manner to avoid any discrepancies.

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