

Impact of Ambush Marketing on Consumer's Buying Behaviour – A Study of Snapdeal's Marketing Strategy

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Abstract

In this modern era of marketing, marketers often look out for various unique strategies to get a competitive edge over others. As the traditional media of advertising is diminishing and new forms of advertising are replacing them, Ambush Marketing is one such strategy to look out for. The project focuses on analyzing the various pros and cons of ambush marketing using a case of Snapdeal's strategy. The aim of the study is to measure and verify the impact of ambush marketing on consumer awareness and consumer perception and how that eventually impacts the consumer's buying behavior. The findings of the study will help the marketers to understand the effectiveness and competitiveness of ambush marketing strategies in the market in the years to come.

Keywords: Ambush Marketing, Consumer Awareness, Consumer Perception and Buying Behaviour.

1 Introduction

The word 'Ambush' is defined as a surprise attack on someone. It has given rise to one of the most innovative strategies in the market right now that is Ambush Marketing. One of the most famous marketing strategist, Jerry Welsh developed this term in the 1980s with a vision that it will be the future of marketing. In simple terms, ambush marketing can be defined as a modern creative market strategy in which an advertiser or a marketer 'ambushes' a situation, a news, an event etc. to target the competitors in the quest of competing for exposure against them.

Many authors have defined the term 'ambush marketing' in many different ways. Sandler and Shani (1989) defined ambush marketing as a planned effort by an organization to associate itself indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor. According to Meenaghan (1994), ambush marketing is the practice whereby another company, often a competitor, intrudes upon public attention surrounding the event, thereby deflecting attention toward themselves and away from the sponsor. CNOSF (French Olympic Committee, 2006) defined ambush marketing as a set of behaviors by which an economic agent lurks in the wake of Olympic Committee, another in order to take advantage, free of charge, of his efforts and skills.

Ambush Marketing comes up with its own issues which need to be dealt with. The best way to tackle those issues is to pass various normative acts which can help to prevent the illegal functioning of these practices. A basic set of regulatory framework should be there to oversee the ethical and legal execution of such types of practices. (Crow & Hoek, 2003; Farrelly, Quester, & Greyser, 2005; Schwarz 2009; Schwarz et al., 2010; Townley, Harrington, & Couchman, 1998).

This type of marketing strategy has commonly been used in major sporting events like Olympics, World Cups etc. where the other companies ambush the event and compete against the 'official sponsors'. But, with the growing popularity of the term, the marketers and advertisers have realized that ambush marketing is not only restricted to events. The scope of ambush marketing is very huge and it can be used in various ways to gain a competitive advantage over other companies. This paper focuses on various aspects of ambush marketing

in the modern era by measuring and analyzing various factors. It will help us to forecast the future of ambush marketing in the coming years.

2 Literature Overview

Ambushing was initially considered as an illegal marketing activity with an unethical approach. However it has now found its position in the marketing as a legitimate advertising strategy (Sullivan & Murphy, 1998). It has been realized that the success of ambush marketing is majorly dependent on the planning and execution of the activities in the market. Ambush Marketers have mastered this art by being very clever in their approach to avoid and legal repercussions (Graham, 1997). According to Drucker (1986), it is very significant for the modern marketers to be creative and innovative in their approach to adapt to the changing needs and demands of the customers.

Results of study by Lyberger & McCarthy (2001) demonstrated that a majority of people had no negative perceptions about the companies being involved in ambush marketing practices as they did not find the practices to be unethical or illegal. According to Lun O. & Dr. Yazdanifard R. (2014), it is the need of the hour for the companies to get over the traditional activities and adopt new practices to differentiate themselves from the competitors. Portlock and Rose (2009) concluded that ambush marketing was accepted by the people of UK with no opposition as they didn't seem to have any problem with the practices involved in it. Barbara (1993) states the problems and confusions involved in the process of event marketing and ambush marketing. According to the research, the task to prevent ambushing lied in the hands of event organizers as they were supposed to avoid confusing layers of sponsorship.

Marc and Pascale (2010) studied on the effects of the disclosure of activities of ambush marketing on the attitudes of the consumers towards the brand of the ambusher. The attitude towards the ambusher's brand was eventually measured by the effect on brand effect, perceived integrity and purchase intention. According to the research, when the ambusher's activities are unmasked and disclosed, there is a negative impact on the attitudes of the consumers which can have serious implications on the image of the brand. According to the research conducted by Paul and Patrick (1998), it was very important to set some ethical standards so that companies can devise their strategies and plans accordingly. It was concluded that absence of ethical standards was considered to be a major cause of all the issues relating to ambush marketing which could be solved by this framework of ethical perspectives.

3 Research Methodology

3.1 Statement of Problem

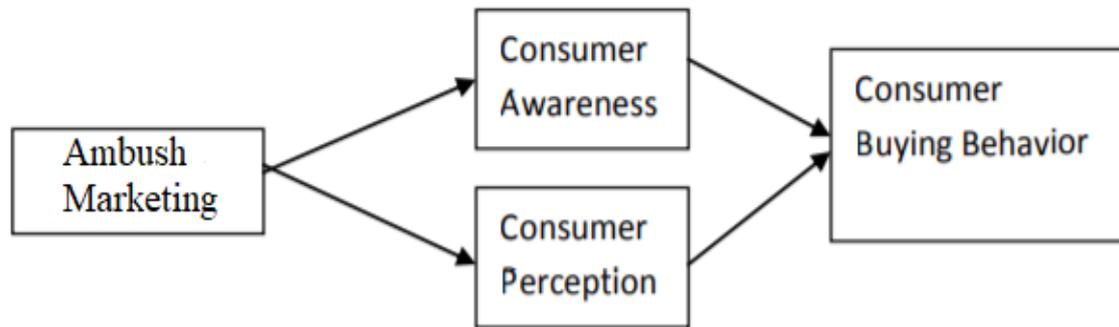
Although ambush marketing has proved to be a very dynamic strategy in the modern era of marketing, it has also faced various criticisms. There are still doubts in the minds of marketers that consumers might perceive ambush marketing as an unethical practice which can lead to a negative perception about the brand. Also, there is an uncertainty as to how a good ambush marketing campaign should be planned and executed. This study is designed as an attempt to provide a proper ambush marketing design and answers to the above mentioned problems.

3.2 Research Objectives

The objectives of the study are as follows:

- To measure the impact of ambush marketing on consumer awareness.
- To verify the role of ambush marketing on building consumer perception.
- To analyse the impact of consumer awareness and perception on buying behavior.

3.3 Conceptual Framework



A proper ambush marketing campaign is dependent on this model. It is important to study the impact of independent variable (Ambush Marketing Campaign) on the dependent variables (Consumer Awareness and Consumer Perception) which eventually acts as independent variables affecting the final dependent variable (Consumer Buying Behaviour).

3.4 Research Hypothesis

H0: there is no relationship between ambush marketing and consumer awareness

H1: there is a relationship between ambush marketing and consumer awareness

H0: there is no relationship between ambush marketing and consumer perception

H2: there is a relationship between ambush marketing and consumer perception

H0: Consumer awareness and consumer perception have no impact on buying behavior.

H3: Consumer awareness and consumer perception have impact on buying behavior

3.5 Research Design

Quantitative research design has been used after collecting data from e-commerce users in Bangalore through a structured self-administered questionnaire, which was based on a five point Likert scale. The probability and convenience sampling techniques were used for the collection of primary data. The sample size was 275.

3.6 Data Analysis

IBM SPSS software has been used to analyse the data. The information was divided on the basis of the variables and correlation and regression analysis were performed to find the results and test the hypothesis.

3.7 Limitations

1. The sample size can prove to be insignificant to come to a generalized conclusion.
2. The impatience of people might lead them to fill the questionnaires without reading it carefully, giving manipulated results.
3. The mood and attitude of respondent, at the time of filling the questionnaire can have a huge impact on the manipulation of the results.

4 Analyses

Correlations

		Consumer Awareness	Ambush Marketing
Pearson Correlation	Consumer Awareness	1.000	-.442
	Ambush Marketing	-.442	1.000
Sig. (1-tailed)	Consumer Awareness	.	.000
	Ambush Marketing	.000	.
N	Consumer Awareness	275	275
	Ambush Marketing	275	275

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.442 ^a	.195	.192	.3988

a. Predictors: (Constant), Ambush Marketing

We observe that the level of significance (0.000) is less than 0.05 and hence, we will reject the null hypothesis. We will accept the alternate hypothesis that there is a relationship between ambush marketing and consumer awareness which is further strengthened by the R value.

r value of-.442 proves that there is a negative relationship between ambush marketing and consumer awareness. R square value of 0.195 signifies that 19.5% of variance can be explained which is not very impressive but still a positive figure.

The data leads to an understanding that ambush marketing creates a significant amount of negative awareness in the minds of the consumer about the brand/product/service if not done properly, as in the case of Snapdeal.

Correlations

		Consumer Perception	Ambush Marketing
Pearson Correlation	Consumer Perception	1.000	.385
	Ambush Marketing	.385	1.000
Sig. (1-tailed)	Consumer Perception	.	.000
	Ambush Marketing	.000	.
N	Consumer Perception	275	275
	Ambush Marketing	275	275

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.385 ^a	.148	.145	.284999795364961

a. Predictors: (Constant), Ambush Marketing

We observe that the level of significance (0.000) is less than 0.05 and hence, we will reject the null hypothesis. We will accept the alternate hypothesis that there is a relationship between ambush marketing and consumer perception which is further strengthened by the R value.

R Value of .385 proves that there is a moderate positive relationship between ambush marketing and consumer perception. R square value of 0.148 signifies that 14.8% of variance can be explained.

The data leads to an important observation that ambush marketing affects the perception of the consumers to some extent which is a very motivating statement for any marketer or an advertiser. If a marketing strategy can affect the consumer’s perception even to a small extent, it is considered as a good strategy because one of the biggest challenges in the market for any marketer is to deviate the perception of consumers. Snapdeal succeeded in that strategy as they could affect the perception of people which eventually influenced their buying behaviour.

Correlations

		Consumers Buying Behaviour	Consumer Awareness	Consumer Perception
Pearson Correlation	Consumers Buying Behaviour	1.000	-.221	.529
	Consumer Awareness	-.221	1.000	-.193
	Consumer Perception	.529	-.193	1.000

Through this table, we can interpret the impact of one individual variable on other. It states that 1 value of increase in consumer awareness will result in a decrease in the value of consumer’s buying behavior by 0.221 whereas 1 value of increase in consumer perception will lead to an increase in consumer’s buying behavior by 0.529. Hence, we understand that only creating awareness might not lead to the desired results. Infact, it can have negative implications.

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.542 ^a	.294	.289	.344451207997693

a. Predictors: (Constant), Consumer Perception, Consumer Awareness

This table provides the most important data of the research. With the level of significance (0.000) less than 0.05, we reject the null hypothesis and accept the alternate hypothesis that

consumer awareness and consumer perception have an impact on final buying behavior of consumers. The R Square Value of 0.294 signifies the fact that there is some positive relationship between consumer awareness & perception and consumer's buying behavior in the case of Snapdeal. Creating a negative consumer awareness was one major drawback of Snapdeal's strategy. It highlights the importance of the fact the best results are achieved only when both consumer awareness and perception is targeted by the marketer which gives more significance to the ambush marketing model of awareness and perception.

5 Findings

The major findings of the research are:

- Majority of the respondents were unaware that the strategy used by Snapdeal was an example of Ambush Marketing which reflects the unawareness among the people about the term.
- Around 75% of the respondents believed that they would pay more attention to these type of ads (Snapdeal's ambush advertising) as compared to other advertisements. The future of ambush marketing looks very promising as the consumers are becoming more open minded.
- The results of this research are very promising for all marketers as around 3/4th of the respondents didn't find any problem of the strategy being unethical.
- Around 90% of the respondents also believe that there is a huge scope of a career in this field and various institutions might start thinking of providing a specialized or a niche course in ambush marketing to develop the future marketers.

6 Conclusions

From the research, we learnt that ambush marketing strategy by Snapdeal changed the perception of consumers positively, attracted them towards their site and affected their final buying decision, but only to some extent. It reflects the success of this strategy in influencing the minds of people. Although, the doubts regarding the fact that people might find the practices to be unethical were cleared as most of the people found the strategy to be interesting and competitive but Snapdeal missed a trick while implementing the strategy since their ad created a negative consumer awareness which had a negative effect to some extent on final buying behavior. It is concluded that it is very significant for marketers to initially focus on creating an awareness and positive perception through the ambush marketing strategy which later influences the buying behavior of the consumers. The failure of Snapdeal to influence the buying behavior to a major extent proves that the ambush marketing model is a very significant model. Hence, we can conclude that the growth of ambush marketing is happening in the positive direction but it still needs to be executed in a proper way to ensure better results and avoiding legal repercussions.

7 References

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ANNEXURE: CASE OF SNAPDEAL



There have been many ambush marketing battles in India between Hindustan Unilever and Procter & Gamble, Jet vs the now defunct Kingfisher in aviation, Coke vs Pepsi, Rinvs Tide in detergents, and Horlicks against Complian. But, the classic case of Snapdeal vs Flipkart is one of the most successful one out of them.

It was the time of festive season when all the major e-commerce players were competing with each other to garner the consumer's attention and persuade them to buy everything online. It all started with Flipkart screaming across print, television, online and social media about its Big Billion Day Sale that happened on October 6, 2014. The advertisement in 'Times of India' newspaper stated 'Today, Don't look anywhere else; India's Biggest sale ever is here'. Snapdeal then decided to use an ambush marketing strategy, attacking Flipkart's strategy to get a competitive edge over them. Adjacent to Flipkart's ad, Snapdeal posted their own ad stating 'For others, it's a big day, for us it's no different. Best savings guaranteed everyday'. The message of the ad was very clear that Snapdeal offers best prices every day, unlike Flipkart who offers those prices on some particular days. This is considered to be one of the most famous examples of Ambush Marketing in India. This case has been used as a basis of this research.