

“Impact of Ambush Marketing on Consumer Perception and Brand Identity – A Case of PepsiCo and Coca-Cola “

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Abstract

Ambush Marketing is one of the most unique Marketing Strategy that a company can adopt to gain an advantage over its rivals. With the Marketing happening through the means of Social Media and the companies are marketing and showcasing their products in the virtual world, a viral Marketing strategy is needed to attract the customers and ambush marketing strategies have the capability to do so. This Project focuses on the Ambush Marketing Strategy Adopted by the company PepsiCo to ambush Coca-Cola. The main objective of this Research is to identify the impact this strategy creates on the Consumer Perception, Event Sponsorship and Brand identity which leads to the Consumer Buying Decision of the Product. The Major Findings of this Study is to help the marketers understand the impact that Ambush Marketing has on the customer’s decision for purchasing substitute Products.

Keywords – Ambush Marketing, Consumer Perception , Brand Identity and Consumer Buying Decision.

1. Introduction

The word 'Ambush' is characterized as an unexpected assault on somebody. It has offered ascend to a standout amongst the most imaginative strategies in the market right now that is Ambush Marketing. A standout amongst the most renowned showcasing strategist, Jerry Welsh built up this term during the 1980s with a dream that it will be the fate of advertising. Ambush Marketing is characterized as a cutting edge innovative market system in which a sponsor or an advertiser 'ambushes' a circumstance, a news, an occasion and so forth to focus on the rivals in the journey of viewing for presentation against them.

This sort of promoting procedure is ordinarily utilized in major games like Olympics, World Cups and so on where alternate organizations ambush the occasion and go up against the 'official sponsors'. With the developing fame of the term, gradually the advertisers and sponsors have understood that ambush promoting isn't confined to just occasions. The extent of ambush showcasing is colossal and it tends to be utilized in different approaches to pick up an upper hand over different organizations. There are different guidelines being executed to direct the exercises engaged with the procedure of ambush promoting.

One major drawback of ambush marketing has always been its nature i.e. if it is ethically acceptable or not. This is the major reason why many companies opt not to go for this strategy as they think that the customers might have a negative perception about them. In case of ambush by sponsorship, it is often believed that the official sponsors suffer huge losses. Ambush marketing has been famously recognized as one of the most innovative marketing strategy because it is based on the concept of 'think and react'. It has evolved from time and is slowly establishing itself as one of the most successful competitive marketing strategy. It is often known as one of the most beautiful art in the field of marketing. A successful ambush marketing campaign is a product of proper observation of the competitor's activities and the innovative use of that opportunity to use in your advantage. Although, it is still in the process of its growth, it can be forecasted that it has a huge scope of development in years to come.

2. Literature Overview

(Herzog & Nurfer, 2014) Bodo Herzog and Gerd Nufer studied Ambush Marketing and had an objective of how ambush marketing increases product attention and how it creates a positive impact on the company's performance. (Graham, 1997) Argues that ambush marketers have become increasingly clever in the planning and execution of their activities. Through the minds of the people Ambushing is considered unethical but to prove that it is an unethical practise and does not consider for posting a negative impression of the brand towards the consumer.

(Barbara, 1993) States the problems and confusions involved in the process of event marketing and ambush marketing. Various examples are discussed to understand the reasons of the development of uncertainties like Kodak and Fuji, Visa and American Express etc. It eventually raises the point of development of various regulations that protect and assure the official sponsors from being ambushed. (Murphy & Sullivan, 1998) Focused on the most important aspect of ambush marketing which is its ethical acceptance. Initially, ambush marketing was supposed to be recognized as a devious or an unethical technique which could have negative impact on the minds of the consumers. But according to the authors, things have changed. Hence, to understand that, they provided an ethical framework for ambush marketing which was based on 4 perspectives - duty-based ethics , utilitarianism, virtue ethics and stakeholder analysis. This framework was used to analyse and interpret the extent to which people found ambush marketing to be ethically acceptable. It was concluded by them that ambush marketing has now found its place in the market as an ethically acceptable and a legitimate market

strategy. (Burthorn, 2018) Aimed at proving that ambush marketing affects the perception of the consumers

(Kristin, 2005) Talks about the existence of ambush marketing in various countries across the globe and tries to study the relevance of these practices on an international level. (Mazodier & Quester, 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. (Monica Pitakowska, 2012) Focused her study on the importance of preventive steps before the execution of an ambush marketing campaign to avoid any legal repercussions. (Kevin, 2012) The point is to analyse the buy aim of American and Korean onlookers toward supporting results of the 2010 FIFA World Cup. A self-managed survey was created to gauge the four builds of the hypothesis of planned behaviour (TPB) just as statistic data. In this investigation, a multi-gather examination was led to look at if the proposed connections in our model are diverse dependent on nationality. Therefore, we found that two gatherings (for example American versus Korean) showed striking contrasts in abstract standards in deciding buy expectations of the 2010 FIFA World Cup supported items. Game advertisers, in this manner, need diverse promoting investigation on identicalness and inclination with the goal that they better see how observers from various societies carry on in the wake of expending a similar occasion. Therefore, utilization of the TPB in multifaceted examinations went for understanding purchaser goal subsequent to spectating the FIFA World Cup would furnish advertisers with important data for the development of worldwide promoting systems.

3. Research Methodology

3.1 Statement of Problem

Ambush marketing has proved to be a very dynamic strategy in this modern era for marketing. Ambush Marketing is a strategy which has faced various criticisms on the basis of being an unethical practise which can lead to a negative perception towards the brand and also change the brand identity for the consumers. This study is designed to provide an ambush marketing design and answers to the above mentioned problems.

3.2 Aim of the Research

The Major Aim of this research is to understand the pros and cons of ambush marketing and also to understand the mind-set of the consumers and their perception towards the company post the ambushing and how it affects the image of the brand.

3.3 Objective of the study

- To identify the impact of Ambush Marketing on Consumer Perception.
- Impact of ambush marketing on the choice and preference of consumers.
- To identify the change in perception caused by Ambush Marketing
- To find out if ambush Marketing can affect the identity of the brand

3.4 Hypothesis

H1- Ambush Marketing influences the consumer perception while choosing a brand.

H2- Ambush Marketing has a positive association on consumer perception

H3 – Negative perception about a brand restricts a consumer to buy products related to the Brand.

3.5 Sample Size and Sampling Method

The Sample Size for the research is 271 individuals who filled the questionnaire made on google forms. The Questionnaire is a basic 5 pointed Likert scale. The Sampling method used is Convenient Sampling

3.6 Method of collection – Data was collected through google forms. Questionnaire was made and link of the same would be sent through what's app, email and other social media platforms as per the respondent's convenience.

3.7 Limitation

- The sample size can prove to be insignificant to come to a generalized conclusion.
- The impatience of people and casual attitude might lead them to fill the questionnaires without reading it carefully, giving manipulated results.
- Not many consumers are aware of what Ambush Marketing strategies might be
- The Perception of the Consumers cannot be quantified, every individual's perception varies from one person to another.

3.8 The Dependent and Independent Variables

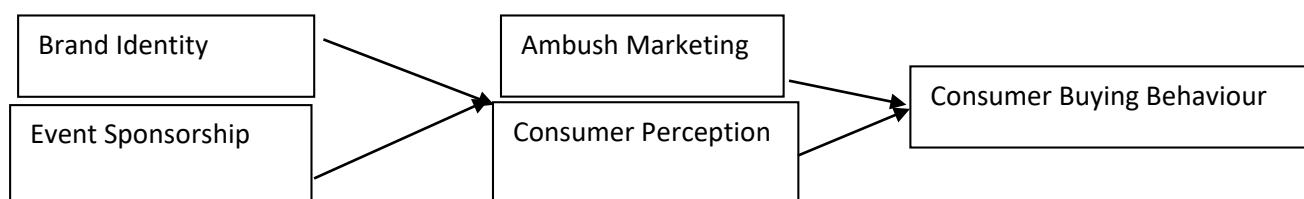
The Dependent Variables of the study are

- Ambush Marketing
- Consumer Perception

The Independent Variables are

- Brand Identity
- Event Sponsorship
- Consumer Purchasing Decision

3.9 – The Conceptual Framework



3.10 Tools – The tools used are Regression and Correlation on the software of SPSS

3.11 Contribution

This Research could be very beneficial for companies who are looking for a strategy to gain competitive advantage over its rival company. The Companies can understand the effectiveness of ambush marketing by comparing the pros and cons and the other findings of the study. This

Reliability study can be very useful for the people in the field of marketing as Am
Statistics bush Marketing as a Marketing Strategy can prove to be the future of
 Marketing.

Cronbach's Alpha	N of Items
.897	23

3.12 – The Reliability Test

4. Data Analysis

1. Co-relation and Regression between Ambush Marketing and Brand Identity

		[Ambush Marketing]	[Brand Identity]
[Ambush Marketing]	Pearson Correlation	1	.349**
	Sig. (2-tailed)		.000
	N	271	271
[Brand Identity]	Pearson Correlation	.349**	1
	Sig. (2-tailed)	.000	
	N	271	271

** . Correlation is significant at the 0.01 level (2-tailed).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.376 ^a	.142	.132	1.080

Interpretation

The Correlation value is 0.376 which means that there is a low correlation between Ambush Marketing and Brand Identity. According to this research it comes to the conclusion that if a company uses Ambush Marketing as a strategy it does not get related to its brand identity.

2. Co-relation and Regression between Ambush Marketing and Consumer Purchase Decision.

		[Consumer Purchase Decision]	[Ambush Marketing]
[Consumer Purchase Decision]	Pearson Correlation	1	.341**
	Sig. (2-tailed)		.000
	N	271	271
[Ambush Marketing]	Pearson Correlation	.341**	1
	Sig. (2-tailed)	.000	
	N	271	271

** . Correlation is significant at the 0.01 level (2-tailed).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.236 ^a	.056	.052	1.129

The Correlation value is 0.341 which means that there is a low correlation between Ambush Marketing and Consumer Purchase Behaviour. According to this research it comes to the

conclusion that if a company uses Ambush Marketing as a strategy it does not lead to the buying decision of the consumer.

3. Co-relation and Regression between Ambush Marketing and Consumer Perception

		[Ambush Marketing]	[Consumer Perception]
[Ambush Marketing]	Pearson Correlation	1	.135*
	Sig. (2-tailed)		.026
	N	271	271
[Consumer Perception]	Pearson Correlation	.135*	1
	Sig. (2-tailed)	.026	
	N	271	271

*. Correlation is significant at the 0.05 level (2-tailed).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.119 ^a	.014	.010	1.260

The Correlation value is 0.135 which means that there is a low correlation between Ambush Marketing and Consumer Perception. According to this research it comes to the conclusion that

if a company uses Ambush Marketing as a strategy it does not affect the positive or negative perception of the consumer on the brand.

4. Correlation and Regression between Consumer Perception and Consumer Buying Decision

		[Consumer Perception]	[Consumer Buying Decision]
[Consumer Perception]	Pearson Correlation	1	.407**
	Sig. (2-tailed)		.000
	N	271	271
[Consumer Buying Decision]	Pearson Correlation	.607**	1
	Sig. (2-tailed)	.000	
	N	271	271

** . Correlation is significant at the 0.01 level (2-tailed).

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.190 ^a	.036	.032	1.004

The Correlation value is 0.607 which means that there is a high correlation between Consumer Perception and Consumer Buying Decision. According to this research it comes to the conclusion that the Perception of the consumer on a particular brand leads to the buying decision of the consumer. The Consumer would prefer to buy the product related to the particular brand only if the overall perception of the brand is considered to be positive.

5. Findings and Conclusion

This research was done to understand the impact Ambush Marketing can create as a marketing strategy for a company. The Perception of the consumer matters the most for the company. In this research we learnt that Ambush Marketing strategy which was used by PepsiCo on Coca-Cola did not have a positive impact on the consumers, as their choice of product did not get affected nor their perception was changed. The minds of the people was not affected. Even though many of the people recommend using Ambush Marketing as a marketing strategy but it did not create much an impact in this case which gives us the conclusion that though ambushing marketing strategies attracts the consumers to grab attention but the rest depends on the name of the brand and the quality of the product.

Ambush Marketing as a strategy is under the perception of being unethical and difficult for the people to understand the meaning of the same, these doubts have been cleared people find ambush marketing a creative and attractive strategy and competitive in nature but PepsiCo missed the trick by making a buzz about the product but not changing the perception of the consumers which did not act as an medium to change the buying behaviour of the consumer.

Since the amount of research done in this field of marketing is very limited, there must be more research conducted on ambush marketing to understand the importance of the model. Various Institutions and Companies must conduct research on the same to develop better ambushing strategies. Ambush Marketing could give companies a competitive advantage in various events and it could result in more competition in the market which could guide the marketing strategies for a long time, making the customers crave for more.

Throughout the course of the research the aim of this research was to find out the relationships between the Independent and Dependent Variables which help to fulfil the objectives which provides a backbone for the company that uses Ambush Marketing or has been affected by the Strategy of Ambush Marketing. Throughout the course of this Research as it helps to analysis the data and interpret it to test the Hypothesis. According to the statistical analysis, This

research had 3 Hypothesis to conclude to and the results are that H1- Ambush Marketing influences the consumer perception while choosing a brand (Correlation Value 0.349) and H2- Ambush Marketing has a positive association on consumer perception (Correlation Value 0.135) have been Rejected where as H3 – Negative perception about a brand restricts a consumer to buy products related to the Brand has been accepted and proven (Correlation Value – 0.607)

Though ambush marketing is done to put down the image of the company and shatter its brand identity and the brand elements it uses such as tagline, caption or even a jingle. Ambush Marketing must be easy to relate and understand for the consumers as they company ambushing must target such an element that is known to everyone and which is obvious in nature. Ambushing must be done in such a way that it influences them to purchase the product. The failure of PepsiCo to influence the buying behaviour of the consumers proves that ambush marketing is still in its growing stage and it is growing positively in the country but it needs to be executed properly to ensure better results and influence power to turn the buying choice of the consumer.

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Annexure

This is about the time when Coca-Cola launched its product Coke Zero and promoted the product in several ways using the line “Great Coke taste, ZERO Sugar”. Pepsi-Co Came into the picture by launching its product Pepsi MAX and promoted the product by saying "Too much taste to call ourselves a ZERO". This is a case of ambushing a product through billboards and social media.



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