

Consumers' Response to Ambush Marketing Activities

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Abstract

Owing to the high sponsorship fees and category exclusivity of sponsorship rights in the major events, ambush marketing activities are increasingly planned and practiced in order to capitalize on the benefits associated with the event. As a result, the integrity of the sponsorship's rights is broken and the sponsor's investment is undermined, which has the potential to threaten the financial viability of the events. In order to maintain event integrity and protect official sponsors from attack by ambushers, the International Olympic Committee introduced a "Name and Shame" campaign to create public awareness of companies' ambushing efforts.

This study aims to explore consumers' response to ambush marketing disclosure by using a survey questionnaire approach. Balance theory and attribution theory are incorporated into an integrated model illustrating how the factors, including the event-related factor (event involvement), the sponsor-related factor (consumer attitude towards the sponsor), the ambusher-related factor (prior brand knowledge and perceived corporate social responsibility), and consumers' perceived motives for sponsorship and ambush marketing, have an impact on the degree of blame consumers place on ambushing attempts and thus their attitudes towards ambushing companies. Eight hundred questionnaires were collected in the UK and structural equation modelling was adopted to analyse the data. The model was tested respectively under two different types of ambushing contexts, that is, predatory ambushing (n=400) and associative ambushing (n=400). In both contexts, the results shows that event involvement and consumer attitude towards the sponsor have a positive influence on consumer blame, while prior brand knowledge of the ambusher are negatively related to consumer blame. However, consumers'

perceived CSR of the ambusher can negatively influence consumer blame only in an associative ambushing context, but not in a predatory ambushing context. In addition, consumers' perceived motives are confirmed to play a critical role in affecting consumers' response to a company's ambushing practice.

Table of Contents

| | |
|---|------------|
| Acknowledgements..... | iii |
| Abstract..... | iv |
| Table of Contents..... | vi |
| List of Tables | x |
| List of Figures..... | xii |
| Chapter 1 Introduction..... | 1 |
| 1.1 Chapter Overview..... | 1 |
| 1.2 Research Background..... | 1 |
| 1.3 Research Aims and Objectives | 8 |
| 1.4 The Significance of the Study..... | 11 |
| 1.5 Research Contributions..... | 16 |
| 1.6 Outline of the Study..... | 18 |
| 1.7 Summary..... | 20 |
| Chapter 2 Literature Review..... | 22 |
| 2.1 Chapter Overview..... | 22 |
| 2.2 Ambush Marketing | 23 |
| 2.2.1 Sports Sponsorship..... | 23 |
| 2.2.2 The Development and Definitions of Ambush Marketing.... | 30 |
| 2.2.3 Ambush Marketing Strategies | 34 |
| 2.2.4 Effectiveness of ambush marketing | 48 |
| 2.2.5 Counter-ambushing strategies | 50 |
| 2.2.6 Moral and Ethical Issues | 56 |
| 2.2.7 Consumer Attitudes toward Ambush Marketing | 58 |
| 2.3 Theoretical Background | 60 |
| 2.3.1 Balance Theory | 62 |
| 2.3.2 Attribution Theory..... | 66 |
| 2.4 Negative Publicity..... | 67 |
| 2.4.1 The Impact of Negative Publicity..... | 68 |
| 2.4.2 Antecedents of Consumer Response to Ambush Marketing | 72 |
| 2.4.2.1 Event Involvement..... | 72 |
| 2.4.2.2 Prior Brand Knowledge | 75 |

| | |
|--|------------|
| 2.4.2.3 Corporate Social Responsibility | 78 |
| 2.5 Summary | 82 |
| Chapter 3 Conceptual Model Development | 84 |
| 3.1 Chapter Overview..... | 84 |
| 3.2 The Event-Sponsor-Ambusher Relationship Model Based on Balance Theory | 85 |
| 3.3 Consumer Attribution Process for Sponsorship and Ambush Marketing | 91 |
| 3.3.1 Consumer Attribution Process for Sponsorship..... | 92 |
| 3.3.2 Consumer Attribution Process for Ambush Marketing..... | 94 |
| 3.4 Attitudinal Consequences of Consumers' Response to Ambushing Practice | 106 |
| 3.5 Conceptual Model Development | 109 |
| 3.6 Preliminary Interviews | 113 |
| 3.7 Summary | 116 |
| Chapter 4 Methodology | 118 |
| 4.1 Chapter Overview..... | 118 |
| 4.2 Research Philosophy and Approach | 118 |
| 4.3 Research Design..... | 124 |
| 4.4 Ethical Issues | 127 |
| 4.5 Data Collection Methods | 128 |
| 4.5.1 Preliminary survey..... | 130 |
| 4.5.2 Primary Survey..... | 138 |
| 4.5.3 Questionnaire Development..... | 143 |
| 4.5.4 Pilot Study | 149 |
| 4.5.5 Data Analysis Methods..... | 150 |
| 4.6 Research Biases | 153 |
| 4.7 Summary | 158 |
| Chapter 5 Data Analysis | 159 |
| 5.1 Chapter Overview..... | 159 |
| 5.2 Summary of Respondents and Statistical Analysis | 159 |
| 5.2.1 Demographic Characteristics | 159 |
| 5.2.2 Consumers' Knowledge and Perceptions..... | 161 |
| 5.3 Research Model and Hypotheses Testing in SEM | 166 |
| 5.3.1 The Measurement Model | 166 |
| 5.3.2 The Structural Model..... | 172 |

| | |
|--|------------|
| 5.3.2.1 Predatory Ambushing..... | 172 |
| 5.3.2.2 Associative Ambushing | 176 |
| 5.3.2.3 Multi-group Analysis in AMOS..... | 180 |
| 5.4 Testing the Models of Consumers' Perceived Motives..... | 181 |
| 5.4.1 Predatory Ambushing..... | 181 |
| 5.4.1.1 Consumers' Perceived Motives for Sponsorship... 181 | |
| 5.4.1.2 Consumers Perceived Motives for Ambush marketing | 182 |
| 5.4.2 Associative Ambushing | 186 |
| 5.4.2.1 Consumers' Perceived Motives for Sponsorship... 186 | |
| 5.4.2.2 Consumers' Perceived Motives for Ambush Marketing | 187 |
| 5.5 Summary..... | 191 |
| Chapter 6 Discussions Of The Results | 192 |
| 6.1 Chapter Overview..... | 192 |
| 6.2 The Role of Event Involvement and Attitude toward Sponsor | 192 |
| 6.3 The Role of Prior Knowledge and Perceived CSR | 197 |
| 6.4 Consumers' Perceived Motives for Sponsorship and Ambush Marketing | 200 |
| 6.4.1 Consumers' Perceived Sponsorship Motives | 200 |
| 6.4.2 Consumers' Perceived Ambushing Motives | 201 |
| 6.5 Summary..... | 206 |
| Chapter 7 Conclusions | 207 |
| 7.1 Chapter Overview..... | 207 |
| 7.2 Summary of the Findings and Conclusions | 207 |
| 7.3 Research Implications | 209 |
| 7.4 Research Contributions..... | 216 |
| 7.4.1 Theoretical Contributions | 216 |
| 7.4.2 Practical Contributions | 219 |
| 7.5 Limitations | 222 |
| 7.6 Further Research | 223 |
| 7.7 Summary..... | 225 |

| | |
|---|------------|
| List of References | 226 |
| List of Abbreviations..... | 253 |
| Appendix 1 Preliminary Interview | 254 |
| Appendix 2 Preliminary Survey | 256 |
| Appendix 3 Primary Survey (Predatory Ambushing)..... | 259 |
| Appendix 4 Primary Survey (Associative Ambushing)..... | 266 |

List of Tables

| | |
|---|-----|
| Table 2. 1 A typology of ambush marketing..... | 39 |
| Table 2. 2 Category of ambush marketing strategy..... | 45 |
| Table 4. 1 Comparison of three research paradigms..... | 122 |
| Table 4. 2 Respondents profile for preliminary survey | 133 |
| Table 4. 3 Consumer knowledge of sponsorship | 134 |
| Table 4. 4 Consumer attitude toward ambush marketing | 135 |
| Table 4. 5 Consumer perceptions of ambushing strategies | 136 |
| Table 4. 6 Key constructs and measurements | 147 |
| Table 5. 1 Demographic characteristics of respondents..... | 160 |
| Table 5. 2 Frequency of consumers' knowledge of sponsorship | 161 |
| Table 5. 3 Frequency of consumer's perceptions of ambush marketing practice..... | 163 |
| Table 5. 4 Mean scores and standard deviation of consumers' perceptions of ambush marketing practice | 165 |
| Table 5. 5 Assessment of normality | 167 |
| Table 5. 6 Descriptive and reliability tests of measurement items | 169 |
| Table 5. 7 Correlation matrix | 171 |
| Table 5. 8 Measurement model fit indices in predatory ambushing context... | 171 |
| Table 5. 9 Correlation matrix and descriptive statistics..... | 172 |
| Table 5. 10 Structural model results | 174 |
| Table 5. 11 Model fit indices summary | 175 |
| Table 5. 12 Correlation matrix and descriptive statistics..... | 176 |
| Table 5. 13 Structural model results | 178 |
| Table 5. 14 Model fit indices summary | 179 |
| Table 5. 15 Multi-group analysis results..... | 181 |
| Table 5. 16 Independent samples t-test (perceived sponsorship motive and attitude toward sponsor) | 182 |
| Table 5. 17 Logistic regression results (prior knowledge and CSR on perceived ambushing motives)..... | 184 |
| Table 5. 18 Independent samples t-test (perceived ambushing motive on consumer blame) | 185 |
| Table 5. 19 Moderation effect of perceived ambushing motive | 186 |
| Table 5. 20 Independent samples t-test (perceived sponsorship motive and attitude toward sponsor) | 187 |

| | |
|---|------------|
| Table 5. 21 Logistic regression results..... | 188 |
| Table 5. 22 Independent samples t-test (perceived ambushing motive and consumer blame) | 189 |
| Table 5. 23 Moderation effect of perceived ambushing motive | 190 |
| Table 6. 1 Summary of the hypotheses testing in SEM | 194 |
| Table 6. 2 Summary of hypotheses testing for consumers' perceived motives | 201 |

List of Figures

| | |
|---|------------|
| Figure 2. 1 Literature review process..... | 23 |
| Figure 2. 2 Ambush marketing strategies..... | 43 |
| Figure 2. 3 Heider's (1958) balance theory | 63 |
| Figure 2. 4 Balance theory in ambush marketing context | 65 |
| Figure 2. 5 Dimensions of brand knowledge..... | 77 |
| Figure 2. 6 The pyramid of corporate social responsibility | 80 |
| Figure 3. 1 The application of balance theory in ambush marketing | 87 |
| Figure 3. 2 Conceptual model for the effectiveness of event marketing | 89 |
| Figure 3. 3 The model of event-sponsor-ambusher relationship | 91 |
| Figure 3. 4 The model of consumer attribution process for sponsorship..... | 94 |
| Figure 3. 5 Antecedents of attribution and blame | 97 |
| Figure 3. 6 Influence of corporate association on new product evaluations .. | 100 |
| Figure 3. 7 The effect of CBD, fit and involvement | 102 |
| Figure 3. 8 Mediating effects of attribution | 103 |
| Figure 3. 9 The model of consumer attribution process for ambushing practice..... | 105 |
| Figure 3. 10 Attitudinal consequences of consumers' response to ambush marketing | 109 |
| Figure 3. 11 Conceptual model of consumers' response to ambush marketing activities..... | 112 |
| Figure 4. 1 The research process..... | 120 |
| Figure 4. 2 Research design process | 127 |
| Figure 4. 3 Data collection methods | 129 |
| Figure 4. 4 The sampling design process | 142 |
| Figure 5. 1 Structural model in predatory ambushing context | 175 |
| Figure 5. 2 Structural model in associative ambushing context..... | 179 |
| Figure 5. 3 The model of consumers' perceived sponsorship motives | 182 |
| Figure 5. 4 The model of consumers' perceived ambushing motive | 184 |
| Figure 7. 1 Ambush marketing research areas | 212 |

Chapter 1 Introduction

1.1 Chapter Overview

This chapter firstly introduces the research background in order to get an overall understanding of the research context. Then, the research aims and objectives are clearly identified. This is followed by the significance of the study, which provides an explanation of why the research problems are important and should be addressed. Finally, the main contributions of this study are discussed.

1.2 Research Background

Sponsorship, which is regarded as a cost-effective alternative to the traditional promotional tool of advertising, has experienced rapid growth during the last two decades (Chadwick & Thwaites, 2004; Shani & Sandler, 1998; Tripodi, 2001; Zdravkovic & Till 2012). The growth of commercial sponsorship has been the most prominent development in marketing communications over the last two decades (Cornwell et al., 2005; Cornwell, 2008; Macintosh et al., 2012). It is estimated by IEG that the worldwide expenditure on sponsorship hit \$46 billion in 2010 with a 34% increase from 2006 (IEG, 2010). In the Asia-Pacific, region sponsorship expenditure will exceed \$10.2 billion with an approximate 59% increase from 2006, which demonstrates the tremendous interest in and opportunities for sponsorship in Asia (IEG Sponsorship Report, 2009). Sponsorship enables companies to reach large numbers of potential global consumers, including event participants, spectators, and media audiences. Furthermore, it has the capacity to surmount linguistic and cultural barriers (O'Sullivan & Murphy, 1998).

Meenaghan (1983) suggests three main objectives of sponsorship as a marketing communication tool, viz., broad corporate objectives (to build and enhance corporate image), marketing objectives (to promote the brand and increase sales), and media objectives (to effectively reach the specific target market and achieve cost-effective coverage). According to O'Sullivan & Murphy (1998), a beneficial image association and generalized consumer goodwill are two of the priority objectives for most sponsors. Goodwill relates to consumers' evaluations about the benefits sponsorship can offer, for instance, making the event possible, supporting the team or athletes, helping the community etc. (Alexandris et al., 2007). Other important objectives identified in the literature include corporate image enhancement, access to specific audiences and brand differentiation (Abratt et al., 1987; Cornwell et al. 2001; Marshall & Cook, 1992; Tripodi, 2001).

While sponsorship is an increasingly popular communication medium, sport continues to be the dominant focus. It is reported that more than 70% of sponsorship investment flowed into sport and sports event in 2002 (Crompton, 2004). In North America, sports sponsorship accounts for more than two-third of all sponsorship spending (Marketing New, 2008). According to a recent report by Mintel (2009), UK sports sponsorship experienced a growth of 2.1% to £486million in 2008 while above the line advertising spending declined. As sports sponsorship continues to develop as an effective marketing communication tool, it is important to understand how sponsorship exerts an influence on consumers' attitude toward the sponsors and consequently, their behavioral intentions, such as the purchase of the sponsors' products (Madrigal, 2000; Meenaghan, 2001; Speed & Thompson, 2000).

Balance theory (Heider, 1958), is brought into sponsorship literature to explain the relationships among different entities in sponsorship (Dalakas & Levin, 2005;

Hal Dean, 2002). It is proposed that an individual tends to seek a balanced relationship between the event and the sponsor, that is, people who have a favorable attitude toward the event may also hold a positive attitude toward the sponsors. Another approach that can explain image effects in sponsorship is the meaning transfer model, firstly proposed by McCracken (1989) in a celebrity endorsement context. Gwinner (1997), adapts that model to a sponsorship context, and points out that the event image can be transferred to the brand image through sponsorship. This is confirmed in a later empirical study which highlights how the associative memory process explains the formation of brand associations through sponsorship activities (Gwinner and Eaton 1999).

Although the literature identifies a number of positive aspects of sponsorship, an interesting development has been the growth in ambush marketing also known as “parasitic marketing” or “guerrilla marketing”. As sponsorship fees increase and the number of sponsors at major events is restricted because of category exclusivity, many companies may choose an ambush marketing strategy to create consumer confusion and thereby blunt or weaken their competitors’ sponsorship effectiveness (Payne, 1998; Shani & Sandler, 1998; Tripodi & Sutherland, 2000). In the general context, consumer confusion arises from three main sources, namely, (1) excess choice of products and stores, (2) similarity of products, and (3) ambiguous, misleading or inadequate information conveyed through marketing communications (Mitchell & Papavassiliou, 1999). It is clear that consumer confusion caused by ambush marketing falls into the third category.

Major global events, such as the Olympic Games, provide fertile ground for effective ambushing campaigns to achieve worldwide recognition (Meenaghan, 1994). On the other hand, such a big event cannot exist without heavy financial

support from sponsors (Shani & Sandler, 1998). Both the event owners and sponsors can gain benefits through official sponsorship. However, the return on sponsorship investment is questioned due to over commercialization of the event (Ettorre, 1993), consumer difficulties in identifying the official sponsors (Stotlar, 1993), and the creative and imaginative ways ambushers seek to associate themselves with the event, (Meenaghan, 1994; Graham, 1997).

Over time ambushing has developed from a suspicious or even illegal practice, such as copyright or trademark infringement, to an acceptable and imaginative marketing strategy (Cornwell & Maignan, 1998). According to Payne (1998), most ambushing cases do not actually break the law and consequently the legitimate sponsors' claims of alleged ambushing often provide no basis for legal action (Hoek & Gendall, 2002). Therefore, according to Crow & Hoek (2003), ambush marketing is logically regarded as a legal construct -- passing off that is commonly defined as the act of selling goods or providing services under the intended assumption of a connection with another entity (Burton & Chadwick, 2008).

Meenaghan (1994) identified three types of ambush marketing strategies which were commonly used during the early era of ambushing, namely, sponsorship of the broadcast of the event, sponsorship of subcategories within the event, and the development of significant promotions around the event. This typology raises one of the continuing issues in relation to ambush marketing studies. The first two types involve an authorized association with an event, whereas the third type suggests unauthorized association. This introduces problems in providing a clear definition of ambush marketing. The difficulty from a researcher's perspective has been to comprehend and integrate elements of a literature that includes examples of different approaches. Some are illegal while others are legal, but on occasions, morally

questionable. In addition, some activities whilst legal and moral, for example legitimate sponsorship of a subcategory, may nevertheless dilute the effectiveness of the higher category sponsor and as such, are sometimes incorporated with the definition of ambush marketing.

This lack of definitional clarity is illustrated through the definitions and specific examples discussed in the following section. Tripodi & Sutherland (2000) emphasise that ambushing is regarded as a tempting alternative to sponsorship as it can achieve brand awareness and establish brand image *without large-scale investment in sponsorship rights*. According to Schmitz (2005), ambush marketing refers to the companies' marketing attempts to *intentionally seek ways to piggyback on their rivals' sponsorship of major events*. Similarly, Meenaghan (1996) posits ambush marketing as a company's marketing efforts to *intrude upon public attention surrounding the event for the purpose of deflecting attention to themselves and at the same time away from official sponsors* (invariably a competitor). The above definitions suggest an unauthorized association with the event in order to gain benefits of being official sponsors without large-scale investment in sponsorship rights. There are a number of examples of these successful ambushing practices, viz., Nike ambushed Reebok's sponsorship of 1996 Atlanta Olympics by blanketing the city's billboards with its 'swoosh' symbol; Research by Ipsos (2008), found that a Chinese dairy group Mengniu achieved great success in attacking the rival Yili's official sponsorship of Beijing 2008 Olympics by launching the "Among the Cities" campaign with the theme of "nationwide body building" which coincides with the Olympic spirit. Similarly, Li Ning, as a former six-time Olympic medalist and the founder and chairman of Li Ning athletic apparel company, lit the Olympic torch while suspended by wires in the air, which is regarded as one of the most successful

ambushing practice to overshadow Adidas' nearly \$200 million Olympic sponsorship.

Therefore, according to several scholars (Sandler & Shani, 1989; Shani & Sandler, 1994; McKelvey, 1994; Meenaghan, 1998), ambush marketing involves an unauthorized association with an event or property and represents marketing attempts by companies to capitalize on the value and goodwill from such association. In that case, sponsorship of the subcategories within the event or broadcast sponsorship of an event is not ambushing practice based on their definitions, as it involves an authorized association.

However, it could be argued that authorized association, such as accessing broadcast opportunities, while legal and moral, may still deflect attention from a major event sponsor. For instance, Kodak employed ambushing strategies by being the broadcast sponsor to attack Fuji's sponsorship in the 1984 Los Angeles Olympic Games and Sony became sponsor of ITV's coverage of the 1991 Rugby World Cup, which greatly increased the brand awareness among World Cup audiences. Consequently, it may still weaken the effectiveness of the official sponsor and cause the confusion in consumer's minds as to the official sponsor.

Similarly, sponsorship of alternative official options within the event falls into some scholars' ambush marketing definitions. Three ambushing strategies are commonly used by large companies to attack their rival's official sponsorship without the significant investment needed to secure the official sponsorship rights. For example, Kodak ambushed the Fuji's official sponsorship in 1984 Los Angeles Olympics by sponsoring the US track and field team; Nike sponsored a number of teams competing in 1998 World Cup despite Adidas's official sponsorship; Pepsi

sponsored the favorite Brazilian soccer team to ambush CocaCola's worldwide sponsorship rights during 1990 Football World Cup etc.

However, in an attempt to reconcile the conflicting views of the nature of ambush, Burton & Chadwick (2009) propose a new broader definition and typology of ambush marketing based on the previous literature and current practices: *“Ambush marketing is a form of strategic marketing which is designed to capitalize upon the awareness, attention, goodwill, and other benefits, generated by having an association with an event or property, without an official or direct connection to that event or property”* (Burton & Chadwick, 2009, pg.2). To justify this broad definition, they identify twelve types of ambush marketing strategies. These are addressed more fully in Chapter 2 section 2.2.2 and section 2.2.3.

Given the conflict and lack of consensus on the definition of ambush marketing, it is essential to provide parameters to enshrine the current study. This research will start with a broad definition of ambush marketing, which can help to get an overall understanding of all the different types of ambushing strategies used during the last two decades. Consumer perceptions on each of the various types of ambush marketing can then be explored and examined. With this in mind, the following definition has been developed from the literature. Ambush marketing refers to *“any form of associative marketing activities that intentionally or inadvertently capitalize on benefits of an event or property by creating a false, or unauthorized, or overstated association with an event or property”*. This definition includes not only the ambushing attempts conducted by non-sponsors without an authorized association with the event, but also the ambushing efforts by team or official sponsors which suggests a false or overstated association with the event i.e. going beyond the contracted agreement.

Consumer confusion can lead to several unfavorable consequences, for instance, cognitive dissonance (Mitchell & Papavassiliou, 1999), negative word-of-mouth (Turnbull et al., 2000), dissatisfaction (Foxman et al., 1990), decreased trust and brand loyalty (Mitchell et al., 2005; Mitchell & Papavassiliou, 1999). Given the ability of ambush marketing to contribute to confusion among consumers (McDermott, 2012; Sandler & Shani, 1989) the specific issues relating to this are clearly worthy of research, although there have been few rigorous recent studies that assess how consumers respond to information about companies who engage in ambushing activities. For example, a survey conducted by the International Olympic Committee indicates that respondents have generally negative attitudes toward ambush marketing strategies (IOC, 1997). A recent study conducted by Mazodier & Quester (2010) shows that ambush disclosure negatively influences perceived integrity, affective response and purchase intentions. However, some researchers find that most consumers exhibit apathy or indifference to the practice of ambushing (Lyberger, 2001; Shani & Sandler, 1998), and show little concern to the ethical issues relating to ambush activity (O'Sullivan & Murphy, 1998; Meenaghan, 1998, Townley et al., 1998, Payne, 1998; Meenaghan, 1996, Schmitz, 2005). Given this conflict in the extant literature and the dated nature of some contributions, the current study seeks to resolve the situation through an empirical investigation of consumer responses to ambush marketing by bringing forward an integrated model illustrating which factors impact on consumers' response.

1.3 Research Aims and Objectives

The escalating sponsorship fees and the event owner's contractual promise of exclusivity fuel an intense debate over the increasingly planned practice of ambush marketing (McKelvey et al., 2012). The financial variability of an event highly relies

on funding generated by sponsorship. A company's future decision on sponsorship investment largely depends on evaluation of return on investment (ROI). According to previous studies and investigations, ambush marketing devalues the sponsorship, undermines the viability of the event, derives the benefits associated with the event, and misleads and creates confusions among consumers (Meenaghan, 1994; Payne, 1998; Tripodi & Sutherland, 2000). As a result, event owners and official sponsors have developed a variety of approaches including legal protection to combat against ambush marketing due to its potential harm on sponsorship. One of measures commonly used is 'Name and shame' campaign that make public aware of a company's ambushing practice so as to discredit ambush marketers. Therefore, the popularity of ambush marketing and the measure taken to fight against it highlight the needs to understand how consumers would respond to ambush marketing disclosure. Moreover, consumers' perceptions and attitudes are of great importance for both sponsorship and ambush marketing since all marketing activities aim to form a favorable attitude toward the company and the brand and thus increase the sales. However, views and attitudes from consumers' perspectives are largely ignored, despite the intense debate on its moral and legal issues among event owners, official sponsors, and ambushing companies. Furthermore, there are contradictory findings in literature with regard to consumers' attitude toward ambush marketing, which may be caused by lack of moderating variables, no consideration of different ambushing strategies, or lack of validity in data collection and analysis.

The current study is designed and conducted in UK to fill several important gaps in the literature. The gaps leads to the core research questions: How would UK

consumers respond to ambush marketing disclosure? This general research question consists of the following two sub-questions:

(1) How do UK consumers perceive different types of ambush marketing strategies in terms of the negativity level, and what is the degree of blame they attribute to different ambushing strategies?

(2) Do event-related, sponsor-related, and ambusher-related factors influence UK consumers' level of blame attributed to a company's ambushing practice and their subsequent attitude toward the ambusher?

To answer the above questions, this study aims to propose an integrated conceptual model to explain how consumers respond to the use of ambush marketing strategies following public disclosure of these activities and which factors influence their responses. In order to achieve this overall research aim, consumers' attitudes will be examined in terms of different levels of key constructs developed in the literature, viz, event involvement, consumer attitude toward official sponsors, prior knowledge of the ambushing company's brand, perceived corporate social responsibility with regard to the ambushing company, and consumers' perceived motives for sponsorship and ambush marketing. This leads to the following specific research objectives:

(1) To investigate the consumers' perceptions of the negativity level of different types of ambush marketing;

(2) To explore the role of event involvement and attitude toward the sponsor in consumers' responses to ambush marketing activities based on Heider's balance theory;

(3) To examine the impact of the prior brand knowledge of the ambusher on the degree of blame consumers attribute to ambushing practice and their attitude toward the ambusher.

(4). To test the effect of corporate social responsibility in insulating the company from negative publicity in the context of ambush marketing.

(5). To explore the main effect and the interaction effect of consumers' perceived motives for sponsorship and ambushing on consumers' response to ambush marketing activities.

(6). To propose an integrated model of consumer's response to ambush marketing efforts. On one hand, it offers insights for event owners and sponsors on the effectiveness of the counter-ambushing strategy known as ' a name and shame' campaign and suggestions on how to protect sponsors against the harm of ambush marketing practice. On the other hand, it aims to provide marketing managers with some insights into whether consumers perceive ambushing negatively and blame the participating companies for their ambushing efforts, and which factors that may influence or mitigate against consumer negativity in the event of their ambush marketing campaigns being made public.

1.4 The Significance of the Study

Owing to the high sponsorship fees and sponsors exclusive rights to the event, ambush marketing activities are increasingly planned and practiced in order to reach a wide audience at lower cost (Shani & Sandler, 1998), create goodwill through event association (O'Sullivan & Murphy, 1998; Brewer, 1993), attack and weaken official sponsors (Bruhn & Ahlers, 2004; Shani & Sandler, 1998; Payne, 1998), and exploit consumer confusion (Brewer, 1993; Ettorre, 1993). Most company

executives believe in the effectiveness of ambushing strategies (Crompton, 2004). It was estimated there were about 300 ambushers during the 2006 FIFA World Cup, compared with 15 international and 6 national FIFA sponsors (Zastrow, 2007). It was also reported that 74% of companies planning marketing activities around UEFA EURO 2008 were not official sponsors (Held, 2007). Ambush marketing reached an all-time high for Beijing Olympics. According to China's State Administration of Industry and Commerce, nearly 2000 cases of violations were found in Beijing Olympic slogans, logos and trademarks from 2004 to 2008.

Investment on sponsorship has greatly increased during the past two decades, especially in the major event like the Olympic Games or FIFA World Cup. The exclusive rights fees for major event are enormous. It is reported that there was a threefold increase of sponsorship fees from the 1980s Olympics to the 2008 Beijing Olympics. According to the International Olympic Committee (2009), the revenue generated from TOP Programme was \$866 million between 2005 and 2008, with a 30.6% increase compared with \$663 million in 2001-2004. The revenues from TOP Programme increased to \$957 million for London 2012 Olympic Games (The IOC, 2012).

Along with the increase of the investment, the role of sponsorship as altruistic patronage or a philanthropic gesture has changed (Wood et al., 2000). Instead, the managers expect to get the anticipated commercial returns and benefits for the large sponsorship investment, in order to achieve all levels of corporate objectives (Meenaghan, 2001). As the integrity of the sponsorship's exclusive rights is broken by ambush marketing, the sponsor's investment is definitely undermined, which in turn affects the way that marketers perceive sponsorship value for future investment decisions (Townley et al., 1998).

From an event owners' perspective, ambush marketing devalues the official sponsorship, erodes the integrity of the event, and threatens the financial viability of the events (Tripodi & Sutherland, 2000). Sports today are highly reliant on funding from sponsors and many major sporting events could not be held without this income stream. Any activities that undermine the sponsor's benefits will definitely have a negative impact on the viability of sports (Payne, 1998). Likewise, Meenaghan (1994) also mentions that ambush marketing (1) breaks the integrity of the event; and (2) ultimately weakens the financial viability of the event by devaluing sponsorship. According to the International Olympic Committee, ambushers attempt to mislead consumers to believe they are the true sponsors who support the event. As a result, ambushing erodes the integrity of the event and breaches one of the fundamental tenets of business activities, that is, truth in advertising and business communications (Payne, 1998).

From the consumers' perspective, sporting events may not exist without sponsorship funding, which may be very disappointing especially for those who attach great importance to sports in their lives. In addition, ambushers gain consumer goodwill by creating confusion and misleading them to believe they are official sponsors. Once they are aware of companies' ambushing attempts, consumers who care more about the sincerity or genuineness of that company may be frustrated and may change their attitude and subsequent behavioral intentions in future decision-making.

In order to maintain event integrity and protect official sponsors from attacking by ambushers, the International Olympic Committee (IOC) makes great efforts to combat ambush marketing through a variety of measures. The 1996 Atlanta Games firstly introduced a "name and shame" campaign in an attempt to create public

awareness of ambush marketing practices (Garrigues, 2004). The IOC indicates that public exposure of the use of ambushing activities to discredit alleged ambushers might be one of the most effective ways to control ambush marketing. According to Shani & Sandler (1998), ambush marketing can only be an effective and successful strategy when consumers are not aware of the official sponsors and what their rights are. It is revealed in the literature that consumers show a lack of knowledge and confusion about the sponsors, the official sponsors' rights and the sponsors' level of commitment to the event (Ettorre, 1993; Shani & Sandler, 1998). When consumers lack this knowledge, the official sponsors cannot be protected from ambushers and the return on their huge sponsorship investment may not be guaranteed. Shani & Sandler (1999) also recommend an education program aimed at increasing the consumers' awareness of company's ambushing attempts. Interestingly, Cornwell (2008) points out that ambushing activity may actually help to establish and enhance recognition of the sponsorship and of the official sponsors once the true sponsors are identified, following reports of ambush activity. Nevertheless, how effective the "name and shame" measure is depends on whether consumers perceive ambush marketing negatively and which factors may influence the degree of negativity. For ambushing practitioners, consumers' responses are the main concerns in their marketing planning decisions as their marketing efforts aim at forming a favorable attitude and subsequently, increasing sales.

Despite the effectiveness of ambush marketing strategies, according to Mazodier & Quester (2010), they could also backfire, especially when consumers are aware of the deception. Meenaghan (1998) points out two key elements are critical and central to the formation of consumer attitudes toward ambushers, that is, consumer/fan involvement with the activity, and consumer/fan knowledge of the

benefits of official sponsors relative to ambushers. Sports consumers are different from others as they exhibit strong emotional affiliation with a particular sports event or sports team (McDonald et al., 2002). Macintosh et al. (2012) find that higher level of interest in the Olympic Games leads to the higher levels of willingness to support official sponsors and more negative attitudes toward ambush marketing activities. Balance theory, discussed more fully in Chapter 2 section 2.3.1, can be adopted to explain the role of event involvement and attitude towards the official sponsor in predicting consumers' response to ambush marketing. Similarly, Mazodier & Quester (2010) indicate that deterioration of consumer attitude toward ambushers is more significant when people are more favorable toward sponsorship in general and are more involved in the event.

To sum up, the wide use of ambush marketing strategies highlights the need for understanding consumers' reaction to these practices efforts since it can provide guidance to marketing managers when evaluating the risks and rewards of this increasingly popular activity, and can provide the insights for event owners and sponsors on how effective the 'name and shame' campaign is in countering ambushing attempts. Although ambush marketing has been explored in terms of legal, moral, and ethical perspectives (O'Sullivan & Murphy, 1998; Meenaghan, 1996; Schmitz, 2005), attempts to critically investigate the consumers' response phenomenon are rare. Therefore, in order to update and develop the limited contributions relating to consumer responses to ambush marketing, this research seeks to propose an integrated conceptual model illustrating how consumers will react when they become aware of ambush marketing, and how their attitude toward the ambushers will be changed based on the consumers apportionment of blame, based on different levels of event involvement, attitude toward the official sponsor,

prior brand knowledge, perceived corporate social responsibilities of the ambusher, and consumers' perceived sponsorship and ambush marketing motives. The definitions and relevance of these constructs will be addressed in Chapter 2. The thesis is in the area of ambush marketing and sponsorship according to the context of the study and the research problem that will be addressed. The empirical findings will contribute most to event owners, sponsors, and potential ambushers. Given that the exposure of a company's ambush marketing practice can be regarded as a type of a company's negative publicity, the findings indicating how various factors influence consumers' responses to ambush can be generalized to a generic negative publicity context with similar level of perceived negativity or similar characteristic of the negative event. Therefore, the thesis generally lies in the field of marketing communications.

1.5 Research Contributions

This study is designed to fill important gaps within the current literature and aims to improve the understanding of how consumers perceive ambush marketing and their attitudinal responses to it. The following issues, which will be addressed in this study, contribute to the consumer psychology, sports sponsorship, ambush marketing and crisis management literatures.

(1) To provide valuable insights on whether consumers perceive ambush marketing negatively and to what extent. Ambush marketing activities, at least to a certain degree, create consumer confusion and weaken the sponsors' investment (Crow & Hoek, 2003). Most scholars suggest that the effective way to combat ambush marketing is to raise the level of consumer knowledge about the sponsors, and at the same time, increase consumer public opinion against ambushers in order to create a negative environment for the practice of ambush marketing (Payne, 1998;

Shani & Sandler, 1998). How effective this measure is depends on consumers' response and reaction to the use of ambush marketing. Although some previous studies (Shani & Sandler, 1998; Meenaghan, 1998) find that most consumers exhibit indifference to the use of ambush marketing due to the consumer's apathy, there is still a need to cross-validate the findings by adopting verified measures with larger samples in different countries and to ensure that these dated findings still fully represent the ambush phenomenon.

(2) To gain an understanding of the role of event involvement in influencing consumers' reaction to ambushing activities. The emotional and experiential nature of sport consumption suggests that the involvement literature may offer scope to heighten appreciation of consumer responses to ambush strategies. Highly involved fans have more favorable attitude toward the sponsors who associate with the event than low involved fans, which may result in more negative attitude toward the ambushers in order to maintain a balanced relationship.

(3) To provide more comprehensive understanding on how and when prior brand knowledge and perceived corporate social responsibility can effectively shield a company from negative event publicity.

(4) To gain an overall understanding of consumers' negative information processing by bring consumer attribution factors into the model to examine its effects on consumers' response to ambush marketing activities. It is suggested that the effectiveness of sponsorship is influenced by the motives consumers attribute to it. It is further suggested that responses to ambush marketing are influenced by the motives consumers attribute to sponsorship and ambush marketing. The main and interaction effects between consumer attributed motives and event, sponsor and

ambusher-related factors on consumers' response to ambush marketing are examined, which contributes to the consumer psychology literature.

(5) To develop an integrated conceptual model that includes event, ambusher, and sponsor-related factors which may simultaneously influence consumers' response to a company's ambush marketing practice. Additionally, it also provides an indication of how to restore a company's reputation in order to insulate the company from negative publicity in an ambush marketing context. Prior knowledge and corporate social responsibility as ambusher-related factors are examined to see whether they influence the apportioning of blame by consumers and their attitude toward the company. Consumer attitude toward the sponsor is also investigated in order to explore if it has a direct and indirect impact on consumer attitude towards the ambusher.

Based on the above points, on the one hand, the results and findings will provide valuable insights into the consumer's response to ambush marketing activities, which not only assists event owners and sponsors to evaluate the effectiveness of public exposure of an ambushing company, but also offers some suggestions on how to protect sponsorships against ambushing practice. On the other hand, this study can help the potential ambushing companies to assess the risks and rewards of these practices and provide suggestions on which factors may influence or mitigate against consumer negativity.

1.6 Outline of the Study

This thesis consists of seven chapters. First, the introduction provides the research background to gain overall understanding of the research context. Then, the

research aims, objectives, the significance of the study, and the main contributions are presented and discussed.

Chapter Two reviews the literature on sports sponsorship and ambush marketing to provide a comprehensive understanding of the research context. It is followed by the review of relevant theories with the purpose of formulating the theoretical background which establishes the research framework. Finally, the impact of negative information and the factors that might influence the consumers' response to negative information are reviewed, to identify the factors relevant to the current study.

Chapter Three defines each construct and illustrates the process of building the conceptual model. Based on balance theory, the relationships among event, sponsor, and ambusher are established. However, these relationships are influenced by the motives that consumers' attribute for sponsorship and ambush marketing practice.

Chapter Four introduces the specific methods employed to conduct the empirical stage of the study for both data collection and data analysis stages. Preliminary interviews and surveys are used to (1) identify the types of ambush marketing strategies included in the main survey; (2) confirm the factors generated from the literature that might have an impact on consumers' response to ambush marketing; and (3) explore if there is any other factors influencing consumers' response, which is not considered in this study, but will be controlled and suggested for future research. A questionnaire survey is adopted for data collection and structural equation modeling (SEM) is used to analyze the data.

Chapter Five presents the results and findings for the descriptive and explorative data, as well as the hypotheses testing. SPSS and AMOS are used for statistical

analysis. Chapter six discusses and interprets the results both individually and with respect to earlier studies. The final chapter summarizes the key research findings and offers some implications and suggestions. Research contributions are also discussed from both theoretical and practical perspectives. The limitations of the study and the suggestions for further research are also included in the final section.

1.7 Summary

Ambush marketing is increasingly planned and used due to the high levels of sponsorship fees and the limits placed through the allocation of the exclusive rights. It has become the main concern for event owners and sponsors because of the potential threats posed on future sponsorship revenue and subsequent event viability. The IOC, among others, try to discredit an ambushing company through “name and shame” campaigns which make the public aware of the unofficial activity. However, how effective the measure is depends on how consumers would respond to ambush marketing exposure. During the last two decades, most of the ambush marketing literature is related to the ethical and legal debate among event owners, sponsors, and ambushing companies, yet how consumers perceive and react to ambush marketing practice is largely ignored. Therefore, this study is designed to fill a key research gap and aims to explore how consumers respond to ambushing practice and which factors influence their reactions. An integrated model is built based on balance theory and attribution theory, which examines the effects of event, sponsor, and ambusher related factors, as well as the consumers’ perceived motives for sponsorship and ambushing practice on the degree of blame consumers attributed to ambushing activities and their attitude toward ambushing companies. The findings of the research will not only contribute to sponsorship and ambush marketing literature by provide better understanding of how consumers respond to ambushing

practice exposure, but also contribute to consumer psychology and company crisis management literature by illustrating the whole process of consumers' negative information processing and demonstrating which factors can work well on insulating a company from negative event publicity under different circumstances.

Chapter 2 Literature Review

2.1 Chapter Overview

This chapter aims to identify the research area and provide a systematic review of the extant literature to gain a comprehensive understanding of research context and formulate the theoretical framework.

Firstly, the sports sponsorship and ambush marketing literature are reviewed to provide an overview of the research context and to understand the nature of the research problems. This section consists of the literature review in sports sponsorship, development and definitions of ambush marketing, ambush and counter-ambush strategies, ambush marketing effectiveness, moral and ethical issues, and consumers' attitudes towards ambush marketing.

It is followed by a review of the theoretical background relevant to the research problem. Balance theory and attribution theory are reviewed, and provide a theoretical basis for constructs and conceptual model development.

The final section reviews the literature relating to negative publicity. In order to identify the antecedents of consumers' response to ambush marketing, the factors that might have an influence on consumers' reactions to negative publicity are explored and discussed to assess their potential contribution to heightening appreciation of salient issues. Key factors based on the core theories and negative publicity literatures are discussed in relation to consumers' response to ambush marketing. Figure 2.1 illustrates the overall flow of the literature review process.

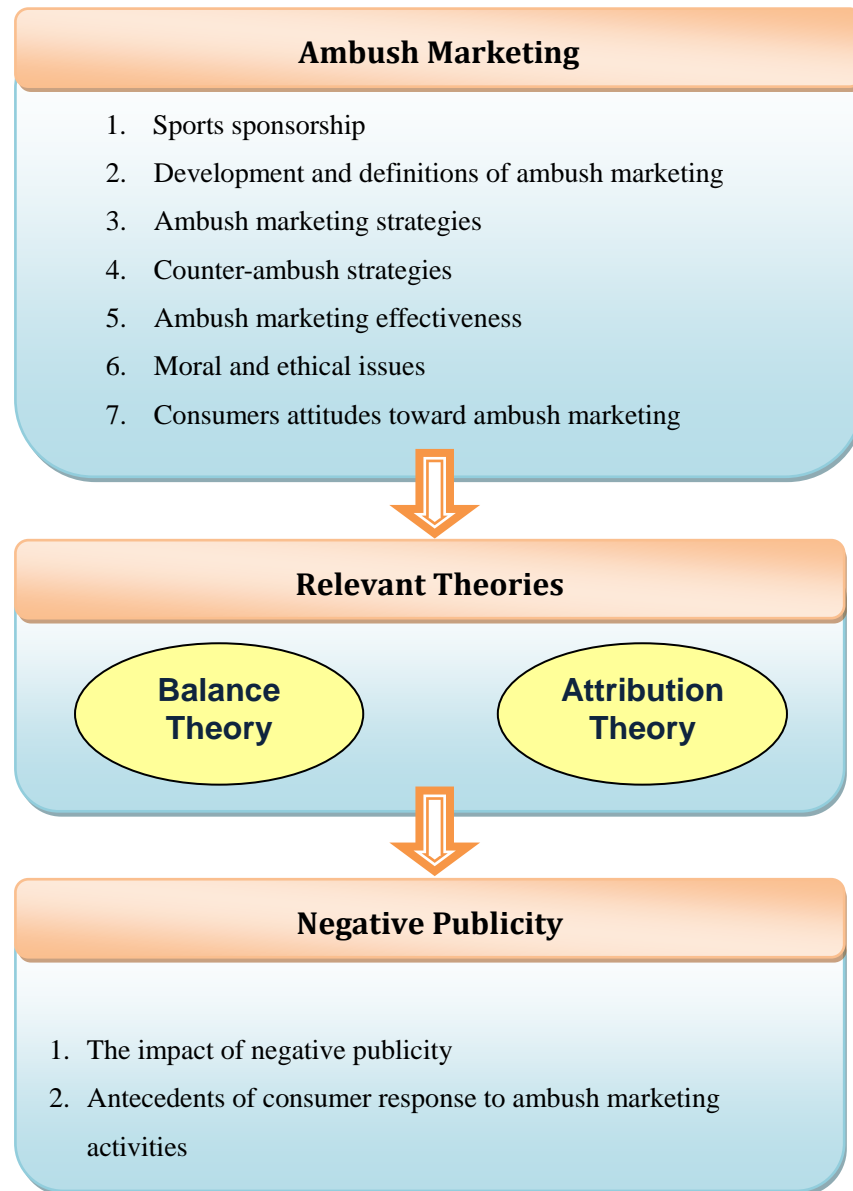


Figure 2. 1 Literature review process

2.2 Ambush Marketing

2.2.1 Sports Sponsorship

Over the past two decades, sponsorship, as one of the most important marketing communication tools, has experienced a rapid growth with the annual spending at \$46 billion worldwide in 2010 (IEG 2011) without including the cost of those marketing activities needed to leverage the sponsorship investment. Sponsorship is widely used in particular activities or events, like sports, arts, music, entertainment,

and festivals etc. Sports events play the major role of sponsorship due to the increasing popularity of sports throughout the world. Besides, sport sponsorship has experienced a rapid growth due to its broad reach to large and diverse audiences and its ability to overcome lingual and cultural barriers (Kropp et al., 1999; Quester & Thompson, 2001). According to IEG (2010), over two-thirds of the overall sponsorship spending was devoted to sporting events. Sports sponsorship spending in North American was estimated to be \$12.38 billion in 2011, a dramatic increase from the \$8.31 billion spent in 2005 (IEG, 2011). Mintel (2011) also indicates that sport continues to dominate the UK sponsorship market in both value and volume terms.

Sponsorship refers to “*the provision of resources (e.g., money, people, equipment) by an organization directly to an event or activity in exchange for a direct association to the event or activity*” (Sandler & Shani, 1989). Similarly, Meenaghan (1991) defined sponsorship as “*an investment, in cash or in kind, in an activity in return for access to the exploitable commercial potential associated with that activity*” (Meenaghan, 1991). Over time, sponsorship has evolved from a largely philanthropic activity to a key marketing communication tool (Desbordes & Tribou, 2007), involving the reciprocal relationship between sponsor and event with a view to securing mutual benefits.

The earlier definitions distinguish sponsorship from advertising because of a second party’s (sponsored event or activity) involvement (Speed & Thompson, 2000). Sponsorship is perceived by consumers as an indirect, subtle, less coercive communication tool, whereas conventional advertising is regarded as being direct, selfish, forceful and coercive (Meenaghan, 2001b). Advertising mainly focuses on brand awareness and image, while sponsorship can offer experiential opportunities

to create brand meaning and establish customer affiliation (Cliffe & Motion, 2005). According to Dees et al. (2008), goodwill and fan involvement are two unique characteristics of sponsorship, which also differentiates it from traditional advertising.

Sponsorship has received great attention and been widely used as a cost-effective marketing communication tool with the purpose of increasing brand or corporate awareness (Bennett, 1999), improving brand or corporate image (Tripodi et al., 2003), building strong brand equity (Aaker, 1991; Marshall & Cook, 1992), building community relations (Sylvestre & Moutinho, 2007), generating consumers' goodwill (Dees et al., 2008), influencing consumer's purchase behavior (Bennett et al. 2002; Speed & Thompson, 2000), and influencing investor relations and stock market prices (Cornwell et al., 2004).

Sports sponsorship has become a unique and distinctive approach for a company to reach a large and diverse national or international audience in a single campaign which can positively enhance the brand awareness (Bennett, 1999), build favorable brand image and corporate image (McDonald, 1991) in a cost-effective way (Sandler & Shani, 1993). Worldwide major events, like the Olympic Games, provide sponsors with a platform to communicate with global audiences. Association with events of this type encourage consumers to perceive sponsors as leaders in their industry, socially responsible, dedicated to excellence, innovative, and leading edge (IOC, 1996).

The growth of sponsorship has not been restricted to Western economies. For example, Yang et al. (2008) conducted a survey of sports sponsorship in China to provide insights into how to use sports sponsorship as a strategic investment. The findings confirmed that sports sponsorship can help to increase brand equity,

establish long-term relationships and strategic alliances. However, the study also noted that there is a need for effective management as despite the benefits, corporate sponsors may also encounter the potential risks, viz., poor execution, insufficient investment in leveraging, sports performance fluctuation, termination cost, and opportunity cost (Yang et al., 2008).

Sponsorship involves a two-stage process. Firstly, sponsors obtain the sponsorship right to associate themselves with the event as a return of sponsorship fees paid to the event property. Secondly, sponsors (should) leverage the association by developing marketing activities to communicate the sponsorship (Cornwell et al., 2006). The effectiveness of sponsorship relies on how well sponsors exploit and leverage the association as sponsorship without leverage is simply a logo or brand name displayed with no complete message transmission (Cornwell, 2008). Hence, managers should get to know how sponsorship information is encoded and later retrieved from stored information in consumers' memories, and then develop an integrated sponsorship-linked marketing program to maximize sponsorship effectiveness (Cornwell, 2008).

Meenaghan (1983) claims that sponsor's image is enhanced through association with the event due to image or value transfer from the event to the sponsor. Brand associations also can be influenced by the link with a sporting event through sponsorship activities (Keller, 1993). The event image can be transferred to the sponsor's brand as the pre-existing associations in consumers' memories regarding a sport event become linked in memory with the sponsor's brand. Zdravkovic & Till (2012) examine the influence of sponsorship on associations transfer from the sponsored entity to the sponsor, claiming that a stronger associative link between sponsor and sponsored entity is developed among the individuals who are exposed

to a highly fitting partnership than those who are exposed to the poorly fitting partnership. Attribution theory is used to explain the change of brand image in consumers' minds as a result of image transfer (Rifon et al., 2004). Consumers cognitively infer a motive for sponsorship: an altruistic motive will lead to higher credibility and more favorable attitudes toward the sponsor; whereas an exploitative motive will create a less desirable sponsor image (Rifon et al., 2004). Bhattacharya & Sen (2004) proposes that a company's reputation and the congruence between the sponsor and the event are regarded as two critical factors to influence the consumer attributions of sponsorship motives. As a result, it is essential for managers to take into account the congruence between a sports event image and brand image when considering sponsorship arrangements (Gwinner & Eaton, 1999). Attribution theory also can be related to the ambush marketing context to describe the consumer's attribution process relating to a company's ambushing practice. This will be discussed further in later chapters.

Balance theory proposed by Heider (1958) is applied to the sponsorship context to explain the triangular relationship among the sponsor, the sponsored event or entity, and the consumer (Dalakas & Levin, 2005). If the consumer has a pre-existing positive attitude toward the event/person, it is likely that he/she will form a favorable attitude toward that event/person's sponsor in order to maintain psychological balance (Hal Dean, 2002), and the reverse is also true (Dalakas & Levin, 2005). Likewise, based on assimilation-contrast theory (Sherif and Hovland, 1961), if the brand is evaluated better than the event, a decrease in awareness/brand image favorability is more likely to occur (Woisetschläger, 2007). On that basis, balance theory can be brought into an ambush marketing situation to explain the relationship among the sponsor, the event, the ambusher, and the consumer.

In addition, prominence heuristic, according to Pham & Johar (2001), suggests that well-known brands are recalled more frequently than less known brands because sponsorship recall is influenced by existing knowledge about the brand, the product involvement, and the sponsored event involvement. Therefore, sponsorship for less known brands should be avoided when well-known brands are engaged in a sponsorship in the same field (Pham & Johar, 2001; Woisetschläger 2007). Similarly, Sylvestre & Moutinho (2007) bring forward two basic frameworks to explain how sponsorship works: cognitive orientation and behaviorist orientation. The cognitive model emphasizes the awareness gained from sponsorship leverage efforts, while the behaviorist approach focuses on a reinforcement of previous experiences with a brand (Sylvestre & Moutinho, 2007).

Moreover, the mere exposure effect suggests that repeated exposure to a stimulus can attract people's attention and lead to brand preference and liking (Bennett 1999; Olsen & Thjomoe, 2003; Woisetschläger, 2007; Zajonc 1968). Sponsorship can be undertaken in situations where low attention is paid to the sponsorship stimulus since people are focusing on the event. Sponsor awareness is generated and increased by intruding on the consciousness of the event audience and sponsor exposure during the event (Meenaghan, 1998). Despite consumer awareness generated by official sponsorship can be fleeting, especially in today's highly cluttered and ambush-prone event environment. Nevertheless, McDaniel & Kinney (1998) suggest that sponsorship still can influence consumer decisions without explicit recall of a highly familiar sponsor by mere exposure. Therefore the measures of sponsorship recall often utilized fail to fully capture the effectiveness of sponsorship (Herrmann et al., 2011).

Some psychological theories and conceptual frameworks are used to explain how consumers respond to a sponsorship and explore which factors exert influences on consumers' reactions (Madrigal, 2000; Speed & Thompson, 2000; Gwinner and Swanson, 2003; Cornwell & Coote, 2005). Various measures have been proposed in the literature to evaluate the effectiveness of sponsorship, for example, consumer awareness and brand recall (Grimes & Meenaghan, 1998; Cornwell, 1997), brand image (Walliser, 2003), consumer purchase intention (Madrigal, 2000; Kinney & McDaniel, 1996), and stock market performance (Tsiotsou & Lalountas, 2005). Most of the scholars use measures of consumer awareness, brand recall, and sponsor image as a predictor of sponsorship effectiveness. However, there is a limitation to the use of recall/image in evaluating the effectiveness of sponsorship, considering people are more likely to associate a sponsor with an event based on the brand's popularity, or their familiarity with the brand, rather than on their actual memory of a sponsor's signage on-site (Crompton, 2004).

In a study of sponsorship effectiveness at an elite intercollegiate sporting event, despite the importance of attitude toward the sponsor and fan involvement in relation to sponsorship effectiveness, it was found that goodwill has the most significant impact on consumers' intentions to support the corporate sponsors and it is also one of the critical factors in transforming avid fans into loyal consumers (Dees et al., 2008). Meenaghan (2001) notes that attitude toward the sponsor, goodwill, and fan involvement represents three critical variables that affect consumer purchase intentions. An empirical study conducted by Grohs et al. (2004) suggests that event-sponsor fit, event involvement, and exposure are the dominant factors to predict sponsor recall.

Many scholars have attempted to evaluate sponsorship effectiveness (Levin et al., 2001; Irwin & Sutton, 1994; Grohs et al., 2004; Lardinoit & Derbaix, 2001; Cuneen & Hannan, 1993), but there is no strong basis and little agreement among scholars regarding how to assess the effect of sponsorship practice according to each company's marketing objectives (Easton & Mackie, 1998). Therefore, the measurement of sponsorship effectiveness still remains deficient and needs to be further developed. When specifically investigating consumer's response to ambush marketing practice, sponsorship effectiveness is taken into consideration because it is assumed that the more effective the sponsorship, the more favourable attitude toward the sponsor, and then the higher level of blame will be given to a company's ambushing attempt.

2.2.2 The Development and Definitions of Ambush Marketing

The rapid growth in sport sponsorship throughout the world has been accompanied by a parallel growth in ambush marketing practice (Meenaghan, 1994; Pitt et al., 2010). Sponsorship is regarded as an increasingly attractive alternative to advertising (Meenaghan, 1998; Cornwell, 2008) and event owners make great efforts to develop more valuable sponsorship packages to enable their sponsors to get a higher return from the event by offering them exclusive rights (Crow & Hoek, 2003). Consequently, for example, as only one soft drink company could become an official sponsor of an event, ambush marketing arose as the majority of the competitor companies within that product category can no longer associate with the event officially. On the one hand, the marketers wish to associate with the event to gain some recognition, goodwill, and establish customer affiliation while on the other, huge sponsorship fees and exclusivity rights limit the opportunities for the unsuccessful bidders to associate with an event at the headline level. Almost inevitably, therefore, ambush marketing has grown in parallel with the popularity of

sponsorship, particularly in the context of major sporting events and has drawn attention from sports organizers, rights holders, and official sponsors due to its distinct threat to sponsorship value (Burton & Chadwick, 2009).

Ambush marketing firstly emerged at the 1984 Olympic Games in Los Angeles as the number of official sponsors was significantly reduced and limited by the International Olympic Committee (IOC) (Shani & Sandler, 1998). IOC developed different levels of sponsorship providing exclusive rights within each level in order to increase the value of sponsorship in return for higher sponsorship fees. For example, IOC received over \$US200 million from sponsorship at 1984 Olympics, which enabled the Olympics to operate smoothly without public funding for the first time (Graham et al., 1995). Before Los Angeles, the sponsorship opportunities were open and unlimited to the point where, 628 companies were sponsors at the 1976 Montreal Summer Olympics. The restructured sponsorship program triggered the initial growth of ambush marketing (Shani & Sandler, 1998). The first instance, of ambush marketing occurred when Kodak became the sponsor of the ABC's broadcasts of the 1984 Olympic Games and the "official film" of the U.S. track team with the purpose of attacking Fuji's official sponsorship. Then Kodak secured the official sponsorship of the 1988 Seoul Olympic Games. Fuji exacted its revenge on Kodak by extensively promoting its sponsorship of the U.S. swimming team. The marketing specific issues surrounding the event were dominated by the direct competition between major rivals, which became the main concern of event owners due to its considerable threat to sponsorship value.

As highlighted in Chapter 1, there is no consistent definition of ambush marketing adopted in literature. In some cases it is referred as parasitic marketing, guerrilla marketing, or creative and associative marketing activities. Sandler &

Shani (1989) initially defined ambush marketing as “*A planned effort (campaign) by an organization to associate themselves indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor*” (p.11). This definition emphasizes that ambush marketing is a well-planned effort to indirectly associate with the event. Meenaghan (1994) developed this early definition and described ambush marketing as “*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*” (p79). It is clear from this definition that the main purpose of ambushing marketing is to intrude upon public attention. McKelvey (1994) proposed that ambush marketing is designed to confuse the public as to who is the official sponsor. Some definitions emphasize the unauthorized association with an event or property and represents marketing attempts by companies to capitalize on the value and goodwill from such association. In that case, sponsorship of the subcategories within the event is not ambushing practice based on these definitions as it involves an authorized association. However, it may still weaken the effectiveness of the official sponsor and cause the confusions in consumer’s mind as to who the official sponsor is. Hence, some scholars still incorporate it with the definition of ambush marketing.

Ambush marketing has evolved from direct ambushing aimed at confusing consumers as to the official sponsor or detract from an official sponsorship, to broader associative ambushing focused on overall capitalization on the value of the sports event. According to Schmitz (2005), a broad sense of ambush marketing refers to a company’s attempt to capitalize on goodwill, reputation, and popularity of an event. A recent study conducted by Burton & Chadwick (2009) proposes a new definition that represents the evolvement of ambush marketing: “*Ambush marketing*

is a form of strategic marketing which is designed to capitalize upon the awareness, attention, goodwill, and other benefits, generated by having an association with an event or property, without an official or direct connection to that event or property”

(p.2). This definition includes not only the ambushing attempts conducted by non-sponsors without an authorized association with the event, but also the ambushing efforts by team or official sponsors which suggest a false or overstated association with the event.

The opportunities for ambushing arise as generally there are multiple entities involved in a sport event, such as the sport organizer, individual countries or teams, athletes, media, merchandise licensees etc, all of which can provide sponsorship opportunities (Crompton, 2004). Some companies continuously engage in ambushing as they are attracted by “getting something for nothing”. For instance, Nike funded press conferences with the US basketball team despite Reebok being the official sponsor of the 1992 Barcelona Olympics. Then Nike ambushed the official sponsor Reebok again at the 1996 Olympic Games in Atlanta. During the 1998 FIFA World Cup, Nike sponsored a number of competing teams in order to counter Adidas’ official sponsorship, and ambushed official sponsor Adidas yet again at the 2006 FIFA World Cup. Nike’s latest attempts to get round the 2012 London Olympic’s marketing limitations was to launch the company's new ad ‘Find your greatness’ on YouTube, featuring ordinary athletes from places called London located all over the world (except in England).

During the early period of ambush marketing, most of cases involved activity directly attacking major competitors, for example, Coca-Cola vs. PepsiCo, Kodak vs. Fuji, and Nike vs. Adidas. More recently, ambushing practice has evolved to include capitalizing on goodwill, media attention, and the market value surrounding

an event (Burton & Chadwick, 2008). Despite the legal restrictions and increasingly tight controls by event owners, government, and sponsors, ambushers are becoming smarter in finding unique and creative ways to associate their brands with an event without infringing or breaking laws. As Farrelly et al. (2005, p.343) note: “there will always be an opportunity for some degree of ambush to occur.”

In summary, due to the external factors (exclusive rights of sponsorship and high sponsorship fees) and internal factors (e.g. attacking competitor’s sponsorship), ambush marketing will continue to be planned and practiced. This seeks to achieve a variety of objectives, viz. reaching a wide audience at lower cost, creating goodwill through association, intruding upon the public’s attention, attacking and weakening official sponsors, exploiting consumer confusion, and increasing sales.

2.2.3 Ambush Marketing Strategies

As indicated earlier, ambushing practice has evolved from a direct attack on major competitors to associative marketing campaigns capitalizing on goodwill, media attention, and the market value surrounding an event. It has also developed from a suspicious or even illegal practice, such as copyright or trademark infringement, to an acceptable and imaginative marketing strategy. Most ambushing cases do not actually break the law. There are many well-known examples of the successful ambushing practices in major events (Burton & Chadwick, 2009).

- 2006 FIFA World Cup, Germany airline Lufthansa painted footballs on the nose cones of planes, as part of a promotion titled “LH2006”, a play on the airline’s flight code and the 2006 World Cup;
- 2008 Beijing Olympics, following Liu Xiang’s injury in the men’s 110m hurdles, Nike released a full-page ad in the major Beijing newspapers

featuring an image of the disconsolate Liu, and the tagline: “Love competition. Love risking your pride. Love winning it back. Love giving it everything you’ve got. Love the glory. Love the pain. Love sport even when it breaks your heart.”

- 2010 FIFA World Cup, 36 women turned up at the Netherlands versus Denmark match wearing skimpy orange dresses to promote Dutch beer company Bavaria while the official sponsor is Budweiser.

Meenaghan (1994) firstly identifies five ambush marketing methods that were widely used as ambushing practices began to evolve:

1. Sponsoring the broadcast of the event;

The companies sponsor certain media coverage of the event to reach large media audiences and at the same time, mislead the consumers into believing they are the official sponsor of the event. The case of Fuji vs. Kodak at 1984 Los Angeles Olympics is a typical example of this strategy. Fuji was a worldwide official sponsor of the event, whereas Kodak sponsored ABC Television broadcasts of the Olympics.

2. Sponsoring subcategories within the event, like an individual team or athlete;

The ambushers’ sponsor the subcategories of the event at a much lower cost. At the 1988 Olympic Games, Fuji sponsored the US swimming team with a number of support promotions to counterattack Kodak’s official worldwide sponsorship of the Games.

3. Purchasing advertising time around replays of the event;

The companies may wish to buy the advertising time in the slots around television replays of the event with the purpose of communicating the false impression that they are the official sponsors. For example, at the 1998 World Cup, Nike who was not an official sponsor bought advertising slots in the breaks during the games and featured the Nike sponsored Brazilian team. Moreover, Nike built a football village near the main stadium in Paris. As a result, Nike achieved higher brand awareness than its main competitor Adidas, the official sponsor of the event (Crompton, 2004). This method, however, is not that popular now as in most cases the broadcasters offer first option to event sponsors and do not allow competing advertising in slots around the event.

4. Engaging in major non-sponsorship promotions to coincide with the event;

For example, Nike organized a global ‘counter-event’ called “The Human Races”, run in 24 cities across the world for seven days following the Olympics and featuring massive international marketing throughout the Games centered around Nike’s involvement in running and athletics. Mengniu, a Chinese dairy group, launched the “Among the Cities” campaign with the theme of “nationwide body building” to coincide with the Olympics through 113 cities across China in order to counter the rival Yili’s official sponsorship of 2008 Beijing Olympics. As a result, Mengniu ranked first among the top 10 non-sponsors of the 2008 Beijing Olympics according to Sponsorship Performance Indexes (SPIs) developed by Ipsos Survey Company which includes sponsor identity recognition, sponsor voice, wrong recognition, sponsorship fitness, brand image and enhanced willingness to purchase (Ipsos, 2008).

5. Other creative ambushing strategies, like using photographs of Olympic-looking stadia and offering free trips to the event etc.

Beside the above mentioned ambushing strategies, Crompton (2004) lists another three potential opportunities for ambush marketing: (1) Purchasing advertising space at locations that are in close proximity to the event venue; for instance, Nike built billboards and saturated the entire road leading to the major stadiums thereby undermining Umbro who was the official sponsor of the European Soccer Championships. (2) Thematic advertising and implied allusion; Two main types of themed advertising are identified by Meenaghan (1998): firstly, celebrity advertising using major figures from the sport, like Olympic gold medal winners; and secondly, association with the event is implied by the usage of televised images related to sports, like football. (3) Creation of a counter attraction, and accidental ambushing. For example, beverage vending machines and fast food trailers advertising a competitor's products, skydivers sponsored by a competitor etc.

It was reported that ambushing activities hit a new high at the Beijing Olympics. For instance, Li Ning signed an apparel sponsorship deal with the announcers on CCTV 5, the sports channel operated by China Central Television. Besides, Chinese athletes wear apparel provide by Li Ning company in airtime exposure except during awards ceremonies. The non-sponsor KFC's slogan of "I Love Beijing" was used in a marketing campaign to associate with the event in a unique way and represents another approach to ambush marketing.

Most scholars simply list the specific ambushing strategies commonly used by companies without considering the nature and conceptualization of ambush marketing. Generally, ambush marketing can be classified into two types: ambushing by association and ambushing by intrusion. Ambushing by association refers to the use of event's symbol, logo, motto, and themes etc to suggest an association with the event in company's marketing activities. For example, at the

2006 FIFA World Cup, Lufthansa painted a soccer ball on the nose of many of its planes trying to suggest an association. Ambushing by intrusion occurs when non-sponsors use publicity of the event to gain unauthorized brand exposure or attract public attention. In such instances, there may be no claim of association. For instance, at the same event, 2006 FIFA World Cup, brewery Bavaria distributed to Dutch football supporters pairs of heavily branded bright orange trousers thereby attracting public attention.

An important recent study conducted by Burton & Chadwick (2009) provides a comprehensive understanding of the nature and conceptualization of ambush marketing and clarifies a number of the disparities with the extant literature. Twelve types of ambushing strategies are identified through a systematic review of a large number of ambushing cases which occurred during the last two decades. The ambushing categories are based on different motives, objectives, and measures adopted by ambushers, which are further classified into three categories, namely, direct ambush activities, associative ambushing, and incidental or un-intentional ambushing (see Table 2.1). It is claimed by the scholars that ambush marketing has evolved from direct ambushing aimed at confusing consumers as to the official sponsor or detract from an official sponsorship, to broader associative ambushing focused on overall capitalization on the value of the sports event. Contemporary ambush marketing is perceived as a different approach to marketing and an opportunity parallel to sponsorship (Burton & Chadwick, 2009). The typology provides an overall understanding of the evolution of ambush marketing strategies.

Table 2. 1 A typology of ambush marketing (Burton & Chadwick, 2009)

| | Ambush Strategy | Definition |
|--------------------------------------|---------------------------------|---|
| Direct Ambush Activities | Predatory ambushing | The direct ambushing of a market competitor, intentionally and knowingly attacking a rival's official sponsorship in an effort to gain market share, and to confuse consumers as to who is the official sponsor. |
| | Coat-tail ambushing | The attempt by an organization to directly associate itself with a property through a legitimate link, without securing official event sponsor status. Not to be confused with the oft-used term 'piggy-backing'; while piggy-backing implies acceptance or complicity; coat-tail ambushing refers to the unsolicited association of a company to an event. |
| | Property infringement ambushing | The intentional use of protected intellectual property, including trademarked and copyrighted property such as logos, names, words, and symbols, in a brand's marketing as a means of attaching itself in the eyes of consumers to a particular property or event. |
| Associative Ambush Activities | Sponsor self-ambushing | The marketing communications activities by an official sponsor above and beyond what has been agreed in the sponsorship contract, effectively ambushing the property which they support, and infringing upon other official sponsors. |
| | Associative ambushing | The use of imagery or terminology to create an allusion that an organization has links to a sporting event or property, without making any specific references or implying an official association with the property. |
| | Distractive ambushing | The creation of a presence or disruption at or around an event in order to promote a brand, without specific reference to the event itself, its imagery or themes, in order to intrude upon public consciousness and gain awareness from the event's audience. |
| | Values ambushing | The use of an event or property's central value or theme to imply an association with the property in the mind of the consumer. |
| | Insurgent ambushing | The use of surprise, aggressively promoted, one-off street-style promotions or giveaways, at an event, in order to maximize awareness, while minimizing investment and distracting attention away from official sponsors and the event itself. |

| | | |
|-------------------------------------|-----------------------------|---|
| | Pre-emptive ambushing | The marketing activities of an official sponsor taken to usurp possible ambush marketing campaigns of rivals, pre-empting ambush activities and deflecting attention away from any official association to the event or property. |
| | Parallel property ambushing | The creation of a rival event or property to be run in parallel to the main ambush target, associating the brand with the sport or the industry at the time of the event, thus capitalizing on the main event's goodwill. |
| Incidental Ambush Activities | Unintentional ambushing | The incorrect consumer identification of a non-sponsoring company as an official sponsor, unknowingly or inexplicitly, based on a previous or expected association with an event. |
| | Saturation ambushing | The strategic increase in the amount of marketing communications around the time of an event by non-sponsor, in order to maximizing awareness of the brand during the event, aggressively marketing the brand around, and maximizing the use of available advertising before, during and after. |

The ambushing typology identified by Burton & Chadwick, while comprehensive and valuable in its ability to capture the key issues, is too complex to explain for the current study given the large number of categories. This may reduce levels of understanding and prove time consuming. These factors could significantly reduce response rates which in turn would question the validity of the study. Therefore this ambushing typology is not suitable for the current study in its entirety, but it does however, provide a valuable underpinning for the research. The classification clearly needs to be compatible with the nature of the research problem and research purpose. The main objective of this study is to explore consumer's response to the disclosure of ambush marketing practice. In order to investigate the consumer's perception on each type of ambush marketing in relation to perceived negativity, the different types should be clearly defined, easy to understand, and easy to distinguish from the consumers' standpoint, since most of them are not experts in ambush marketing. Therefore, it is necessary to re-categorize and

combine some of the ambushing strategies to allow operationalisation within a single piece of Doctoral research. Moreover, re-categorizing work can help to gain a better appreciation of each type of ambushing and its implications for consumers. In that case, the event owners and sponsors can adopt some measures to prevent ambush marketing happening, rather than passively reacting to it after it happens.

Given the study focus mentioned above, the re-categorization of the ambushing strategy is based on how consumers react to different types of ambushing practices. Figure 2.2 describes the relationships among the key elements and provides an illustration of where and how ambush marketing occurs. Generally, five elements are evident at an event, that is, participating teams, main sponsor, team sponsor, media broadcast, and non-sponsor companies. Participating teams take part in the event and the event owners pay some fees to participating boards. Main sponsors obtain the advertising/promotion rights from the event as the return of sponsorship rights fees paid to the event organizer. Participating teams wear team sponsor's logo as an exchange of sub-sponsorship rights fees paid by team sponsors. Media companies gain broadcast rights from the event by paying broadcast rights fees to the event owner. Non-sponsor companies, however, have no authorized association with the event, but make every effort to link themselves with the event, by making the most of the ambush marketing opportunities. In some cases, non-sponsor companies pay endorsement fees to individual or group athletes for brand endorsement. The advertisements or promotional campaigns featuring the endorsers may also be perceived as ambush marketing because it can create consumer confusions as to who is the official sponsor, especially during the event period.

Based on the twelve types of ambush marketing strategies proposed by Burton & Chadwick (2009), six types of ambush marketing are identified here, namely,

predatory ambushing, property infringement ambushing, associative ambushing, promotional ambushing, sponsor ambushing, and accidental ambushing (See Table 2.2). Ambushing cases used to explain each ambushing category are adopted from Burton & Chadwick's (2009) work. ***Predatory ambushing***, adapted from Burton & Chadwick (2009), refers to the direct attack to a rival's official sponsorship with the purpose of confusing consumers as to who is the official sponsor. It happens between major sponsors and non-sponsor companies (See Figure 2.2). Both ***property infringement ambushing*** and ***associative ambushing*** are marketing campaigns that are associated with the event. The only difference is property infringement ambushing is illegal as it uses the protected intellectual property by event/property owners. The associative ambushing, however, may be legal or illegal depending on the court judgment, and most of them are not necessarily in breach of the law. It refers to the creation or use of imagery / design / slogan / terminology / values / theme / parallel event / people associated with the event in order to suggest an allusion that an organization has links to an event or property, without making any specific references or implying an official association with the property.

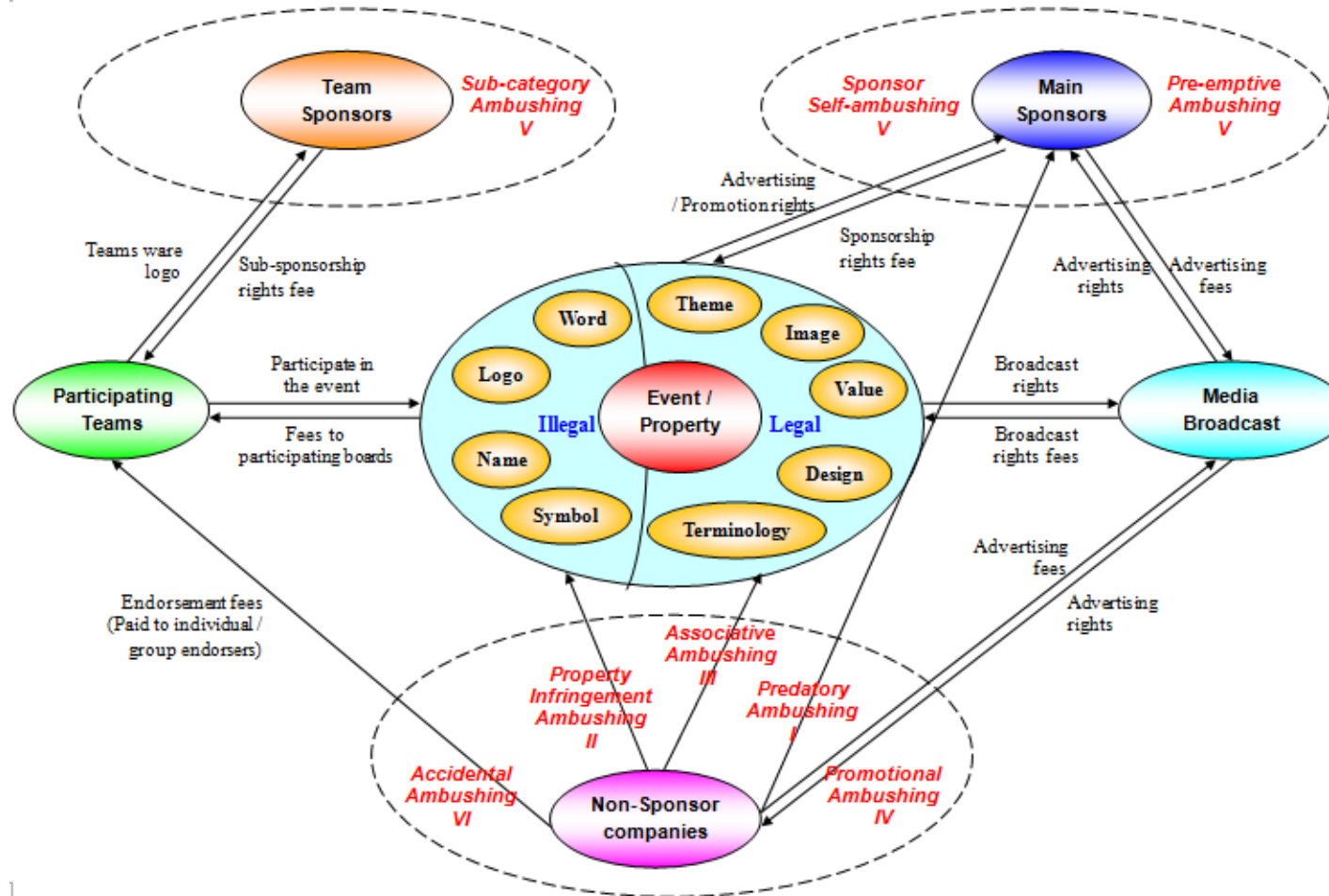


Figure 2. 2 Ambush marketing strategies

Promotional ambushing is the creation or use of marketing campaigns at or around the time/place of an event in order to promote a brand and maximize awareness, while turning attention away from official sponsors and the event itself. The main distinction between this type of ambush strategy and others is that it aims to promote the brand around the event. Sub-category ambushing by team sponsors is combined with sponsor self ambushing and pre-emptive ambushing by main sponsors, which is referred as sponsor ambushing. *Sponsor ambushing* is defined as the marketing activities by sponsors above and beyond what has been agreed in the sponsorship contract with the purpose of infringing upon other official sponsors or pre-empting possible ambush marketing campaigns by rivals. The final type of ambush marketing is *accidental ambushing* adapted from Burton & Chadwick's (2009), which refers to unintentional ambushing efforts due to the incorrect consumer identification based on previous or expected association with an event or property.

Table 2. 2 Category of ambush marketing strategy (adapted from Burton & Chadwick, 2009)

| Ambushing Category | | Definition | Example | No. of Category by Burton & Chadwick | No. of Category by Crompton |
|--------------------|--|--|---|--------------------------------------|-----------------------------|
| I | Predatory Ambushing | <p>The direct ambushing of a market competitor, intentionally and knowingly attacking a rival's official sponsorship in an effort to gain market share, and to confuse consumers as to who is the official sponsor.</p> <ul style="list-style-type: none"> ● Direct attack to a competitor's official sponsorship. | American Express ran an ad campaign to attack Visa's official sponsorship in 1994 Lillehammer Winter Olympics, featuring the slogan "If you are going to Lillehammer this winter, you will need a passport, but you don't need a Visa!" | 1 | |
| II | Property Infringement Ambushing | <p>The intentional use of protected intellectual property, including trademarked and copyrighted property such as logos, names, words, and symbols, in a brand's marketing as a means of attaching itself in the eyes of consumers to a particular event or property.</p> <ul style="list-style-type: none"> ● Illegal; ● Infringement of protected intellectual property. | Betting company Unibet released a series of magazine advertisements in Polish magazine Pitkanonza for online betting on the European Championships 2008, explicitly featuring the words 'Euro 2008' and football in their adverts. | 3 | 5 |
| III | Associative Ambushing | The creation or use of imagery / design / slogan / terminology / values / theme / parallel event / people associated with the | Fosters allegedly ambushed the official England sponsors, Steinlager, when they ran a | 2, 5, 7, 10 | 1, 3, 5 |

| | | | | | |
|----|------------------------------|--|--|----------|---------|
| | | <p>event in order to suggest an allusion that an organization has links to an event or property, without making any specific references or implying an official association with the property.</p> <ul style="list-style-type: none"> ● No specific references to the event or official association; ● Create consumer confusion through association; ● Legal or illegal. | <p>campaign in Britain during the 1992 Rugby World Cup with the tag line “Swing low sweet carry-out”. This was an obvious play on the words of the English rugby anthem “Swing low sweet chariot” and an alleged attempt to obtain benefits that an association with the English team might bring.</p> | | |
| IV | Promotional Ambushing | <p>The creation or use of marketing campaigns at or around the time/place of an event in order to promote a brand and maximize awareness, while turning attention away from official sponsors and the event itself.</p> <ul style="list-style-type: none"> ● Promote the brand and maximize the awareness; ● Distract attention away from official sponsor or event. | <p>Nike purchased all poster space/advertising sites in and around Wembley Park tube station as a means of promoting the brand during the UEFA Euro 1996 in England.</p> | 6, 8, 12 | 2, 4, 6 |
| V | Sponsor Ambushing | <p>The marketing communications activities by sponsors above and beyond what has been agreed in the sponsorship contract to infringe upon other official sponsors or to pre-empt possible ambush marketing campaigns by rivals.</p> <ul style="list-style-type: none"> ● Sponsor’s ambushing attempts; ● Include sub-category ambushing, pre-emptive ambushing, and sponsor self- | <p>Official sponsor Carlsberg of UEFA European Championships in 2008 extended its promotions beyond the scope of their sponsorship rights, effectively ambushing other sponsors by offering in-stadium promotions and signage, giving away headbands to fans during the</p> | 4, 9 | 3 |

| | | ambushing. | tourney. | | |
|----|-----------------------------|--|--|----|---|
| VI | Accidental Ambushing | <p>The incorrect consumer identification of a non-sponsoring company as an official sponsor, unknowingly or inexplicitly, based on a previous or expected association with an event or property.</p> <ul style="list-style-type: none">• Unintentional ambushing effort; | <p>Speedo earned considerable media attention throughout the Beijing Olympics as a result of the success of swimmers in their LZR Racer swimsuits, resulting in the brand being identified as a sponsor and cluttering the market.</p> | 11 | 7 |

2.2.4 Effectiveness of ambush marketing

Most of the scholars attempts to assess the effectiveness of ambush marketing based on the level of consumers recall and recognition of ambushers versus official sponsors (McDaniel & Kinney, 1998; Shani & Sandler, 1998; Sandler & Shani, 1989). To date, the majority of cases of ambushing efforts appear to be successful in creating confusion and generating awareness of ambushers' brands among consumers (Burton & Chadwick, 2008).

A survey conducted by Ukman (1998) to investigate public recall of Olympic sponsors found that most people perceived companies who advertised frequently during the event to be official sponsors. Research at the 2008 Olympics found that 63% of consumers confuse non-Olympic sponsors for the real official sponsors (Ipsos, 2008). For example, 82% of the consumers regarded Li Ning as an Olympic sponsor as a result of the company's successful ambushing efforts, whereas Adidas was the sport footwear category (Ipsos, 2008).

The findings of a survey following the 1996 Atlanta Olympics revealed that consumers show a lack of knowledge and confusion as to official sponsors' rights and the level of sponsorship (Shani & Sandler (1998). Furthermore, consumers who are highly involved in the Games even exhibit more indifference to the use of ambush marketing practice (Shani & Sandler, 1998). Based on the findings of Brownlee et al. (2009), ambush marketing may be more effective than official sponsorship in terms of consumers' purchase intentions. Similarly, McDaniel & Kinney (1996) conclude that ambushers consistently do as well, or better, than official sponsors in terms of purchase intention.

Consequently, it is suggested that ambushers can succeed and even outperform official sponsors under certain circumstances:

- when official sponsors fail to adequately exploit purchased property rights through supporting promotions to leverage the sponsorship;
- when media coverage of the event is sponsored by a company who is not the official sponsor of the event, especially if there is only a single sponsor of the broadcast coverage (Crimmins & Horn, 1996; Meenaghan, 1998; Shani & Sandler, 1992);
- when the sponsor's brand image and the event image are perceived as incongruous (Gwinner & Eaton, 1999);
- when the sponsor's brand is not a well-known brand and most consumers are not familiar with the brand (Pham & Johar, 2001);
- when consumers are lack of knowledge about sponsorship, which provides greater opportunities for ambush marketing (Shani & Sandler, 1998);
- and when consumer's prior attitude toward ambushing company is favourable, and the levels of consumers' emotional attachment and their loyalty to the ambusher's brand are high.

Owing to the effectiveness of ambush marketing, the potential harm to sponsors and events are clear, as stated earlier in chapter 1. The increasing cost of sponsorships makes sponsors emphasize the return on the investment to achieve the company's marketing objectives. Ambush marketing undermines the

exclusivity of sponsorship and the value of sponsorship, which makes the large return on sponsorship questionable. Since sponsorship is one of the biggest revenue sources for the event organizers, the damage in sponsorship value will affect the financial viability of an event.

Consumers, especially those who are highly involved with the event, may be annoyed by ambush activities as the event cannot exist without the sponsorship. They may also be frustrated due to misleading effects and confusion caused by ambush marketing activities. Some other consumers, however, might consider the positive side of ambush marketing, like promoting competition, or stimulating sponsors to better leverage the sponsorship etc.

2.2.5 Counter-ambushing strategies

Negative effects of ambushing on sponsorship force the sponsors and event organizers to devise a variety of strategies to combat ambush marketing. Meenaghan (1994) suggests several counter-ambush strategies as follows:

- (1) Pressurize event owners to protect their event;

Owing to the potential detriment of ambushing activities to sponsorship effectiveness, official sponsors may seek protection from event owners. For example, in order to counter ambushers, the International Olympic Committee (IOC) seek to prevent the ambushing opportunities by controlling images, words, advertising time, and official licensed souvenirs, and by providing a first option to official sponsors promotional opportunities etc (Meenaghan, 1994). IOC not only offers legal protection for the official sponsors, but also resorts to public embarrassment of ambush marketing by initiating “name and shame” campaigns in order to denounce ambusher’s unethical, inappropriate, or even unlawful

marketing attempts in the media. The International Olympic Committee believes that educating consumers and the media regarding ambush marketing can influence how it is perceived and reported, which is argued can be one of the best ways to deter it from happening (Payne, 1998). Furthermore, IOC require any City bidding to host the Olympic Games to secure all advertising space within the City limits for the entire month, including billboards, posters, advertisements, paintings etc and place them under the control of the organizing committee (Crompton, 2004).

The London 2012 Olympics claimed that around £ 700 million was generated in domestic sponsorship alone in order to meet the budget requirements, excluding the funds drawn from the International Olympic Committee's TOP sponsor program. The London government has vowed to clamp down on any non-Olympic companies seeking to gain benefit from associating with the Games through The London Olympic and Paralympic Games Act 2006. It has banned activities, such as sky-writing, flyers, posters, billboards, and projected advertising within 200 metres of any Olympic venue. The act also provides special statutory marketing rights that go far beyond the protection afforded by pre-existing legislation and common law rules relating to intellectual property, which gives unprecedented powers to LOCOG (the organizing committee) to prevent ambush marketing at the 2012 Games. For example, the legislation restricts to use of any combinations of 'games', '2012', 'two thousand and twelve', and 'twenty twelve' with gold/silver/bronze, London, medals, sponsor, and summer. Breaching the Act can result in a criminal conviction and a fine of up to £20,000 for lesser breaches, or unlimited fines for more serious infringements. There are also restrictions on branding used by participating athletes.

(2) Link event and broadcast sponsorship;

In some contexts, broadcast sponsorship proves to be even more effective than event sponsorship due to access to large media audiences. Therefore, offering or buying a combined package of event and broadcast sponsorship is apparently the most effective method to counter this type of ambushing strategy.

(3) Anticipate potential competitive promotions;

Sponsors should anticipate potential competitive promotions by both other official sponsors and ambushers and try to close these off if possible.

(4) Exploit the sponsorship rights secured;

Sponsors should adequately exploit their sponsorship rights and make great efforts to promote their association with the event to the target market through other promotional activities. Adequate leveraging can greatly improve the effectiveness of sponsorship, and at the same time, minimize the damage of ambushing attempts. This can happen several years ahead of the event.

According to Tripodi (2001), official sponsors should focus on their own sponsorship leverage and exploit the sponsorship rights, rather than concentrating on ambushing activities. Many scholars emphasize the significance of leveraging the sponsorship investment (Hoek et al., 1993; Cornwell et al., 1997; Sylvestre & Moutinho, 2007; Tripodi & Hirons, 2009). The more sponsors utilize a variety of leveraging methods (including advertising, sales promotions, special events etc.) to activate their sponsorship, the more likely they are to create competitive advantage in a highly competitive market (Papadimitriou & Apostolopoulou, 2009). It is also concluded by Grohs et al. (2004) that sponsorship leverage and event-sponsor fit

are two significant factors to influence the effectiveness of image transfer in sport sponsorships.

(5) Resort to legal action.

Legal action is a reactive measure taken by sponsors and event organizers to combat ambush marketing. The sponsors may resort to legal action if the specific trademarks surrounding the event or material protected by copyrights have been infringed. Intellectual property rights cases, like copyright or trademark infringement, and passing-off or misappropriation cases refer to the selling of goods under the intended assumption of connection with another organization (Burton & Chadwick, 2008). These may offer legal remedies, although seeking legal protection is costly.

However, legal action is not effective for most cases in reality due to variations in legislation between countries, and well-planned ambushing campaigns. In most cases, unlike trademark and copyright infringement, it is difficult to provide sufficient evidence to prove passing-off in ambush marketing. According to Payne (1998), most ambushing cases are not actually breaching the law; instead, the ambushers pursue a narrow path and skirt as close as possible to the law without actually breaking it. According to Hoek & Gendall (2002), the legitimate sponsors' claims of alleged ambushing often provide no basis for legal action. Moreover, the courts' decisions generally favor ambushers and refuse to find a violation of existing law, unless there is a clear trademark and copyright infringement in the ambushing campaign (Kendall & Curthoys, 2001). Similarly, as Kelly et al. (2012) mentioned, although anti-ambushing legislation has often been invoked in response to specific ambushing practices, it is hard to enforce the

legislation due to the difficulty of identifying it and providing direct evidence of actual harm caused by ambushing. The finding also suggested that intensive lower-tiered sponsorship leveraging can be identified as a possible ambushing strategy.

Besides the counter-ambush measures presented above, Payne (1998) points out another two tactics to prevent ambushing attempts. The first one is to create a clean venue, which means control of all forms of commercial activities in and around the event venue, including advertising messages, media, concessions, franchises, foods sold in restaurants. However, this can be circumvented, for example when David Beckham turned up at the opening ceremony of the Manchester Commonwealth Games in a heavily branded Adidas tracksuit. The organizers had laid down a strict rule that athletes were not allowed to display their own sponsors' logos, but were caught out by the Manchester United star's white rhinestone-emblazoned tracksuit. Another one is to control the licensed merchandise and hospitality program. The International Olympic Committee restricts the sales of the licensed merchandise and official tickets to non-Olympic sponsors for the purpose of promotions, competitions, or hospitality programs (Payne, 1998).

Along with the evolution of ambush marketing, two categories of counter-ambush strategies are identified, namely, reactive strategies focused on combating ambush attempts and compensating for the damages caused, and proactive strategies aimed at preventing and deterring ambushing activities in the first place (Burton & Chadwick, 2008). All of the counter-ambush strategies identified above can fall into these two categories. During the early era of ambush marketing, the majority of counter-strategies developed by sponsors and rights holders fell into

the reactive category. For example, the most common strategy adopted at that time, the 'name and shame' campaign, tried to denounce ambusher's unethical, inappropriate, or even unlawful marketing attempts in the media and generate public embarrassment of the offender.

As claimed by Meenaghan (1994), pre-emptive measures successfully help to limit the ambushing opportunities. For example, Nike used surrounding billboards and advertising media near Wembley Park and other host venues at the 1996 UEFA European Football Championship. As a result, UEFA enacted the new regulations forcing future hosts to secure available media around event sites up to 3 kilometres away. Such counter-strategies can effectively limit opportunities for ambushers by restricting their capability to gain media attention and consumer awareness surrounding the event. At the same time, the sponsor can leverage their affiliation more fully by packaging all the available advertising media surrounding the sponsorship. Greater anticipation and sponsorship activation are fundamental and critical to successfully combat ambush marketing (Burton & Chadwick, 2008). A recent investigation conducted by Kelly et al. (2012) empirically supports the prevalence of ambush marketing outside event venues and the findings suggest that event owners and sponsors must take appropriate proactive tactics to protect their sponsorship, for example, leveraging and careful placement of campaigns explicitly communicating their sponsorship. Similarly, it is recommended by Farrelly et al. (2005) that sponsors should adopt a proactive and comprehensive approach to sponsorship planning and activation in order to optimize co-branding objectives and insulate against ambush marketing.

Although all the counter-ambush strategies mentioned above successfully limit ambushing attempts, the potential ambushers will continue to create alternative approaches and the activity continue to grow (Burton & Chadwick, 2008). In addition, the growth of online marketing offers more opportunities for increasing creativity and innovation in ambushing practices. Notwithstanding the negativity associated with ambush activity, reports suggest there may be a countervailing positive side of drawing attention to authenticity issues, by enhancing brand or corporate legitimacy and by appealing to consumers to be alert to ambushing brands (Farrelly et al., 2005). Moreover, Cornwell (2008) suggests that in some sense, ambushing activity may help to establish and enhance memory for the sponsorship and for the official sponsors as contrasted with the ambushers. In fact, there is no way to prevent ambush marketing absolutely due to its creative and imaginative nature. Therefore, sponsors should make every effort to maximize the sponsorship effectiveness as the best way of insulating themselves from ambush marketing attacks.

2.2.6 Moral and Ethical Issues

Whether ambush marketing is an immoral or imaginative practice has been debated in the literature (Meenaghan, 1994) and revolves around the self-interest of the various parties (Crompton, 2004). On the one hand, from an event owners and sponsors point of view, non-sponsors' ambushing efforts are unethical and immoral because ambushers derive benefit from the event without payment, mislead consumers into believing that they are official sponsors, potentially jeopardize the financial viability of the event, erode the integrity of the event, and breach the fundamental tenets of business activity – truth in business communications (Payne, 1998).

However, on the other hand, the companies who engage in ambushing activities regard it as a legitimate form of defensive and competitive behaviour (Tripodi & Sutherland, 2000). From their point of view, major events can represent a wide variety of promotional opportunities. Any company has the right to plan marketing activities around the event as long as they don't breach legislation. Most of the ambushers pursue a narrow path and play at the edge of the law without actually breaking it. Some believe ambushing is a healthy and creative marketing practice, which promotes competition in the market place and increases the value of sponsored properties (Welsh, 2002).

The Sydney Olympic Games Organizing Committee spent millions of dollars on an advertising campaign promoting and creating awareness of the official sponsors, in order to protect the sponsors' interest against ambushing (Tripodi & Hirons, 2009). In addition, O'Sullivan & Murphy (1998) discuss the ethics of ambush marketing from four perspectives – utilitarianism, duty-based ethics, stakeholder analysis, and virtue ethics. The scholars point out that companies might be more reluctant to engage in ambushing practice if they are going to be publicly denounced for this behaviour as public sentiment and goodwill are of great importance to them.

There is no consensus on whether consumers perceive ambushing as an unethical practice or just a legitimate form of marketing and little research is evident that can heighten appreciation of salient issues. According to a survey by the International Olympic Committee (1997), most of the respondents perceived ambushing negatively. However, other studies indicate that consumers exhibit indifference or apathy to ambushing activities (Shani & Sandler, 1998;

Meenaghan, 1998; Lyberger & McCarthy, 2001). Therefore, it is important to probe these issues in greater depth to identify consumers' attitudes toward ambush marketing. Is it perceived by consumers as a creative marketing strategy or an immoral practice and how does this impact upon them?

2.2.7 Consumer Attitudes toward Ambush Marketing

There is a dearth of research to examine consumers' attitude toward ambush marketing activities, despite considerable research on ambushing practice from event owners, sponsors, and non-sponsor companies' perspective. Shani & Sandler (1998) conducted research following the 1996 Atlanta Games to explore consumers' attitude toward ambush marketing. A high level of consumer confusion as to the contribution of different levels of sponsorship was found. Moreover, consumers seem unable to distinguish between official sponsors and ambushers (McDaniel & Kinney, 1996). In addition, consumers largely exhibit indifference to ambushing activities (Shani & Sandler, 1998; Meenaghan, 1998). This may reflect a lack of awareness among respondents of the potential damage to the event that occurs through ambush activity. Lyberger & McCarthy (2001) explore the consumers' perception with regard to ambushing practice around 1998 NFL Super Bowl. The results indicate a lack of knowledge in terms of the levels of sponsorship and the entitlements associated with those levels, regardless of the degree of consumers' interest in the event. Similarly, a significant level of respondents' apathy toward ambush marketing was found in the study conducted by Lyberger & McCarthy (2001), which coincides with the results of previous research. However, findings from Moorman & Greenwell (2005) suggest that ambush marketing may be less acceptable among younger generations as they are either more aware of ambush marketing or more sensitive to the negative

aspects of ambushing, although the majority of other respondents still show indifference to it. As Meenaghan (1998) points out, consumers are largely apathetic about ambushing in previous research because no study actually establishes whether ambush marketing has any relevance or concern for consumers.

In contrast, according to a survey conducted by the International Olympic Committee (1997), a majority of the respondents have a negative attitude toward ambushing practices. In addition, a recent study by Mazodier & Quester (2010) examines the effect of ambush marketing disclosure on consumers' attitudes toward the ambusher's brand. It is indicated that ambush marketing negatively influences perceived integrity, affective response and purchase intention, moderated by event involvement and attitudes toward sponsorship of an event (Mazodier & Quester, 2010). Furthermore, McKelvey et al. (2012) examine the practice of ambush marketing from sport participants' perspectives in the 2005 and the 2008 ING New York City Marathons. It is indicated that the respondents hold substantially more negative attitudes toward ambush marketing activities.

Most of the previous studies on consumer attitudes toward ambush marketing have questionable validity (IOC, 1996; Shani & Sandler, 1998; Lyberger & McCarthy, 2001). For example, the findings from these studies have limited external validity due to the use of ad hoc samples or biases caused by questionable experimental design. In addition, the conflicting results generated in the literature also call for further research on consumer responses to ambush marketing by taking more relevant factors into consideration and by taking into account the different types of ambushing strategies.

2.3 Theoretical Background

There are two main themes in relation to the current research topic, viz., sponsorship and ambush marketing. Sponsorship is used as a promotional tool to create goodwill, improve awareness, enhance image, and increase sales by sponsoring an event, whereas ambush marketing is an alternative way to associate with the event and gain benefits of being official sponsors. Balance Theory (Heider, 1958), a motivational theory of attitude change, is applied into sponsorship context by Dalakas & Levin (2005) to explain the relationships among fan, team, and team sponsors. It conceptualizes the cognitive consistency motive as a drive toward psychological balance. There are three entities involved in ambush marketing context, namely, official sponsor, event, and ambusher. Consumers' perceptions of or attitudes toward one entity might influence their perceptions of or attitudes toward the other two so as to maintain psychological balance. This thesis aims to explore how consumers respond to ambush marketing activities, in another word, how their attitudes toward ambushing company will be changed once they are aware of a company's ambushing practice, and which factors related to event, sponsor, and ambusher lead to their attitude changes. As a result, balance theory is the most appropriate for the current study to describe the interrelationships among those three entities, at the same time, form a basis to establish the integrated model that illustrates the relevant influential factors on consumers' responses.

It is assumed that the disclosure of a company's ambush marketing practice (at least for some types of ambushing strategies) is regarded as negative publicity for the ambushing company. When consumers are exposed to ambush marketing information, how they react to it depend on how they process the ambushing

information. Some researchers point out that negative information is more diagnostic and is given greater weight than positive information when consumers make a judgment or decisions on a company or a brand (Klein, 1996; Skowronski & Carlston, 1987). Therefore, consumers incline to punish unethical behaviour, but not necessarily to reward ethical behaviour (Liu et al., 2010). However, other scholars put forward conflicting views. It is suggested that consumers with positive attitude toward a company or a brand tend to engage in biased assimilation, which means they are likely to counterargue or resist negative information (Ditto & Lopez, 1992). Hence, companies can insulate themselves from negative publicity by developing favorable consumers' attitude toward the company. Moreover, it is indicated by prior research that 'halo effect' or 'rub-off effect' may occur when a company encounter negative publicity in relation to brand extensions or brand endorsers (e.g. Pullig et al., 2006b; Till & Shimp, 1998). Contradictory findings in literature manifest that some moderating factors may play a role in affecting the process and consequence of negative information processing, for example, subjective factors (e.g. a person's characteristics, ability to process), objective factors (e.g. nature and negativity of the event, time or choice constraints), and relationship between a consumer and a company (e.g. commitment, emotional attachment). Current research aims to investigate how consumers respond to ambush marketing disclosure, that is, how they process the ambush marketing information exposed to them and which factors lead to their responses. Attribution theory (Heider, 1944) is used to address the processes by which an individual explains the causes of behaviour or events. How they explain the potential cause (perceived motives) would influence how their attitude will be toward that behaviour or event. Hence, when consumers encounter a company's

publicity in relation to their ambushing practice, the process of consumers' processing that information and their attitudinal and behavioural consequences are coincides with the attribution process model: Motivation – Attribution – Behaviour/Attitude. As a result, attribution theory is the most appropriate for this study in order to (1) illustrate the whole process of how consumers process the ambush marketing information; (2) establish the integrated model to show which factors exert influences on consumers' responses.

The following sections review these two psychological theories, which helps understand (1) how consumers process the ambush marketing information; (2) how consumers perceive an event, the sponsor, and the ambusher, and their interrelationships; (3) how consumers attribute motives for sponsorship and ambush marketing practice, and how their attitudes change based on the impact of attributed motives. The two theories form the basis to identify the related factors and establish the conceptual framework.

2.3.1 Balance Theory

Balance Theory is an influential foundation for understanding attitude formation and change. It is employed in this study as a basic theoretical framework to help establish the conceptual model and heighten appreciation of core elements in the model. It represents a motivational theory of attitude change which conceptualizes the consistency motive as a drive to maintain psychological balance (Heider, 1958).

Balance theory applies to a situation where an individual evaluates the pairing of the two other people (or entities) that are in a relationship (Crandall et al., 2007). As shown in figure 2.3, a balanced state between a person (P), another

person (O), and an object (X) would be achieved if multiplication of the valances of the three relationships in the triad is positive. Otherwise an unbalanced state occurs. For example, Mike and Paul are very good friends, which means there is a positive relationship between them. Suppose that Mike is keen on basketball, Paul should also feel positively toward basketball in order to maintain a balanced state.

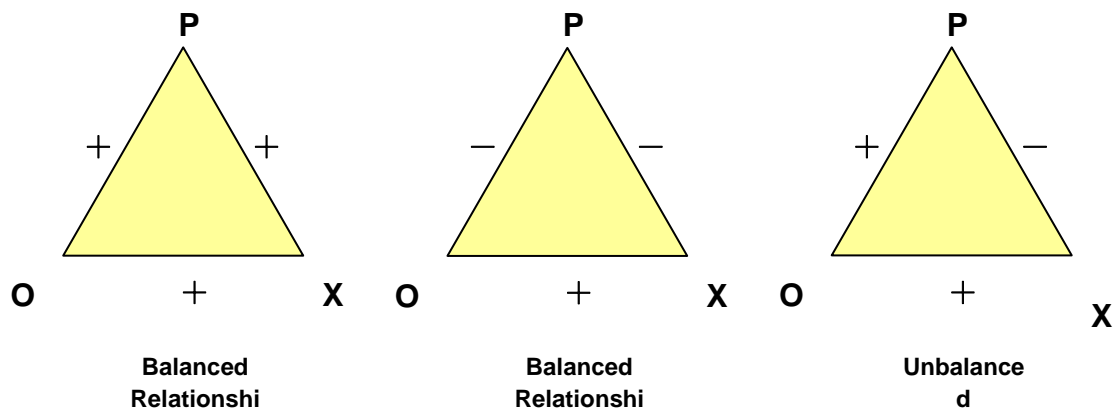


Figure 2. 3 Heider's (1958) balance theory

Balance theory is useful to explain the relationship among fan, team, and team sponsors (Dalakas & Levin, 2005). In the context of sports sponsorship, fans that have a strong attachment to the sports team will have a favourable attitude toward the team sponsors in order to keep psychological balance. Dalakas & Levin (2005) also find a positive relationship between attitude toward the fans' favourite driver and attitude toward the favourite driver's sponsor in an investigation of NASCAR motor racing fans. On the contrary, negative attitudes toward the driver may also elicit a less favourable attitude toward the driver's sponsor (Dalakas & Levin, 2005).

Following balance theory, fans who are highly involved with the event may hold a negative attitude toward the ambushers due to the negative relationship

between event organizer and ambushers. Likewise, fans with a favourable attitude toward the sponsors may also have a negative attitude toward the ambushers because of the negative relationship between sponsors and ambushers. The relationship among fans, ambushers, sponsors, and events can be clearly presented in the following figure (See figure 2.4). Alternatively, a consumer's low involvement with the event or unfavourable attitude toward the sponsor might lead to a less negative reaction to the ambusher. As a result, how consumers will respond to a company's ambush marketing practice will depend on their attitude toward the event and the attitude toward the sponsor.

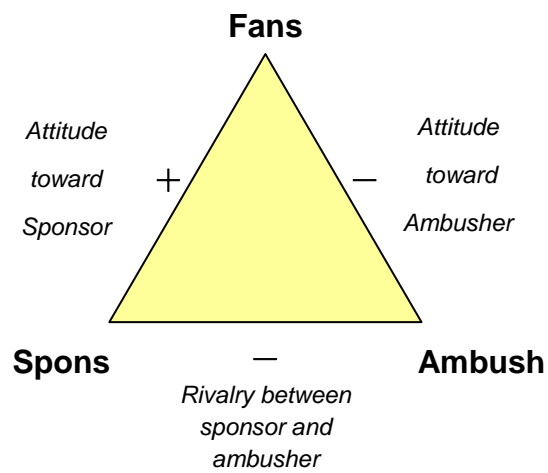
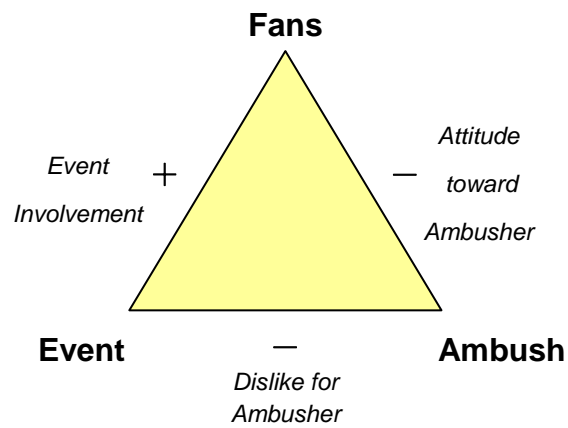
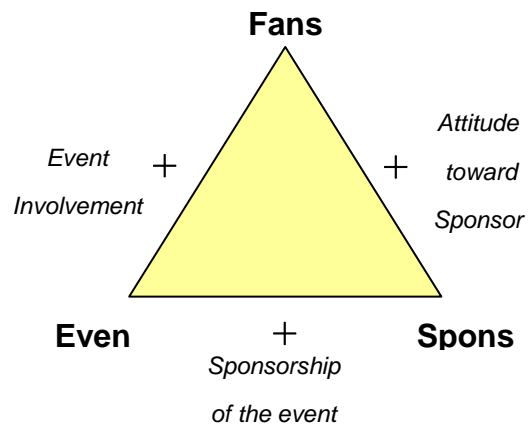


Figure 2. 4 Balance theory in ambush marketing context

2.3.2 Attribution Theory

Attribution theory is an influential theory in social perception (Heider, 1944) and relates to the processes by which people make causal explanations about the information they receive. Individuals can attain balance through attributional processes (Heider, 1958). According to Kelley, causal attribution can help gain an understanding of how people make inferences and how this provides a stimulus to actions and decisions. Causal attributions are used in three basic paradigms: social or person perception, object perception, and self-perception (Kelley, 1973). In this study, attribution theory is applied to both consumers' attribution of sponsor's motives for sponsorship and consumers' attribution of an ambusher's motives for ambush marketing.

Many scholars show that consumers attribute a company's motives for sponsorship as either goodwill generation or sales/revenue generation (Dean, 2002; Haley, 1996; Madrigal, 2001; Meenaghan, 2001). Since sponsorship has evolved from altruism and philanthropy to a commercial marketing tool, a majority of consumers have been found to hold negative attributions about corporate motivations for engaging in sponsorship. Sales/revenue focused motives negatively influence brand attitude and purchase intentions (Forehand, 2000). Similarly, Rifon et al. (2004) also demonstrate that an attribution of an altruistic motive will lead to higher credibility and more favourable attitudes toward the sponsor; whereas the attribution of an exploitative motive will result in a less desirable sponsor image. Therefore, consumers will have a more favourable attitude toward the sponsorship when they attribute a goodwill focused motive to sponsorship rather than one associated with sales.

There is a lack of literature exploring how consumers attribute a company's motives for engaging in ambush marketing practice. In this study, it is proposed that consumers may either attribute the ambush marketing motives based on external factors (e.g. high sponsorship fees, exclusive rights) or internal factors (e.g. increased sales, attack major rivals sponsorship). Consequently, internal factor motives might lead to more negative attitudes toward ambush marketing, whereas external factor motives can result in less negative attitudes toward ambushing practice as they are seen as reasonable responses to market limitations.

On the basis of balance theory, it is hypothesized that the higher consumer involvement with the event and the more favourable attitude toward the sponsor, consumers will attribute less blame to the ambushing practice. However, according to attribution theory, this hypothesized relationship might be conditioned by the motives that customers attribute to sponsorship and ambush marketing. The factors identified based on balance theory and attribution theory are assumed to exert influences on consumers' response to ambush marketing activities.

2.4 Negative Publicity

The literature on negative information and negative publicity are reviewed because the current study assumes that ambush marketing disclosure in the media is perceived by consumers as negative information relating to the ambushing company, at least for some types of ambush marketing cases. Publicity is defined in dictionary as: (1) extensive mention in the news media or by word of mouth or other means of communication; and (2) information, articles, or advertisements issued to secure public notice or attention. Information refers to knowledge acquired through experience or study and knowledge of specific and timely events

or situations and news (dictionary.com, 2013), which is a more broad concept than publicity. In a sense, publicity can be seen as one type of information. Negative information and negative publicity are used interchangeably in marketing literature. Hence, the extant literature on both terms are reviewed for the current research. The study will begin with a preliminary stage that seeks to identify the degree of negativity related to different types of ambush activity. The more important types will then be retained as a focus for the study.

The literature on the impact of negative information is considered to explain how negative information hurts a company's reputation and why this occurs, and how consumers perceive negative information as a reference point to provide understanding of the possible consequences caused by ambush marketing disclosure. Then relevant factors which might influence the consumers' response to negative information are reviewed to help build the conceptual model.

2.4.1 The Impact of Negative Publicity

Negative publicity is widely prevalent (Ahluwalia et al., 2000). It was reported that there was an approximate 64% increase in negative business news coverage during the last ten years (Institute for Crisis Management, 2008). Along with the development of internet technology, it becomes quick and easy to access all kinds of information, which makes the transmission of negative publicity around the globe a cause for concern to organizations. Publicity is regarded as a more credible and more influential source than company-controlled communications (Bond and Kirshenbaum, 1998). Consequently, it is relevant to investigate how consumers deal with negative information and what are the processes by which they evaluate and apportion blame (Folkes, 1988; Weiner, 2000).

Two types of negative publicity, namely, performance related and values related, are suggested to influence brand attitude (Pullig et al., 2006). Performance related negative brand publicity refers to publicity about specific brand attributes (functional benefits), whereas values related publicity involves social or ethical issues (symbolic benefits) (Pullig et al., 2006). Clearly, ambush marketing falls to the latter category.

Negative information is more useful and diagnostic in making decisions and is given greater weight than positive information in forming overall evaluations of a target (Fiske, 1980; Klein, 1996). This is known as the negativity effect in the impression formation literature. To what extent the negative information may impact on attitude or behavioural intentions is determined by the perceived diagnosticity of the negative information. Prior research also suggests that negative behaviors are more likely to be diagnostic than positive behaviors when the former are morality related, rather than ability related (Skowronski & Carlston, 1987). In addition, following the negative publicity generated by media, negative information can spread through interpersonal communication, known as word of mouth (WOM), which also has an impact on consumers' evaluations and decisions (Chevalier & Mayzlin, 2006).

However, Ahluwalia (2002) claims that the negativity effect is more limited in the marketplace than is currently suggested in general consumer psychology, as consumers are likely to be familiar with the brand, pay greater attention to messages about familiar brands, and have the motivation to process brand-related information. A strong negativity effect is only likely to occur when consumers are

highly involved in a decision or product category and are accuracy driven and risk averse in their message processing (Ahluwalia, 2002).

The spillover effect has also been found when examining the impact of negative information on consumer's attitude. Keller & Aaker (1993) suggest that brand extension failure can negatively influence consumer attitude toward the high quality core brand. Till & Shimp (1998) also report a spillover effect from a celebrity endorser to the endorsed brand when the endorser generates negative information.

In an empirical investigation, firm responsibility, source credibility and response strategies to negative publicity are found to be crucial situational factors that can lead to consumers' attitude change (Griffin et al., 1991). According to Menon et al. (1999), how a company responds to negative publicity critically influences consumers' attitudes toward the company and the brand.

The customer relationship management literature has explored the roles of trust (Wong & Citrin, 2003), commitment (Ahluwalia et al., 2000), corporate social responsibility and consumers' identification (Einwiller et al., 2006) in influencing consumers' attitude change toward the company when negative information or negative publicity occurs. Commitment is found to moderate the impact of negative information on consumers' response (Funk & Pritchard, 2006; Ahluwalia et al., 2001, Ahluwalia et al., 2000; Powell, 1975), which tends to operate similarly to involvement, in its ability to cue information processing (Funk & Pritchard, 2006). Ahluwalia et al. (2000) argue that consumers with low commitment tend to be influenced by the higher perceived diagnosticity of negative information, while highly committed consumers perceived positive

information to be more diagnostic than negative information and tend to extensively counter-argue the negative information. Similarly, Funk & Pritchard (2006) indicate that less committed fans are likely to recall more facts from negative articles while highly committed fans tend to counter-argue with more favorable thoughts. Ahluwalia et al. (2001) also claim that when consumers are highly committed to the brand, positive information spills over freely to all associated attributes, and the spillover of negative information is minimized. Dawar & Pillutla (2000) investigate the consumer expectations about the firm as a moderator of the effects of negative publicity. Consumers with a prior favorable attitude toward a firm would discount negative information about the firm in crisis.

In summary, negative publicity has the potential to damage the corporate image and reputation of a company because of its' high credibility, negativity effect (Dean, 2004), and spillover effect (Till & Shimp, 1998). However, trust (Wong & Citrin, 2003), involvement, commitment (Ahluwalia et al., 2000), corporate social responsibility, consumers' identification (Einwiller et al., 2006) and customer expectation (Dawar & Pillutla, 2000) are found to play a moderating role in the relationship between negative information and consumer's response. Therefore, how to effectively manage the negative publicity becomes a major issue in the crisis management literature. In this study, the researcher aims to explore whether ambush marketing is perceived negatively from consumer's perspective and establish an integrated model to illustrate which factors may have an influence on consumer's response to ambush marketing activities. Based on balance theory, attribution theory, and the negative publicity literature, three key antecedents (Event involvement, prior brand knowledge, and corporate social responsibility) of

consumers' response to ambush marketing will be further discussed in the following sections.

2.4.2 Antecedents of Consumer Response to Ambush Marketing

2.4.2.1 Event Involvement

The concept of involvement was originally introduced in the psychology area and has been defined in a number of ways, for example, as “a state of motivation, arousal, or interest regarding a product, an activity, or an object” (Rothschild, 1984). Havitz & Dimanche (1997, p.246) view it as an “unobservable state of motivation, arousal or interest toward a recreational activity or associated product” while Zaichkowsky (1985, p.342) defines involvement as “a person’s perceived relevance of the object based on inherent needs, values, and interests”.

Zaichkowsky (1985) develops a set of bipolar adjective scales – Personal Involvement Inventory (PII) to measure the construct of involvement for products. The involvement construct emphasizes the personal importance that a product has, which is driven by the uni-dimensional view of involvement. However, it is argued by Mittal (1989) that the 20 items in the PII scale do not constitute a uni-dimensional construct. Instead, the PII items include at least three distinct constructs: involvement proper, a hedonic factor, and an attitude-like construct. Nevertheless this scale is popular and extensively used as a basis for measuring the involvement construct.

Several scholars support the view that involvement is a multidimensional construct (e.g. Alexandris et al., 2007; Kyle et al., 2004; McIntyre & Pigram, 1992). Laurent & Kapferer’s (1985). These findings are summarized below. Consumer Involvement Profile (CIP) suggested that importance, pleasure,

perceived probability and consequence of risk, and sign value are the four main dimensions of involvement. Through comparison and analysis of the Zaichkowsky and Laurent & Kapferer scales, Mittal (1989) concludes that both scales contain some other related variables which are antecedents of involvement, rather than involvement itself. Houston & Rothschild (1978) identify three types of involvement, namely, situational involvement, enduring involvement, and response involvement. Similarly, Zaichkowsky (1985) suggests that involvement consists of personal involvement, physical involvement, and situational involvement.

While the involvement construct has been widely explored in many areas, such as consumer behavior, advertising research, persuasion and attitude etc. (Tsiotsou, 2006), more recently, it has received increasing attention in a sport and leisure context to explain consumer behavioral outcomes (Green & Chalip, 1997; Havitz & Mannell, 2005; Bennett et al., 2009). For example, McIntyre & Pigram (1992) conceptualize recreation involvement, including both prior participation history and affective attachment (enduring involvement) measures. The scholars point out that attraction, self-expression, and centrality to lifestyle are three dimensions of recreation involvement. Attraction refers to an individual's perceived importance of an activity, and pleasure or interest derived from the activity. Self-expression is related to identity affirmation through participating in the activity. Centrality to lifestyle refers to the position an activity holds in an individual's lifestyle. Sports involvement, proposed by Shank & Beasley, refers to "the perceived interest in and personal importance of sports to an individual" (Shank & Beasley, 1998, p.436). Another widely recognized term in the sport context is fan involvement (Cialdini & de Nicholas, 1989), which is based on

social identity theory (Madrigal, 2001). Fan involvement refers to “the extent to which consumers identify with, and are motivated by, their engagement and affiliation with particular leisure activities” (Meenaghan, 2001, p.106).

Involvement is a crucial factor when considering consumer’s attitudes and behaviors (Beatty, Kahle, & Homer, 1988; Ashforth & Mael, 1989). The Elaboration Likelihood Model, firstly proposed by Petty et al. (1983), represents a model of how attitudes are formed and changed. The model involves the "elaboration continuum" which ranges from low elaboration (low thought) to high elaboration (high thought). It can be used to explain the role of involvement to determine a consumers’ attitude. Which route is used depends on the extent of message elaboration. Individuals may use the central route to make decisions in high involvement situations, whereas the peripheral route is adopted in a low involvement condition. Petty et al. (1983) explore the moderating role of involvement in advertising effectiveness. The findings suggest that the cogency of product information in ads is the critical predictor of consumer product evaluations under high-involvement conditions, whereas the presence of peripheral cues (like celebrity endorsers) is proved to be the main determinant of product evaluations for low-involvement consumers. However, the findings of one study in an advertising effect context indicated that consumers with low involvement may reach deeper levels of information processing than highly involved consumers, which is contradictory to the main point suggested by ELM (Chebat et al., 2001).

The term fan identification is used as a replacement for fan involvement in some areas of literature. It is suggested that fan identification with an entity is positively related to attitude toward the companies that associate with the entity

(Madrigal, 2000; Dalakas & Levin, 2005). According to Dalakas & Kropp (2002), highly identified fans are found to have the most favorable attitudes toward buying from sponsors despite any country of origin factors. Highly involved consumers are often most knowledgeable about their favored event, team, or player, and they will display higher levels of goodwill toward corporate sponsors if the sponsors are positively perceived as a partner or supporter of an event (Meenaghan, 2001). Pham (1992) finds that greater recognition of sponsorship stimuli (like billboards) is achieved among consumers who have higher involvement with a sports event than those with lower involvement.

Event involvement is defined in this study as the perceived interest in and personal importance of the event to one's life. This study highlights the importance of event involvement in the creation of a favorable attitude toward sponsors, and therefore based on balance theory, has the potential to stimulate the formation of unfavorable attitudes toward ambushers by influencing the level of blame consumers attach to ambush marketing attempts.

2.4.2.2 Prior Brand Knowledge

Another construct that is expected to influence consumer response to a company's ambushing efforts is consumer prior knowledge of the ambusher's brand. Traditionally, scholars often use the terms familiarity, expertise, and experience interchangeably when referring to prior knowledge (Rao & Monroe, 1988). According to Tsai (2007), consumer's product knowledge refers to product-related experience and accumulated information. Alba & Hutchinson (1987) propose that consumer knowledge consists of two major components, namely, familiarity and expertise. Familiarity refers to "the number of product-related experiences that have been accumulated by the consumer" (p.411), including

advertising exposure, information search, interaction with salespersons, choice and decision making, purchasing, and product usage in various situations. Expertise is defined as “the ability to perform product-related tasks successfully” (p.411). In a sponsorship context, consumer’s product knowledge relates to the familiarity, experience, expertise, and use of the sponsor’s products (Lacey et al., 2010). In the literature, prior knowledge is also defined either, in terms of what people perceive they know about a product, or what knowledge people actually have stored in their memory (Brucks, 1985).

Generally, familiarity is measured by the perception of how much an individual knows about the product (Park & Lessig, 1981). Product familiarity improves the consumers’ ability to learn new product information depending on different decision strategies (Johnson & Russo, 1984). The researchers identify five distinct aspects of expertise that can be used to explain how expertise is improved by increasing product familiarity, that is, cognitive effort, cognitive structure, analysis, elaboration, and memory (Alba & Hutchinson, 1987).

Keller (1993) conceptualizes brand knowledge based on an associative network memory model (see figure 2.5 below) in terms of brand awareness and brand image, which can provide better understanding of what brand knowledge consists of in a consumer’s mind. Brand awareness refers to ‘brand recall and recognition performance by consumers’, while brand image refers to ‘the set of associations linked to the brand that consumers hold in memory’ (Keller, 1993, p.2). Keller argues that customer-based brand equity occurs when the consumer is familiar with the brand and holds some favorable, strong, and unique brand associations in their memory.

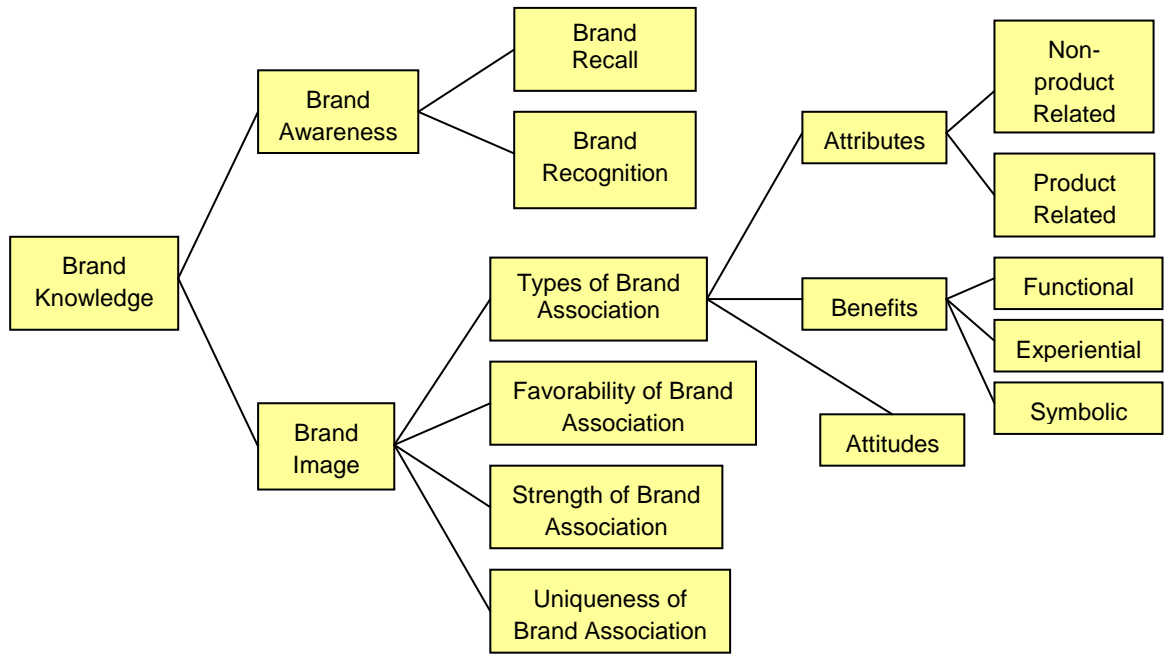


Figure 2. 5 Dimensions of brand knowledge (Keller, 1993, p.7)

Product knowledge has been examined extensively in the marketing literature. It is found to have an impact on consumers' information processing (Alba & Hutchinson, 1987; Brucks, 1985), consumers' product evaluation (Cordell, 1997), advertising message processing (Maheswaran & Sternthal, 1990), and consumer responses to sponsorship messages (Roy & Cornwell, 2004). However, there is no research to explore the effects of consumer brand knowledge on their response to a company's ambushing activities.

According to Johnson & Russo (1984) prior knowledge can increase a person's ability to process information. It influences the extent to which an individual searches, recalls, processes, and uses information in decision-making (Jacoby et al., 1978; Rao & Monroe, 1988). Pham and Muthukrishnan (2002) propose a search-and-alignment model to explain the process of evaluation revision. It indicates that people tend to search their memory for information to

support their prior attitude when the new information received challenges their prior attitudes (Pham & Muthukrishnan, 2002). Therefore, it is proposed that consumers' prior brand knowledge has an impact on how consumers respond to a company's ambushing attempts.

2.4.2.3 Corporate Social Responsibility

Corporate social responsibility has received great attention both in academic literature and commercial practice contexts. The dramatic increase in public information regarding corporate CSR activities highlights the importance of investigation on CSR impacts. Companies have become more socially responsible not only for the fulfilment of external obligations such as regulations or legal compliance, but also for internal self-interest considerations like increasing consumer goodwill and improving competitiveness (Klein & Dawar, 2004; Russo & Fouts, 1997; Waddock & Smith, 2000).

The definition of corporate social responsibility (CSR) varies in terms of its scope and motivations (Mohan, 2006). Bowen (1953) first brought forward the CSR concept and claimed that a company should consider not only the economic dimension, but also the social consequences deriving from their organizational behavior when making a business decision. Corporate social responsibility is also regarded as an element of overall corporate associations. It refers to 'the organization's social responsibility associations reflect the organization's status and activities with respect to its perceived societal obligations' (Brown & Dacin, 1997, p.68).

From a stakeholder-based view, managers have obligations to a broader group of stakeholders that may involve any groups or individuals who influence or are

influenced by the achievement of the firm's objectives (Freeman, 1984), including consumers, suppliers, employees, communities, environment, and government bodies etc. Similarly, according to Mohan, CSR refers to "a business organization's responsibility for integrating stakeholder concerns in routine business activities for primary stakeholders (employees, customers, suppliers), as well as environment and communities often considered as extensions of the primary stakeholders of the firm" (Mohan, 2006, p.11).

Carroll (1991) depicts the pyramid of corporate social responsibility that consists of economic, legal, ethical, and philanthropic responsibilities (see figure 2.6). It begins with economic components as the basic obligation of a firm, which is the foundation on which all other responsibilities rest. At the same time, firms are expected to comply with the laws, rules, and regulations when pursuing their economic missions. Both economic and legal responsibilities are coexisting and regarded as fundamental precepts of the free enterprise system. Ethical components refer to the firms' obligations to do what is right, just, fair, and to avoid harm to stakeholders. Finally, philanthropic responsibilities include business contributions of financial and human resources to the community to improve the quality of life. (Carroll, 1991)

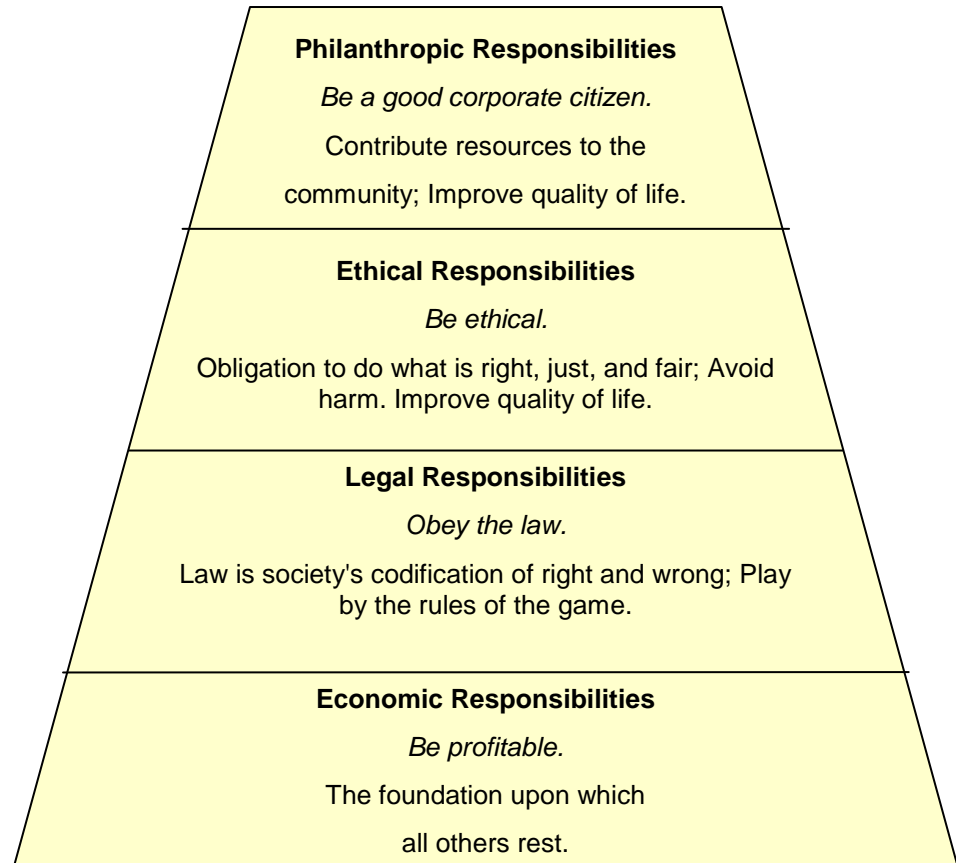


Figure 2. 6 The pyramid of corporate social responsibility (Carroll, 1991, p.42)

Consumers' expectations regarding CSR have increased during the last decade (Becker-Olsen et al., 2006). Moreover, many researchers emphasize the positive relationship between corporate social responsibility and business opportunities (Porter & Kramer, 2002). It is suggested that "anything that causes the consumer to 'experience' or to be exposed to the brand has the potential to increase familiarity and awareness" (Keller, 1993, p.10). A well-executed CRM program can result in favorable consumer attitudes toward the firm (Ross, Stutts & Patterson, 1991), enhancement of corporate image (Rigney & Steenhuisen, 1991), positive publicity (Nichols, 1990) and consumer's goodwill. However, Lii & Lee (2012) find that the influence of CSR initiatives on consumer-company identification and brand attitude varied according to a firm's CSR reputation.

The Elaboration Likelihood Model (Petty et al., 1983) can be adopted to explain how consumer's attitude changes through the central and the peripheral route. CSR, as value-related corporate associations, can exert an influence on consumers' attitude through the peripheral route. However, Becker-Olsen et al. (2006) point out that only high-fit and proactive initiatives can help to improve consumer beliefs, attitudes, and intentions, whereas low-fit initiatives, or high-fit initiative but with pure profit-motivation negatively impact on consumer attitudes and intentions.

In addition, Varadarajan and Menon (1988) suggested that the use of CRM as an integral component of marketing strategy can help the company to thwart negative publicity. Corporate crises call for effective communication to shelter or restore a company's reputation. It is suggested by scholars that the use of CSR strategy may be an effective way to counter negative publicity (Vanhamme & Grobben, 2009), because consumers' awareness of CSR usually leads to positive evaluations (Brown & Dacin, 1997; Sen & Bhattacharya, 2001). According to Klein & Dawar (2004), a company's CSR associations have a strong influence on a consumer's attribution judgment, which implies its "insurance" role in protecting the company from crises, especially for those who regard CSR as an important decision criterion.

Despite all of the documented advantages, some researchers express contrary opinions on the impact of CSR in the context of negative publicity. For example, Wagner et al. (2009) argue that CSR statements can actually be counterproductive because the inconsistencies caused by the corporate CSR statement and negative publicity increases consumer perceptions of corporate hypocrisy, which

consequently damage consumer's attitude toward the firm. According to Eisingerich et al. (2011), CSR shields a company from negative information about CSR practices but not information related to firms' core service offerings. Besides, CSR can only help the company by insulating it from negative publicity when the negative information is moderately negative, rather than extremely negative.

This research aims to examine the effect of CSR as a driver of consumer's response to a company's ambushing activities based on the proposal that higher levels of consumer's perceived CSR may lead to a reduction in the amount of blame attributed to the ambusher. Therefore it is expected that CSR can play an insurance role to counter negative publicity in the context of ambush marketing.

2.5 Summary

This chapter systematically reviews the literature in relation to the research topic. Firstly, the sponsorship and ambush marketing literature are reviewed to gain a comprehensive and in-depth understanding of the research context, the nature of the research problem, and the significance of the study. It also provides a starting point to set up the most appropriate research design. Secondly, the relevant theories that can be used to address the research problem are reviewed in order to establish the general research framework. Balance theory is adopted to describe the interrelationships among event, sponsor, and ambusher, and illustrate how variable consumers' perceptions on each of these entities would affect their responses to ambushing practice. In addition, attribution theory is used to offer a better understanding of the whole process of how consumers' ultimately arrived at their response. Finally, the generic negative information literature is reviewed to gain some insights into how negative information influences consumers' attitude

and behavior in other research contexts, and identify the important factors which might exert an influence on consumers' response to ambushing practice, as ambush marketing can be perceived as one type of a company's negative publicity.

Chapter 3

Conceptual Model Development

3.1 Chapter Overview

Based on the literature review in Chapter Two, this chapter illustrates the process by which the conceptual model is built and highlights the relationships between constructs. The model is drawn from psychological theories and previous studies that relate to consumers' response to negative information. The purpose of this research is to address the following research questions: (1) How do consumers perceive different types of ambush marketing strategies in terms of the negativity level? And (2) Which factors influence consumers' level of blame attributed for a company's ambushing practice and their subsequent attitude toward the ambusher? Balance theory and attribution theory are employed to form a basis to establish the conceptual model. Prior studies are reviewed to identify the factors that may have an impact on consumers' response to ambush marketing activities and the relationships among the constructs are built accordingly.

Firstly, section 3.2 provides the rationale to establish the interrelationship among the event, the sponsor, and the ambusher related factors in accordance with balance theory. Event involvement is presumed to influence consumers' attitude toward the sponsor. This relationship, however, is moderated by consumers' perceptions of the motives for sponsorship. Both event involvement and consumer attitude toward the sponsor are supposed to exert an influence on consumers' response to ambush marketing activities.

The next section focuses on the consumers' attribution process relating to sponsorship and ambush marketing activities. Consumers' attributions of the motives and blame for ambush marketing are the main focus. Two factors, consumers' prior brand knowledge of the ambusher, and perceived corporate social responsibility activity undertaken by the ambusher, are identified as the antecedents of consumers' attributed motives for a company's ambushing practice. The perceived motives are expected to influence the consumers' level of blame directed to the company for their ambush marketing attempts.

Section 3.4 explains the attitudinal consequences of consumers' response to ambush marketing activities. The integrated model illustrates how the various factors related to different parties play a role of influencing consumers' attitude in the context of ambush marketing disclosure (i.e., once they become aware that this activity is taking place). The research hypotheses are proposed according to the rationale for the relationships among the constructs. Finally, preliminary interviews are conducted to justify the research hypotheses and enhance the validity of the model.

3.2 The Event-Sponsor-Ambusher Relationship Model Based on Balance Theory

Balance theory (Heider, 1958) is an influential foundation in social psychology to understand attitude formation and change and examines triadic relationships. According to balance theory, there are two types of relationship existing in the triangle. A unit relationship refers to the association between entities. "*Separate entities comprise a unit when they are perceived as belonging together, for example, members of a family are seen as a unit; a person and his*

deed belong together.” (p. 176). A sentiment relationship refers to one’s feeling or valuation toward a person, an activity, or an object. A balanced state means the relationships among the entities are harmonious. A triad of attitudinal relationships is considered balanced if the multiplication of signs of those relations is positive, that is, all three relationships are positive, or two relationships are negative and one is positive.

The relationship between a consumer and an event (or a consumer and a sponsor, or a consumer and an ambusher) can be regarded as a sentiment relationship because it represents the consumer’s feeling and valuation toward the event (or the sponsor, or the ambusher). In addition, the sponsor and the ambusher comprise a sentiment relationship through rivalry. However, the relationships among the event and the sponsor, the event and the ambusher can be seen as unit relations, since the event and the sponsor form a unit relation through sponsorship, while the event and the ambusher are associated through ambush marketing activities. If a consumer has a pre-existing positive sentiment toward an event, it is more likely that he/she will form an attitude or change an existing attitude to be positive toward the sponsor as the sponsor supports the event through sponsorship. This occurs because the consumers desire harmony in their beliefs (Hal Dean, 2002). Heider (1958) argued that people are motivated to maintain the clear and consistent views toward an entity, since it is effortful to maintain inconsistencies and ambivalent views. A failure to achieve the perceptual clarity can also lead to unstable perception, ambiguity, discomfort, or even distress (Asch, 1952; Crandall et al., 2007). As a result, people are stimulated to change or engage in further information processing when they are in an unbalanced state, in order to achieve the psychological balance again. In a sponsorship context, consumers may either

change their attitude toward the sponsor to be positive to coincide with the positive sentiment toward the event, or re-evaluate the sentiment toward the event to make it negative to be consistent with the negative feeling toward the sponsor. In an ambush marketing context, similarly, a positive sentiment toward the event can lead to a positive attitude toward a sponsor and a negative attitude toward the ambusher, because the ambusher breaks the event integrity and devalues the sponsorship. The interrelationships among the consumer, the event, the sponsor, and the ambusher are illustrated in Figure 3.1.

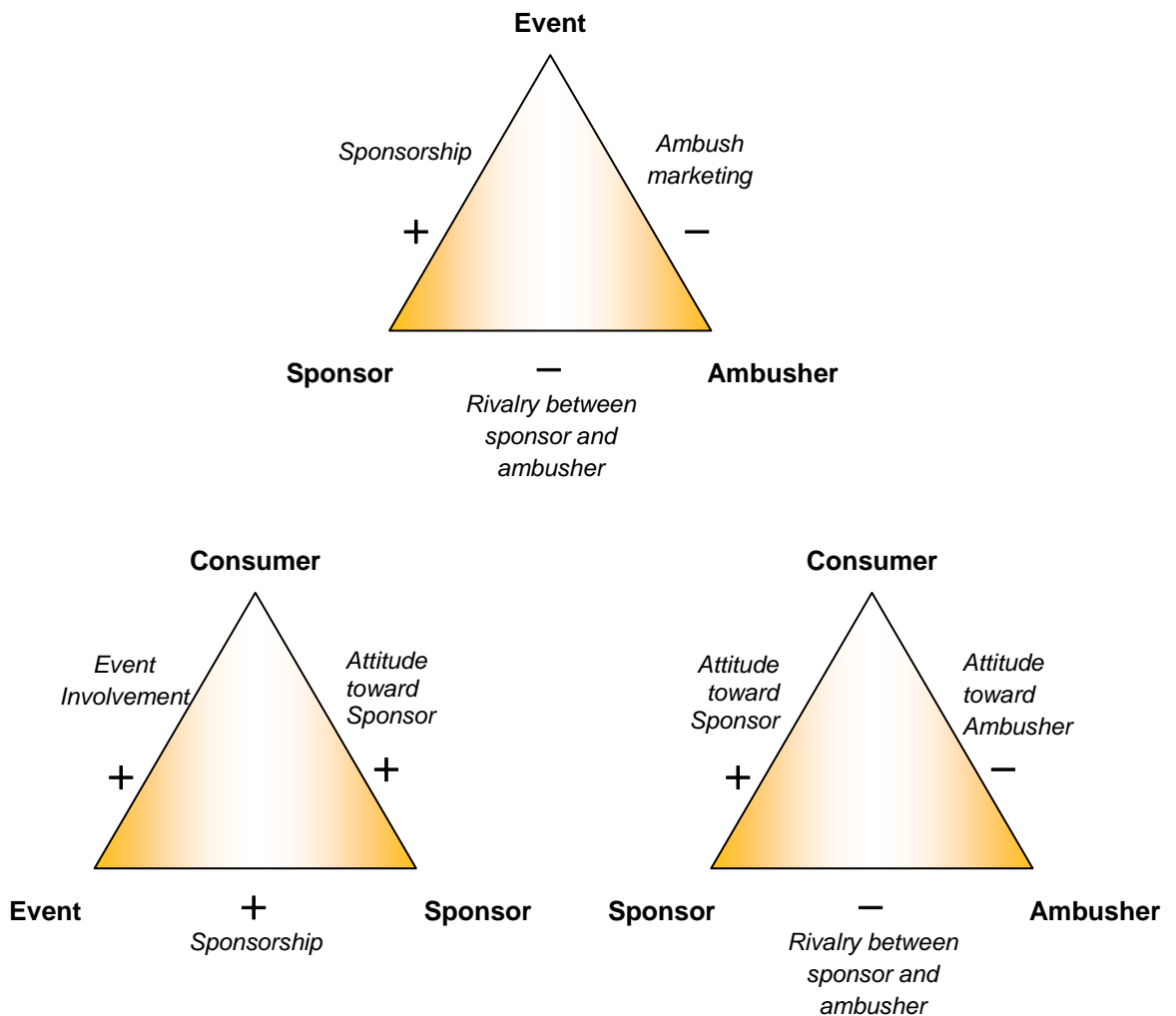


Figure 3. 1 The application of balance theory in ambush marketing

Event involvement, (which is also referred interchangeably by the some scholars as fan involvement or sport involvement in some studies), is commonly used to describe the relationship between a consumer and an event. Although fan involvement and sport involvement are similar in meaning to event involvement, the latter is more relevant and precise for the current study. When reviewing the literature to explore the effects of involvement on attitudinal and behavioral consequences, all the above terms are included in order to get a comprehensive understanding of the domain of the construct. Involvement refers to ‘a person’s perceived relevance of the object based on inherent needs, values and interests’ (Zaichkowsky, 1985, p.342). Accordingly, event involvement is defined in this study as a person’s perceived interest in and personal importance of the event to one’s life.

The sponsorship literature emphasizes the critical role of event involvement to determine the overall effectiveness of sponsorship (Meenaghan, 2001; Lardinoit & Derbaix, 2001; McDaniel, 1999; Quester, 1997). It is suggested that fan identification or involvement with an entity is positively related to attitude toward the companies that associate with the entity (Madrigal, 2000; Dalakas & Levin, 2005). Ko, et al. (2008) examine the impact of sports involvement on sponsorship effectiveness and find that the favorable purchase intentions are more likely to occur when consumers have a high level of sports involvement and hold a positive image of the sponsors. Dalakas & Kropp (2002) point out that highly identified fans are found to have the most favorable attitudes toward buying from sponsors. According to Deitz et al. (2012), stronger social identification with the event influences the favorability they attribute to sponsor. Speed & Thompson (2000) find that consumers’ personal liking for the event is a key factor to generate a

favorable response from sponsorship. In addition, Martensen et al. (2007) propose a conceptual model (see Figure 3.2) to provide a better understanding of how an event influences consumers' perception of a brand and behavioral intentions. Involvement is proven to be crucial for consumers' response, that is, event involvement exerts direct and indirect influence (through event emotions) on event attitude, which in turn impact on brand attitude (Martensen et al., 2007).

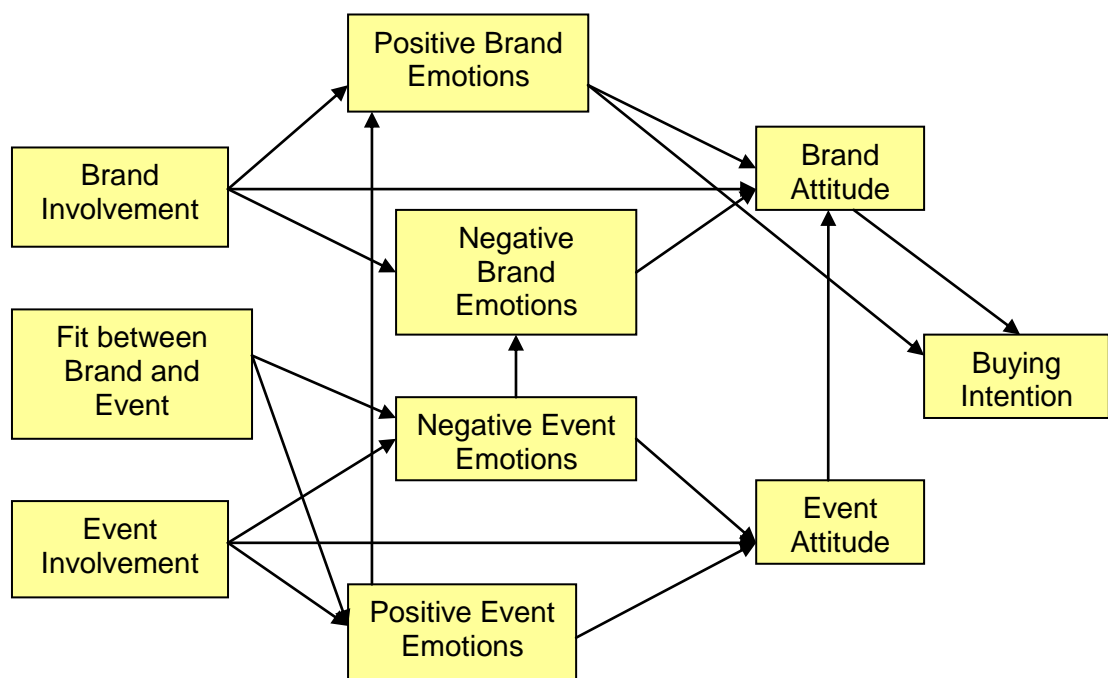


Figure 3. 2 Conceptual model for the effectiveness of event marketing (Martensen et al., 2007)

Speed & Thompson (2000) applied classical conditioning research (Mitchell & Olsen, 1981; Mitchell et al., 1995; Stuart et al., 1987) into the sponsorship context and propose that consumers' response to a sport sponsorship depends on (1) attitudes toward the event (the unconditioned stimulus), (2) prior attitudes toward the sponsor (the conditioned stimulus), and (3) perception of congruence between sponsor and event (perceived congruence between unconditioned and

conditioned stimulus). Since consumers' response to sponsorship is not the main concern in the current study, only attitude toward the event is taken into account to predict the effectiveness of the sponsorship. Prior attitudes toward the sponsor are supposed to have an indirect influence on consumers' response to ambush marketing through the post-sponsorship attitude toward the sponsor. Therefore, the research model only focuses on the post sponsor attitude since the antecedents of the sponsorship effectiveness are not the main concern of this study. Perceived congruence between the sponsor and the event will be included in the survey and treated as a control variable. It can be seen from the literature that consumers' attitude toward the sponsor is employed as one of the most important predictors of the effectiveness of the sponsorship through event image/meaning transfer. As a result, it is expected that consumers with a higher level of event involvement are more likely to form a favorable attitude toward the sponsor, which formulate the first hypothesis as follows:

H1. Event involvement has a positive effect on consumers' attitude toward the sponsor.

According to Meenaghan (1998), if the consumers are emotionally involved with the event or team and are knowledgeable about the benefits of the sponsor, as well as the potential damage caused by the ambusher, then negative attitudes toward the ambusher will emerge. It is also put forward by Crompton (2004) that ambush marketing, to some extent, may be counter-productive as it alienates some of those highly involved in an event. Moreover, Mazodier & Quester (2010) suggest that consumers' response to ambush marketing disclosure is negatively influenced by event involvement and attitudes toward sponsorship of an event. Therefore, in order to achieve a psychological balance, it is assumed that the

greater the degree to which consumers involve themselves with the event, the more favorable attitude toward the sponsor will be formed, and the greater degree of blame they will attach to the company for its ambushing effort. The following two hypotheses are proposed to describe the relationships among the consumers' perceptions of an event, sponsor, and ambusher (See Figure 3.3).

H2. Event involvement has a positive effect on the degree of blame that consumers place on the company for its ambushing practice.

H3. Attitude toward the sponsor has a positive effect on the degree of blame that consumers place on the company for its ambushing practice.

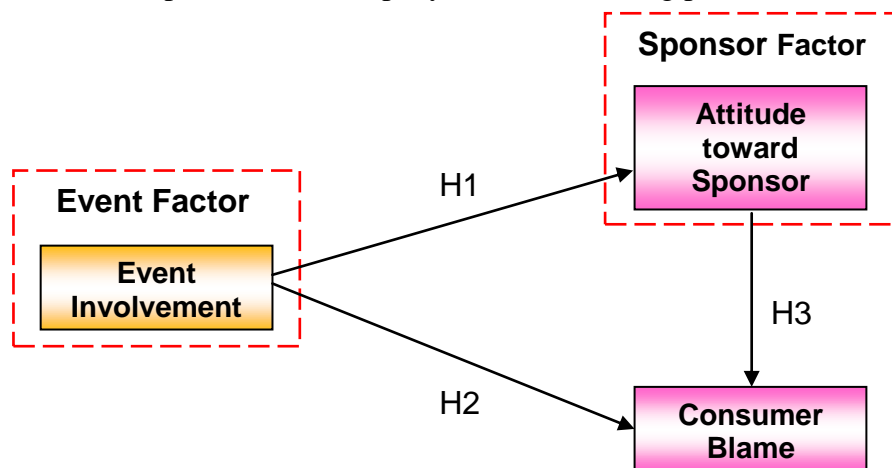


Figure 3. 3 The model of event-sponsor-ambusher relationship

3.3 Consumer Attribution Process for Sponsorship and Ambush Marketing

Attribution theory, involves the processes by which people make causal inferences about the events they observe and experience (Heider, 1958; Kelley, 1973), is another influential theory in social perception. According to Kelley (1973), causal attribution can help to understand how people will make inferences and how this provides a stimulus to actions and decisions. Heider (1958) identifies two types of factor that influence the way in which consumers may attribute the

motives for particular actions by others: (1) personal factors internal to the actor (intrinsic motives), and (2) situational factors external to the actor (extrinsic motives). The following two sections present the whole process of consumer attribution of the motives for both sponsorship and ambush marketing practice.

3.3.1 Consumer Attribution Process for Sponsorship

Consumers may attribute different motive for a company's involvement in sponsorship activity. Meenaghan (2001) points out that consumers generally attribute sponsorship to either sincere and sponsee-serving motives, or egoistic and self-serving motives. Some scholars classify these as intrinsic motives (also referred as altruistic motives), like goodwill generation, gift-giving etc., or extrinsic motives (also referred as exploitative motives), such as profit or reputation enhancement, self-promoting etc. (Bendapudi et al., 1996; Dean, 2002; Haley, 1996; Madrigal, 2001; Meenaghan, 2001; Piliavin & Charng, 1990; Rifon et al., 2004). Managers believed that consumers simply view a company's CSR initiative as either serving economic objectives or social concerns even if the company describes the motive as mixed serving both objectives (Drumwright, 1996). However, Ellen et al. (2006) hold the different view that consumers' attributions were more complex than traditionally viewed. Four types of motives are differentiated by consumers, namely, self-centered motives that are strategic and egoistic, and other-centered motives that are values driven and stakeholder driven. Strategic and values driven motives lead to the most positive response to CSR efforts, whereas stakeholder driven or egoistic motives can negatively influence the CSR response (Ellen et al., 2006). The term intrinsic and extrinsic motives are used for the current study.

Yong et al. (2012) propose that perceived fit between the sponsor and its CSR activity can influence the motives consumers attribute to the company's CSR engagement. Bhattacharya & Sen (2004) also indicate that a company's reputation and the congruence between the sponsor and the event are regarded as two critical factors to influence the consumer attributions of sponsorship motives. The factors identified in the literature that influence the perceived sponsorship motives can help to understand the whole process of consumers' attribution of the motives for a company's sponsorship activity, although the consequences rather than antecedents of inferred sponsorship motives are the main concern in the current study.

The company wants to avoid consumers' perceptions of extrinsic motives due to their negative impact on the company and the brand (Forehand, 2000; Varadarajan & Menon, 1988). Ruth & Simonin (2006) find that consumers have less favorable attitudes toward the sponsor when sales, rather than goodwill motives are emphasized. Vlachos et al. (2009) confirm that consumers' perceptions of motives have a significant influence on their reaction to CSR which is mediated by consumer trust. Besides, Barone et al. (2000) point out the important role of perceived sponsor motives on influencing consumer choice from the sponsoring company. Likewise, it is indicated by Rifon et al. that consumer assessments of sponsor motives are critical in affecting consumer response to the sponsorship of a cause. Altruistic sponsor motives can enhance sponsor credibility and attitude toward the sponsor (Rifon et al., 2004). According to Kim et al. (2011), positive attitude toward a sponsor is more likely to occur when the quality of the relationship between a consumer and a sport property is high and the sponsor motives are perceived to be sincere. Therefore, the following hypothesis is

proposed and the model of the consumer attribution process for sponsorship motivation is depicted in Figure 3.4.

H4. Intrinsic motives that consumers attribute for a company's sponsorship will lead to more positive consumers' attitude toward the company than extrinsic motives.

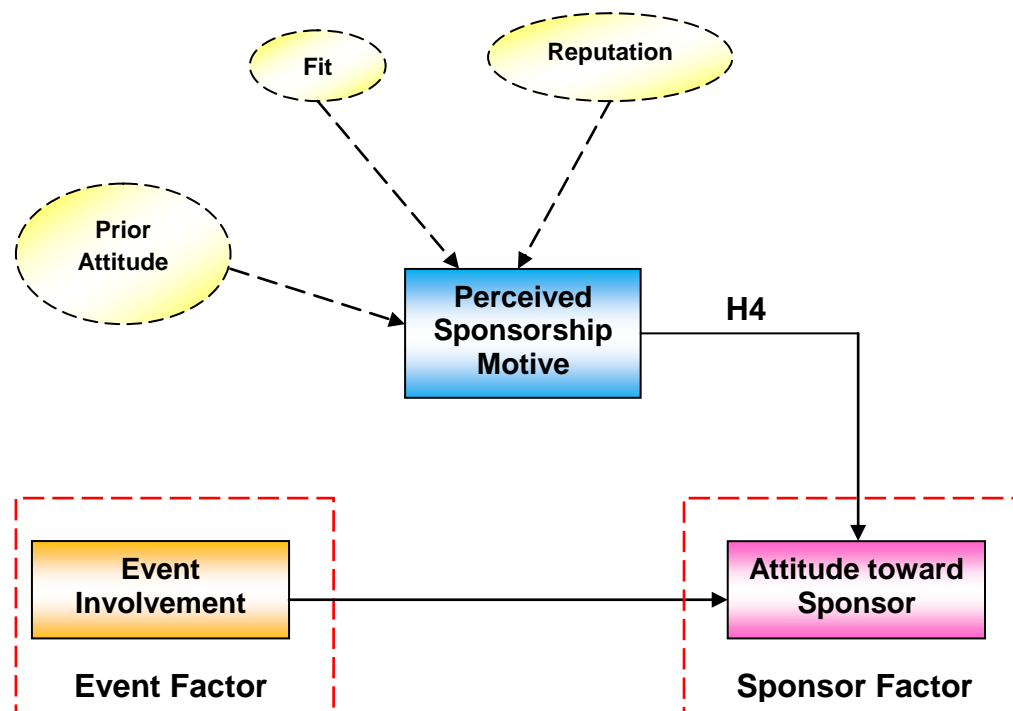


Figure 3. 4 The model of consumer attribution process for sponsorship

3.3.2 Consumer Attribution Process for Ambush Marketing

The process by which consumers attribute motives for a company's ambushing practice is important in the current study in order to explore how they respond to ambush marketing activities. Both antecedents and consequences of the motives for ambush marketing are identified in this section. Attributions are classified into three causal dimensions, namely, locus of control, stability, and controllability, which can result in a person's overall judgment of responsibility

for, and/or the blame attributed to an event or activity (Weiner, 1980). Locus of control refers to an individual's perception about the underlying main causes of events, which can be internal or external. Stability captures whether the cause is constant over time (stable) or variable over time (unstable), while controllability relates to the extent to which the event is within or outside the control of the actor (Weiner, 1986). People are more likely to attribute responsibility for, or a higher level of blame to the actor when the locus is internal, and the behaviour is stable and controllable (Folkes, 1984). In ambush marketing cases, only the locus of control dimension can be viewed differently by consumers and might be influenced by the factors like consumers' prior knowledge with ambushing company. Stability and controllability dimensions are only relevant to companies' own marketing decisions and cannot be affected by consumer related factors. Therefore, only locus of control is taken into account when seeking to identify the consumer's attributional process of motives for ambush marketing.

In a sponsorship context, a company's motivation for engaging in ambushing practice can be viewed by consumers as either driven by external causes (e.g. high sponsorship fees, categorical exclusive rights) or internal causes (e.g. increased sales, attacking major rivals sponsorship). Perceived motives driven by external causes are referred to as extrinsic motives, while perceived motives driven by internal causes are referred as intrinsic motives in the present study. The intrinsic and extrinsic motives are the causes that consumers believe lead companies to adopt ambush marketing activities. Intrinsic motives might result in more negative attitudes toward ambush marketing practice, whereas extrinsic motives can lead to less negative attitudes toward ambushing activities as they are seen as reasonable responses to market limitations.

Three types of antecedents for causal inferences are identified in the extant literature, that is, motivations, information, and prior beliefs (Kelley & Michela, 1980; Folkes, 1988). Motivations are related to the desire for perceived control and self-protection (Heckhausen & Schulz, 1995; Laufer et al., 2005). Information refers to the content of the information surrounding the attributional context and the capability of processing the information, whereas prior beliefs refer to consumers' pre-existing knowledge that can be applied to a negative publicity context (Laufer et al., 2005). Laufer et al. (2005) develop an integrated framework based on Folkes' (1988) to illustrate the antecedents of attribution and blame (See Figure 3.5). The Motivation, Opportunity and Ability (MOA) factors in the model influence the degree to which information is processed, which helps to understand when negative publicity vs. prior beliefs is more likely to be used to attribute blame for the negative event. It is also found that elderly consumers tend to rely on prior beliefs more than younger consumers in their attribution of blame (Laufer et al., 2005). Weiner (1980) indicates that the locus and controllability dimensions of attribution that can form an overall judgment of culpability are related to consumer blame.

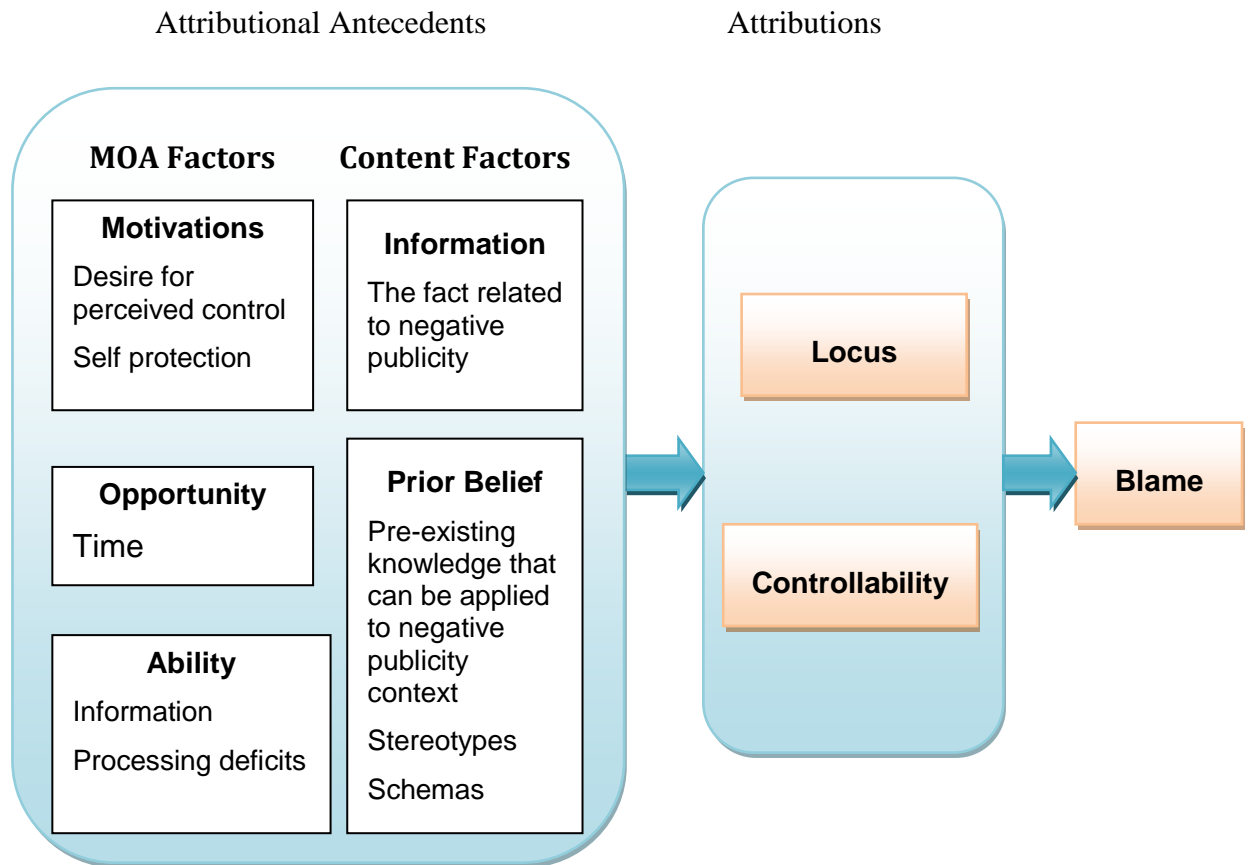


Figure 3. 5 Antecedents of attribution and blame (Laufer et al., 2005)

Many previous studies confirm the important role of prior knowledge in consumers' response to negative information about a company and its activities and behavior. Negative information about brands and companies is prevalent in the marketplace, ranging from product harm crises to celebrity endorser's misbehavior. Some of the negative information related to products harm or core service failure can be detrimental, which results in a loss of revenue and damage to the company's reputation. However, the other information like management scandal, celebrity endorser's immorality, might only influence some of the consumers depending on their prior beliefs, the way they process the information, and the strength of their relationship with the company or brand. Ambush marketing information falls into the latter information category. It is related to a

company's moral or ethical issues, which is assumed to have an impact on some consumers. In addition, the company-related factors, like performance in corporate social responsibility, corporate response strategies to counter negative publicity, are also found in the literature to be favorable in mitigating the negativity effect.

Besides balance theory, the following theoretical views in the literature can also support prior knowledge as one of the antecedents of consumers' attribution of blame. Firstly, prior research claims that people with positive attitudes toward a target are likely to engage in biased assimilation that people interpret new information in a way that makes it consistent with their own pre-existing views (Ditto & Lopez, 1992; Edwards & Smith, 1996). Owing to consumers' high level of attachment to a brand, they are less likely to use negative information as a diagnostic tool when evaluating the brand (Feldman & Lynch, 1988). It is also argued that defense motivation is engendered among consumers with high levels of commitment to foster selective cognitive processing of information that is threatening to the person's attitude (Pomerantz et al., 1995). In this case, consumers who hold a prior positive attitude towards the ambusher should counter-argue the negative publicity related to the ambushing practice. Secondly, the search-and-alignment model (Pham & Muthukrishnan, 2002) suggests that people tend to search their memory for information to support their prior attitude when the new information received challenges their prior attitudes. Thereby, when consumers are informed of a company's ambushing practice, those with high levels of prior knowledge are more likely to search for information to support their prior attitude, and tend to attribute the motives for ambush marketing activity to external factors, such as extremely high sponsorship fees. As a result, the consumers' level of blame for ambushing practice will be reduced. Thirdly,

Ahluwalia et al. (2001) suggest that when consumers are not familiar with a brand, a spillover effect of negative information occurs. However, when consumers are committed to the brand, the spillover of negative information is minimized.

It is also found in the literature that consumer knowledge has an impact on consumers' information processing (Alba & Hutchinson, 1987; Brucks, 1985). According to Maheswaran & Sternthal (1990), consumers with high levels of knowledge are capable of processing new information more extensively through engaging in more attribute-level processing. Thus, it is expected that prior knowledge may also influence the consumer attribution process when they are informed of a company's ambushing practice, as the attribution process can be reflective of consumers' information process.

Brown & Dacin (1997, p.69) define corporate associations as "a generic label for all the information about a company that a person holds". It represents what an individual knows or feels about a company (Brown, 1998). Therefore corporate associations can be referred to as consumer knowledge about a company. Two types of corporate associations are distinguished: (1) corporate ability refers to expertise in producing and delivering the product and/or service, and (2) corporate social responsibility captures the character of the company in relation to the main societal issues (Brown & Dacin, 1997). The scholars stress the importance of corporate associations since what a consumer knows about a company can influence their response to the company and its products. As seen in Figure 3.6, corporate social responsibility exerts an influence on corporate evaluation, which in turn has an impact on product evaluation (Brown & Dacin, 1997). In the current study, both types of corporate associations are supposed to exert an influence on

consumers' attribution for ambush marketing activities. Corporate ability association can be regarded as consumers' prior knowledge with relation to a company's product or brand, while corporate social responsibility association can be seen as consumers' perception of a company's characteristics with regard to its social behavior.

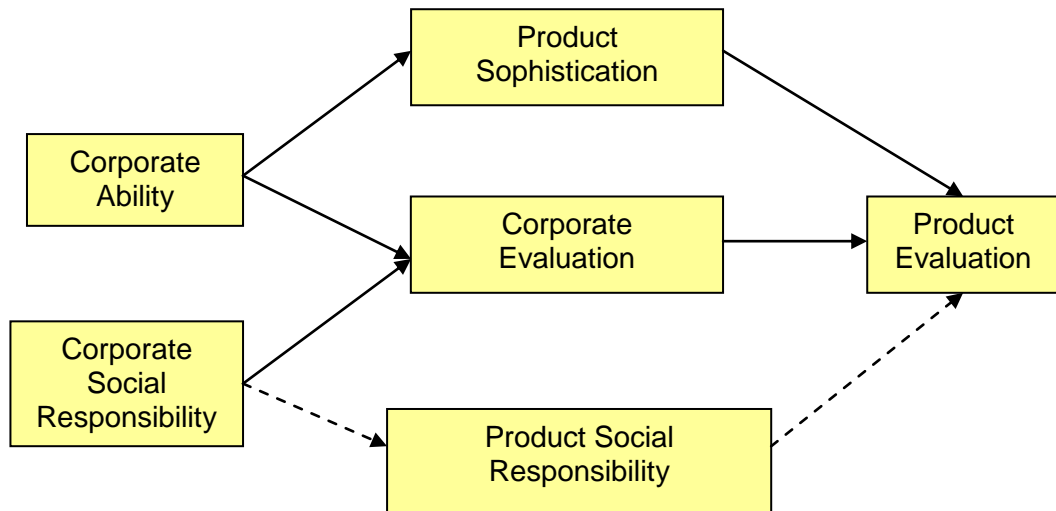


Figure 3. 6 Influence of corporate association on new product evaluations (Brown & Dacin, 1997)

In this study, consumers' prior brand knowledge refers to "a consumer's brand-related experience and accumulated information", which is adapted from Tsai (2007). Consumer's prior brand knowledge will be examined in terms of consumer familiarity, experience, expertise, and use of the ambusher's brands. As the level of consumer knowledge increases, it is proposed that consumer's negative response to a company's ambushing efforts will change, which leads to following hypothesis:

H5. The higher the level of prior brand knowledge consumers have, the more likely that they will attribute extrinsic motives for a company's ambushing

practice than intrinsic motives.

H6. Prior brand knowledge about the ambusher's brand has a negative effect on the degree of blame that consumers attribute for the company's ambushing practice.

According to Aaker (1996), CSR association, an element of overall corporate associations, differs from a product's attribute-level information. Product attribute information is stored in consumer's memory to help them make product-related evaluations, judgments, and decisions (Klein & Dawar, 2004). However, consumers are likely to use information beyond product association when it is not sufficiently diagnostic to make the judgment. Therefore, corporate associations like CSR may be activated in their memory, especially in a non-routine situation (Klein & Dawar, 2004).

Berens et al. (2005) point out a positive relationship between corporate associations and product evaluations (see Figure 3.7). However, corporate brand dominance (the visibility of a company's corporate brand in product communications) influences the way that the effects of CA and CSR on product evaluation are moderated by the company-product fit and consumer involvement (Berens et al., 2005). Based on the above findings, it can be inferred that corporate social responsibility is as important as corporate ability in terms of influencing consumer's response to the company's products. Therefore, it is important to assess whether consumer's perceived CSR has an impact on their response to the company's behavior, such as ambushing activities.

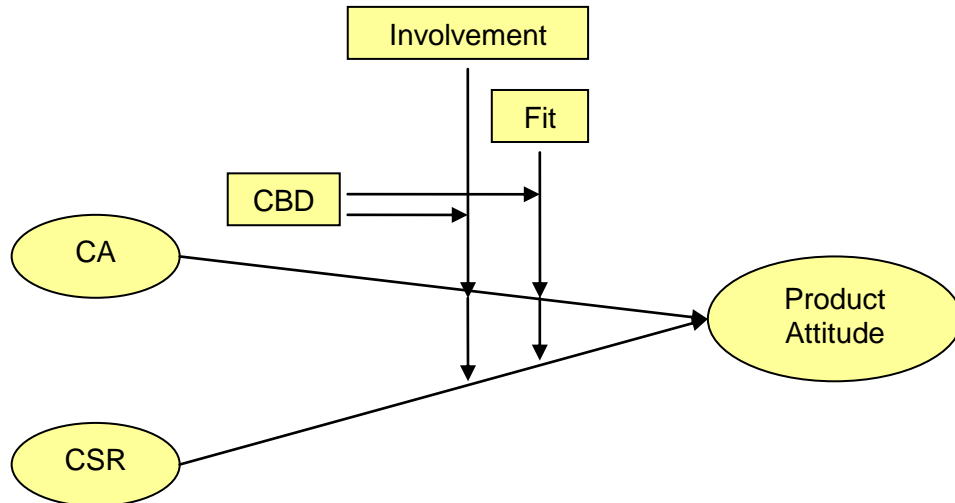


Figure 3. 7 The effect of CBD, fit and involvement (Berens et al., 2005)

Klein & Dawar (2004) examine how the CSR halo may influence consumers' attributions in a product-harm crisis context (see Figure 3.8). The results demonstrate that CSR associations have a strong impact on consumers' attribution and then translate into blame, which ultimately affects brand evaluation and buying intentions. Despite CSR's direct influence on brand evaluation, the indirect effect through attribution tends to be distinct when consumers attach more importance to CSR in their decisions (Klein & Dawar, 2004). However, there is lack of research examining CSR's halo effect in an ambush marketing context.

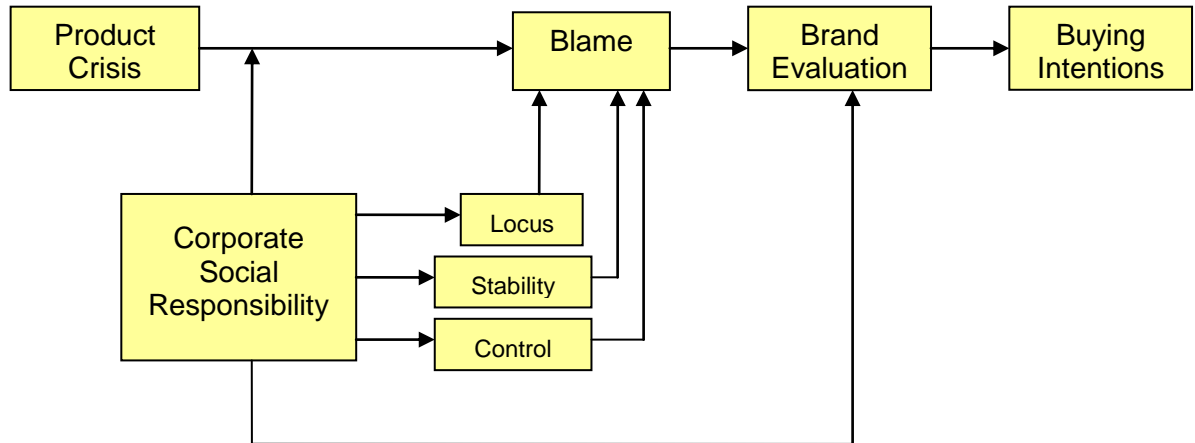


Figure 3. 8 Mediating effects of attribution (Klein & Dawar, 2004)

To summarize, what consumers know about the company (corporate associations) can significantly affect how consumers respond to the brand and the company's behavior. Moreover, CSR has been found to have a strong influence on consumer's attribution in product-harm crisis (Klein & Dawar, 2004). However, there is no study that explores the role of CSR in affecting consumers' response to a company's ambush marketing practice. In order to fill in this research gap, it is proposed to examine whether consumers perceived CSR has an effect on their response to ambush marketing efforts. Therefore, the following hypothesis is developed:

H7. The more positive consumers perceive a company's CSR, the more likely that they will attribute extrinsic motives for the company's ambushing practice than intrinsic motives.

H8. Consumers perceived CSR of the ambushing company has a negative effect on the degree of blame that they attribute for the company's ambushing practice.

According to Weiner (1986), consumer attributions can lead to an overall judgment of culpability that is related to consumer blame. Kelley & Michela (1980) also point out the consequences of attribution, such as affect, behavior, and expectancy etc. Furthermore, Jorgensen (1994) found that consumers' attributions of the cause of the incident significantly influence their affect and attitudes. As confirmed in previous studies, it is anticipated that the degree of blame for ambush marketing practice will be influenced by consumer attributions (Folkes & Kotsos, 1986; Klein & Dawar, 2004). In addition, the moderating role of ambushing attributions is examined in this study. The consumers' attribution process for ambushing practice is clearly illustrated in Figure 3.9. Thus, the following hypotheses are formulated:

H9. Extrinsic motives that consumers attribute for a company's ambushing practice will lead to lower degree of consumers' blame than intrinsic motives.

Lei et al. (2008) claim that consumers' attributions play a dominant role in consumers' interpretation process of negative information, and it has a significant moderating effect on the spillover of negative information in a brand portfolio context. The spillover effect is regarded as the impact of external information on associated object that is not directly involved (Balachander & Ghose, 2003). Ambush marketing practice can be seen as a company's marketing behavior. It is interesting to explore whether a consumers' perceived negativity of the company's "misbehavior" can spill over to the consumers' brand attitude. Consumers' perceived motives for ambush marketing is expected to play a moderating role in the relationship between consumers' prior brand knowledge and the degree of

consumers' blame in an ambush marketing context, and the relationship between perceived CSR and consumer blame. Thus, it is formulated that:

H10. Consumers' perceptions of the motives for a company's engagement in ambush marketing practice moderate the relationship between prior brand knowledge and the degree of blame that they attribute for its ambushing practice. Specifically, prior brand knowledge has a stronger negative effect on consumer blame when consumers attribute extrinsic motives rather than intrinsic motives for a company's ambushing practice.

H11. Consumers' perceptions of the motives for a company's engagement in ambush marketing practice moderate the relationship between perceived CSR and the degree of blame that they attribute for its ambushing practice. Specifically, perceived CSR has a stronger negative effect on consumer blame when consumers attribute extrinsic motives rather than intrinsic motives for a company's ambushing practice.

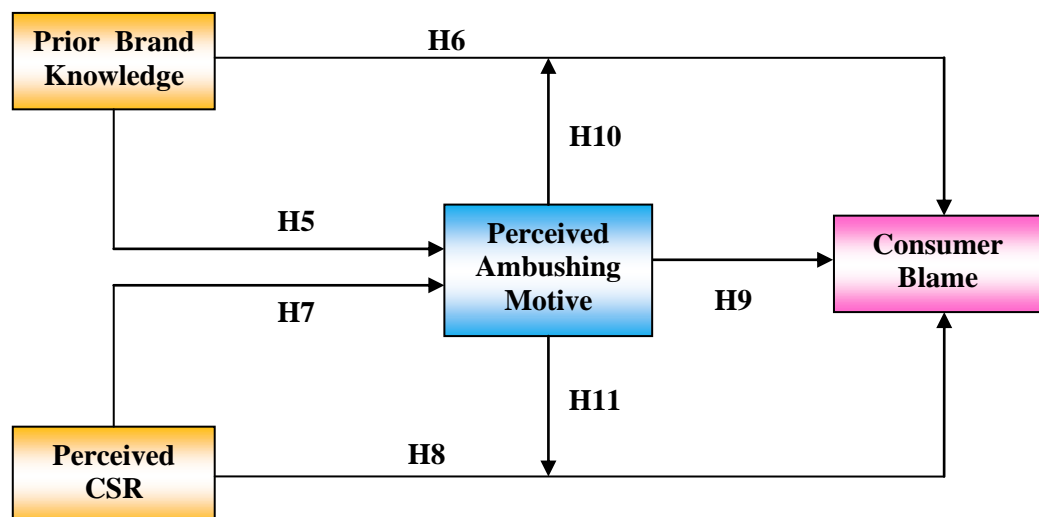


Figure 3. 9 The model of consumer attribution process for ambushing practice

3.4 Attitudinal Consequences of Consumers' Response to Ambushing Practice

According to Fishbein & Ajzen (1975) attitude is a uni-dimensional construct, representing favour or disfavor towards an object (person, place, event etc.). Some researchers in the marketing discipline use the term 'affect' interchangeably with 'attitude'. The contrary multidimensional view, also referred as the tripartite view, suggests that attitude is combination of cognition, affect, and behavior (Breckler, 1984; Rosenberg & Hovland, 1960). Cognition represents the beliefs held in people's mind in relation to an object; affect refers to feelings or emotions generated from people's experience with an object; and behavior is regarded as a person's intended and actual conduct with an object (Bagozzi, 1978). It is assumed that all three components represent an integral part of attitude and they should be consistent with each other, in order to form a favorable or unfavorable attitude (Breckler, 1984). However, some scholars question this view and argue that attitude can be only based on one or some combination of the three components, but not necessarily all of them. Moreover, the three components do not necessarily need to be consistent (Zanna & Rempel, 1988). For example, a person may have a very favorable attitude/affect toward a car, but have no intention to purchase it because of the high price or because they have a car and have no need to buy another one. Thus, there are some limitations to the adoption of the multi-dimensional view which impacts on attitude measurement. The uni-dimensional view of attitude also suggests that cognitive belief is the antecedent of attitude while behavior is the consequence of attitude (Lutz, 1991). For the current study, it is more appropriate to adopt the uni-dimensional view as only the "affect" component of attitude relates to the study objectives and research model is what actually needs to find out. Consumers' perceptions of the event, the sponsor, and

the ambusher can be viewed as consumers' prior cognitive beliefs with relation to the issue. How these cognitive beliefs influence consumers' attitude toward the ambusher is the main concern of the study. The impact of attitude on consumers' behavior is extensively examined in previous research. Hence, there is no need to test it again in the current study.

In the extant literature, negative information may have a strong impact on consumer attitudes or behavioral intentions due to its perceived high diagnosticity, negativity effect, and spillover effect (Keller & Aaker, 1993; Till & Shimp, 1998). Prior research also suggests that negative behaviors are more likely to be diagnostic than positive behaviors, when the former are morality related rather than ability related (Skowronski & Carlston, 1987). Ambush marketing clearly falls into the morality related behaviors and this is confirmed using through preliminary surveys which confirm that consumers perceive ambush marketing as negative information. Based on balance theory, a more favorable attitude toward the sponsor will result in a more negative attitude toward the ambusher, which leads to the following hypothesis. The model of attitudinal consequences of consumers' response to ambush marketing is presented in Figure 3.10.

H12. Consumers' attitude toward the sponsor has a negative effect on their attitude toward the ambusher.

What consumers know and think about a brand influences their attitudes toward the brand (Koll et al., 2010). According to Aaker (1996), overall corporate associations, including product associations (sometimes referred as corporate ability) and CSR associations, are stored information in consumers' mind regarding a company and its products / brands. The existing information is likely

to be activated and used when there is a need to make a product or company based judgment (Brown & Dacin, 1997). For example, in a product-harm crisis context, corporate CSR associations are found to be activated and have a halo effect on consumers' product evaluations (Klein & Dawar, 2004). Zhou et al. (2012) also find that both corporate ability and corporate social responsibility have positive main effects on consumers' evaluations. When consumers are exposed to the information regarding a company's ambushing practice, the existing information about that company in their memory is triggered and evaluated together with the new information. Consumers may form a revised judgment when the existing information of the company is not strong enough and they perceive the new information as more diagnostic, which in turn negatively influences their attitude toward the company. On the contrary, if the corporate association in their mind is strong, consumers are prone to counter-argue the new information and perceive it as less diagnostic thus resisting their attitude change (for example, they may argue that the company have no choice but to engage in ambush marketing because of the limited opportunities for official involvement with the event). To conclude, what consumers know about the company (perceived CSR) and the brand (prior brand knowledge) are expected to exert a direct influence on consumers' attitude toward the ambushing company, despite the indirect influence through the degree of blame consumers attributed to ambushing practice. Thus, the following two hypotheses are formulated.

H13. Prior brand knowledge has a positive effect on consumers' attitude toward the ambusher.

H14. Perceived CSR has a positive effect on consumers' attitude toward the ambusher.

According to Klein & Dawar (2004), blame exerts a significant negative influence on brand evaluations in a product-harm crisis context. Therefore, it is expected that consumers' blame has a significant influence on consumers' attitude toward the ambusher. The attitudinal consequences of consumers' response to ambush marketing are presumed to be influenced by both the event - sponsors path and consumers' blame attribution path. The following hypothesis is proposed.

H15. The degree of blame that consumers attribute for the company's ambushing practice has a negative effect on their attitude toward the ambusher.

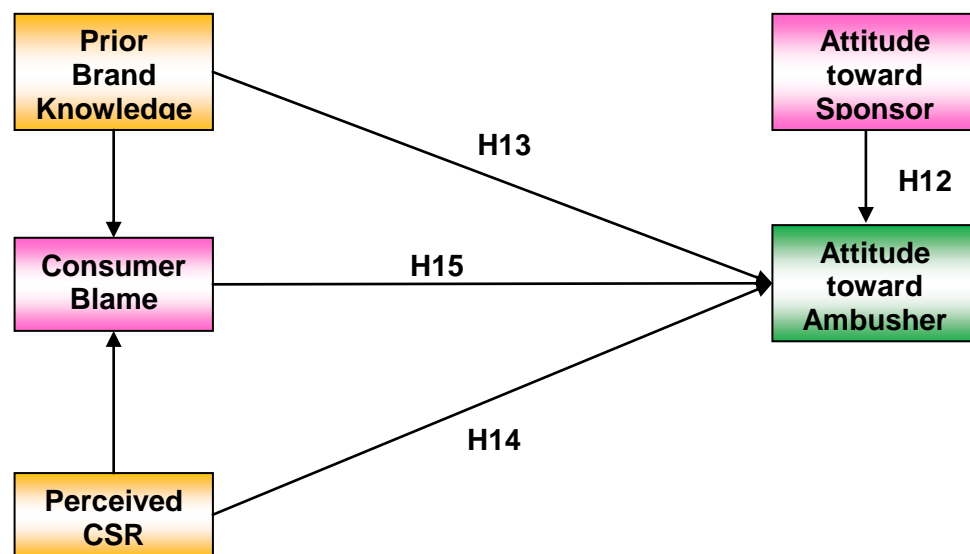


Figure 3. 10 Attitudinal consequences of consumers' response to ambush marketing

3.5 Conceptual Model Development

The integrated conceptual model is showed in Figure 3.11. The model consists of three parts: the first part is consumers' exposure to ambush marketing activities;

the second part is about consumers' perceptions of different parties including event, sponsor, and ambusher related factors; the third part frames consequences (the degree of blame consumers attribute to ambushing practice and their attitude toward the ambusher) as a result of a company's ambushing practice. The model illustrates the whole process of consumers' response to ambush marketing disclosure and the various factors that may influence their responses. The attitudinal consequences are presumed to be impacted through three routes: the first route is from consumers' perception of the event, to the perception of the sponsor, and then to the attitude toward the ambusher; the second route is from the perceptions of the event and sponsor, to perceived degree of blame attributed to an ambush marketer, and then to the attitude toward the ambusher; the third route is from consumers' attribution process for ambush marketing practice to the attitudinal consequences.

Based on balance theory, the model integrates three situational factors, all of which can exert an influence consumers' blame attributed for ambush marketing practice and consumer's information processing relating to a company's ambushing attempts. Event involvement (event-related factors) is assumed to negatively affect consumers' degree of blame directly or indirectly through consumer attitude toward the sponsor (sponsor-related factor). Prior brand knowledge and perceived CSR (ambusher-related factors) influence the consumers' degree of blame, which is mediated and moderated by consumers' attribution of ambushing motives. The model is built based on balance theory and attribution theory. The factors that might have an impact on consumers' response to ambush marketing are identified based on a broad review of previous studies relating to negative information contexts. Most of the research on negative

information is conducted through experimental designs which have limited the number of variables that could be considered at one time. This study is the first research to integrate the factors related to all the three major parties involved within the issue of ambush marketing. It also includes reference to the motives that consumers attribute to companies' involved in sponsorship and ambush marketing activity.

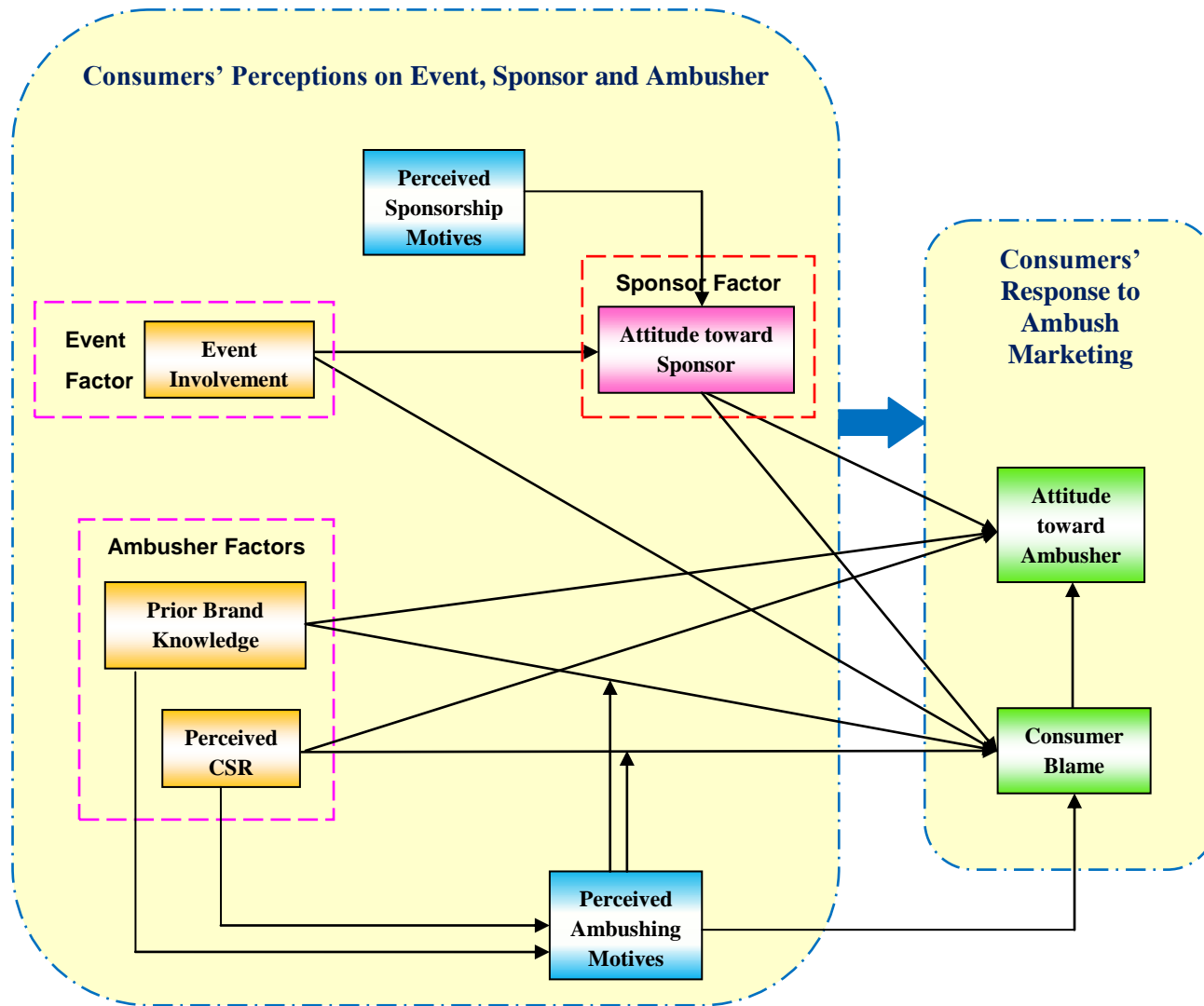


Figure 3. 11 Conceptual model of consumers' response to ambush marketing activities

In view of the fact that the theoretical underpinning of the study, and much of the literature used to build the conceptual framework and derive the hypotheses is novel in a sponsorship or ambush marketing context, an initial assessment of the viability of the framework was undertaken through in-depth interviews. This process justification for this approach, the procedure, and core findings are discussed in the following section.

3.6 Preliminary Interviews

The proposed research model including independent variables, dependent variables, and their relationships are built on the systematic review of previous literature drawn from sports marketing and sponsorship, consumer behavior, psychology, organizational behavior, and sociology disciplines. Balance theory and attribution theory are firstly applied to an ambush marketing context. The various factors related to different parties that might have an impact on consumers' response to ambush marketing activities are brought together to form an integrated model. The role of the independent variables, including prior knowledge and perceived CSR, have already been examined in previous literature in the negative publicity/information context, for example, company's product/service failure context, or negative information of the brand endorsers context etc., but have never been tested in ambush marketing context. Prior attitude toward a sponsor is incorporated into the model based on balance theory, while event involvement is brought into the model due to the unique feature of sports consumers and its impact on sponsorship effectiveness. Moreover, consumers' inferred motives for sponsorship and ambush marketing are brought into the model to explore how consumers' attributions work to influence their responses to ambush marketing activities.

There is no integrated model found in the literature which can be used to form the basis of model development in this study, especially in an ambush marketing context. This research develops an integrated framework to illustrate which factors have an influence on consumers' response to a company's ambushing attempts. Therefore, semi-structured in-depth interviews were employed to help develop a clear understanding of the each variable and justify the hypothesized relationships depicted in the model. It confirms the validity and increase confidence in the model as a basis for further analysis and quantification. In addition, there is very limited studies on consumers' perceptions of and attitude toward a company's ambushing practice. Preliminary interviews can help to explore how people think of each types of ambushing strategies and find out the perceived reasons to motivate a company's engagement in sponsorship or ambush marketing. Furthermore, interviews are also used to check if any other important factors are missing, so that they can be either included in the model or treated as control variables.

A total of 10 face-to-face interviews were undertaken in Leeds. The respondents were drawn from academic scholars, marketing practitioners and students in order to provide a broad cross section of expertise and knowledge of the topic area and/or as potential respondents to the quantitative study.

The constructs and their relationships suggested from the literature and theories formed the foundation of the content and structure of preliminary interviews. The interview consisted of four main parts: (1) the interviewee's personal information, (e.g. age, income, education level; (2) an introductory statement to explain the concept of ambush marketing, different types of ambushing strategies identified in Chapter 2, nature of the research problem, and the purposes of the study; (3) interview questions with regard to the factors which may exert an influence on

consumers' blame for company's ambushing practice, and thus their attitude toward an ambusher and the ambusher' brand. Each construct was defined and respondents were asked to confirm the appropriateness of this construct and its relevance to the study. Each relationship between constructs (the hypothesis) was discussed to confirm its relevance and direction. The potential moderators and mediators were also considered as to their potential influence on various relationships. (4) a closing statement to summarize the content of the interview.

Each interview lasted approximately half an hour. All interviews were recorded and transcribed for analysis. Content analysis was adopted to analyze the results. The data from qualitative interviews is in a non-standard format that requires categories classification (Healey & Rawlinson, 1994). Open coding method was used to identify the relevant factors that would influence consumers' response to ambush marketing and identify the perceived motives for engaging in sponsorship and ambush marketing. Firstly, relevant words or sentences were identified and coded. Among all of the codes, the important ones were selected according to the main purposes of the interviews. Then categories were created by combining several codes together to represent the themes. Finally, categories were labeled and interpreted so that the findings and conclusions can be drawn from interviews.

The results generated from the interview are further used to help justify the research hypotheses, finalize the model, and develop the quantitative survey questionnaire. Following the analysis it was confirmed that no significant omissions were apparent. A number of minor points were raised but these related to clarification of different types of ambush strategy. It became apparent that respondents felt that some forms of ambushing were more serious than others and may therefore, lead to the different responses to and attitude toward the company's

ambush marketing practice. Hence, the different types of ambush marketing should be taken in account when identify the influential factors. According to Eisingerich et al. (2011), CSR can shield a company from negative information when the information is moderately negative, rather than extremely negative. Therefore, the following two hypotheses are proposed to test the moderating role of ambushing strategy on the relationship between perceived CSR and consumer blame, and perceived CSR and attitude toward ambusher.

H16. Ambush marketing strategy moderate the relationship between consumers perceived CSR and the degree of blame that they attribute for the company's ambushing practice. Specifically, the negative effect of CSR on consumer blame is diminished as the degree of seriousness of ambushing strategy increases.

H17. Ambush marketing strategy moderate the relationship between consumers perceived CSR and their attitude toward the ambusher. Specifically, the positive effect of CSR on consumers' attitude toward the ambusher is diminished as the degree of seriousness of ambushing strategy increases.

3.7 Summary

This chapter provides the rationale and illustrates the process of how to build the integrated model. Firstly, the interrelationships among the event, the sponsor, and the ambusher are established based on balance theory. Event involvement is hypothesized to influence consumers' attitude toward the sponsor, which is moderated by consumers' perceptions of the motives for sponsorship. Both event involvement and consumer attitude toward the sponsor are expected to affect consumers' response to ambushing activities. Then consumers' attribution processes

for both sponsorship and ambush marketing are illustrated. Consumers' prior brand knowledge and perceived corporate social responsibility of the ambusher are identified as the antecedents of consumers' attributed motives for a company's ambushing practice. These perceived motives in turn influence the consumers' level of blame placed on their ambushing attempts. Perceived motives are also hypothesized to have an interaction effect on consumers' blame. In addition, the two ambusher-related factors are presumed to have a direct impact on consumers' blame. Next, the attitudinal consequence of consumers' response to ambush marketing activities is illustrated. Consumers' attitude toward the sponsor has both a direct influence on consumers' attitude toward the ambusher and indirect influence through consumers' blame. Similarly, prior brand knowledge and perceived CSR of the ambusher both directly affect consumers' attitude toward the ambusher and indirectly impact their attitude toward the ambusher through consumers' blame. Ultimately, the integrated model is formed to show how the various factors related to different parties play a role of influencing consumers' attitude in the context of ambush marketing disclosure. The research hypotheses are proposed according to the rationale for the relationships among the constructs. Finally, preliminary interviews are conducted to confirm and enhance the validity of the model.

Chapter 4 Methodology

4.1 Chapter Overview

The main purpose of this study is to develop and test a model of consumers' response to ambush marketing activities in relation to consumers' perceived event-related, sponsor-related, and ambusher-related factors. This chapter presents the research methods adopted for this study, including research design, sampling, measurement of constructs, data collection procedures, and methods of data analysis. This chapter provides the rationale for choosing the most appropriate methods for this study based on the nature and objectives of the research.

Firstly, the research philosophies and approaches are described. The next section presents the research design and the specific strategies used to select the sample and collect the data. It is followed by a discussion of the ethical issues relating to the conduct of interviews and surveys. A preliminary survey is employed to examine whether consumers perceive ambush marketing as negative information and which types of ambushing strategies will be used as contexts for the primary survey. Subsequently, the whole process of the questionnaire development for the main survey is shown. The questionnaire items are drawn from the literature and preliminary interviews. A pilot study is conducted to enhance the validity of the questionnaire. The final section explains the statistical methods employed in the analysis of the data.

4.2 Research Philosophy and Approach

The key elements of the research process are illustrated in the Figure 4.1. The justification for the research and clarification of the topic area are considered in

chapter 1 while the literature is reviewed in Chapter 2, and the model and hypotheses developed in Chapter 3. The following chapter addresses the remaining issues in the framework up to the point at which the results are presented, discussed and interpreted.

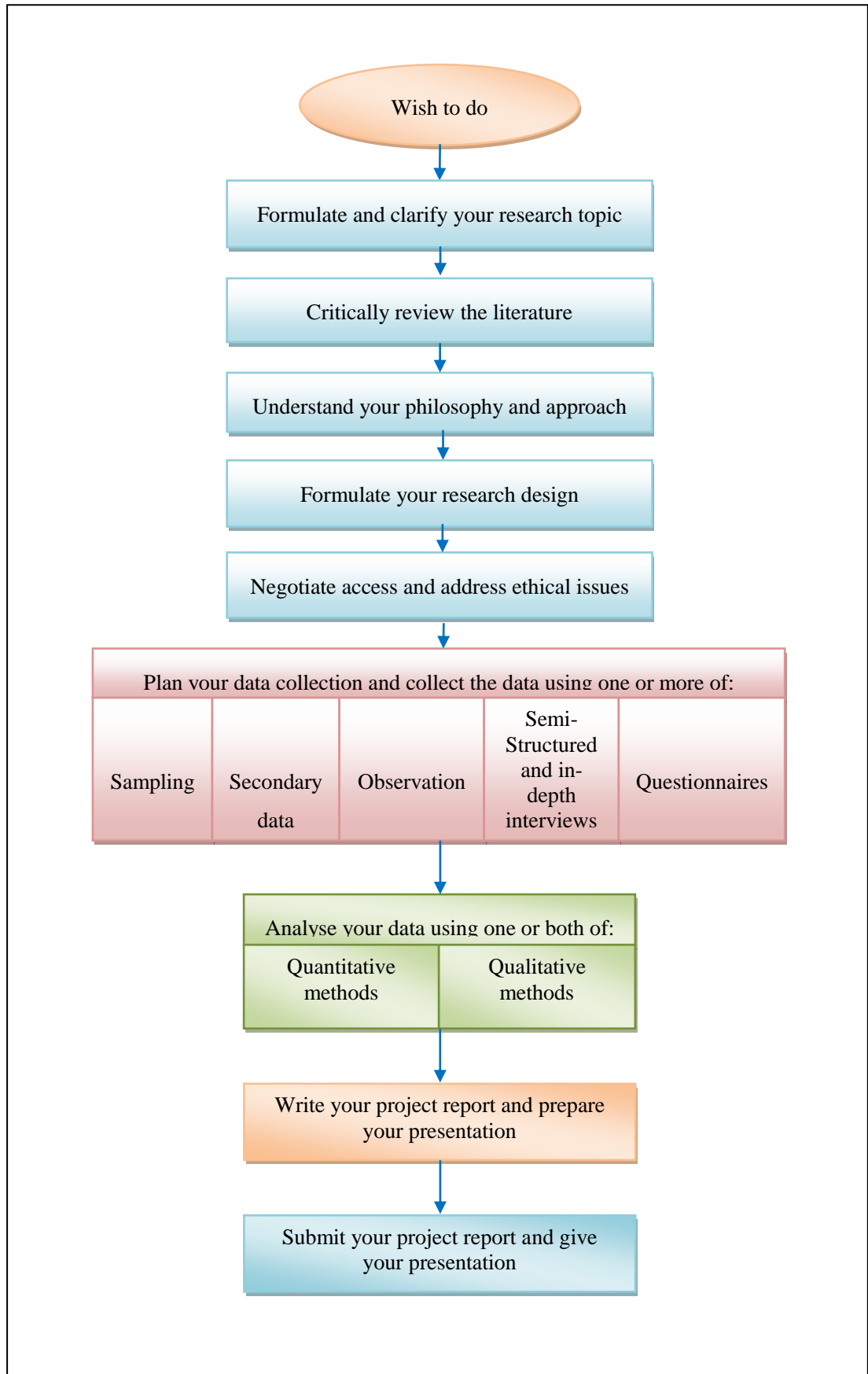


Figure 4. 1 The research process (Saunders et al., 2007, p.10)

The research philosophy employed reflects the way the researcher views the world, and in turn influences the strategy and the methods chosen for the research. According to Saunders et al. (2007), the philosophy adopted is influenced by the researcher's view of the relationship between knowledge and the way the research should be conducted. Three common philosophical approaches are identified in the literature, namely, epistemology, ontology, and axiology. Epistemology refers to *what constitutes acceptable knowledge in a field of study (p.102)*, including positivism, realism, and interpretivism; ontology *is concerned with nature of reality (p.108)*, which consists of objectivism and subjectivism aspects; axiology is related to *judgments about value (p.110)*. Benton & Craib (2001) indicate that the combination of beliefs regarding ontology, epistemology, and methodology (related to the tools and techniques of research), influence the researcher's view of the world and the way they conduct the research. Which research philosophy is better depends on the nature of research problems. Table 4.1 illustrates the comparison of the three main research paradigms, which provides an outline of each paradigm and offers guidelines to help select the most appropriate methods for data collection and analysis.

As can be seen from Table 4.1, positivism is used to gather facts in the social world. The main purpose of this study is to investigate how consumers respond to a company's ambush marketing activities, and confirm the factors that influence their responses. The fact that consumers' perceptions of the different parties (the event, the sponsor, and the ambusher) need to be observed and gathered for this study can justify a positivist approach. Consumers' attitude toward the ambusher can be predicted based on the different consumers' perceptions, which means consumers behavior is explained in terms of cause and effect. For the principle of

positivism, existing theories are used to form a foundation to develop the hypotheses and conceptual model; data is collected to test and confirm the hypotheses and then further develop the existing theory (Saunders et al., 2007). This process typifies the nature of the current research problem and therefore, thus a positivist stance was adopted to explain how consumers respond to a company's ambush marketing practice.

Table 4. 1 Comparison of three research paradigms

| Research Paradigms | Basic Assumption | Research Approach | Research Methods |
|---------------------------|---|--|--|
| <i>Positivism</i> | <ul style="list-style-type: none"> · There are facts which researchers can gather on the social world, independently of how people interpret them. · Remenyi et al. (1998: 32) define positivistic research as working with an observable social reality. · The end product of such research can be law-like generalisations similar to those produced by physical and natural scientists. | <ul style="list-style-type: none"> · Human behaviour is explained in terms of cause and effect, and data must then be collected on the social environment and people's reactions to it. · Highly structured methodology to facilitate replication and quantifiable observations that lend themselves to statistical analysis: internal and external validity | <ul style="list-style-type: none"> Surveys Experiments Quasi-experiments |
| <i>Realism</i> | <ul style="list-style-type: none"> · Reality exists that is independent of human thought and belief. · The knowledge people have of their social world affects their behaviour and their social world does not exist independently of this knowledge. · Causes do not simply determine actions, but are seen as tendencies that produce particular effects. | <ul style="list-style-type: none"> · Recognise the importance of understanding people's socially constructed interpretations and meanings, or subjective reality, within the context of seeking to understand broader social forces, structures or processes that influence, and perhaps constrain, the nature of people's views and behaviours. · Access to these different layers of reality is the task of a realist research programme and bringing to be attention of people of how they affect their actions in a situation of dialogue and cooperation. | <ul style="list-style-type: none"> Case studies (Biographical; Phenomenological; or Ethnographical) |

| | | | |
|-------------------------------------|--|--|---|
| <p><i>Interpretivism</i></p> | <ul style="list-style-type: none"> · The social world is far too complex to lend itself to theorising by definite laws in the same way as physical sciences. · Remenyi et al. (1998: 35) apply the detail of the situation to understand the reality or perhaps a reality working behind researchers. · Constructionism or social constructionism | <ul style="list-style-type: none"> · To explore the subjective meanings motivating people’s actions in order to understand social phenomena. · Researchers’ different interpretation affects their actions and the nature of their social interaction with others. | <p>Interviews</p> <p>Case studies</p> <p>Observations</p> |
|-------------------------------------|--|--|---|

(Adapted from Saunders et al., 2003, p.83)

Of the two approaches available, the deductive approach is linked more with positivism whereas an inductive approach would fit better with interpretivism. The deductive approach involves the identification and application of a theory and the development of a conceptual model and hypotheses. A research strategy is then designed to test the hypotheses and verify the model (Saunders et al., 2003). The present study begins with the review of the relevant psychological theories (balance theory and attribution theory) and previous researches covering the negative information context, which forms a basis to establish the conceptual model and propose the hypotheses. All the variables and their relationships depicted in the model viz, event involvement, attitude toward the sponsor, and prior brand knowledge and perceived CSR, are deduced from the literature in order to determine how consumers would respond to ambush marketing disclosure. It is suggested that positivistic quantitative methods are heavily used in business and marketing literature for theory verification. Deductive approaches are ideally suited to the generalization of findings through quantitative analysis support the positivist approach. As this research was designed to test the model and confirm the theory, a deductive approach was employed to achieve the main research objectives.

However, Saunders et al. (2006) point out the limitations of positivism by arguing that the rich insights of the social world are lost and complexity is reduced due to the law-like generalizations. In order to overcome the limitations, interpretivism is used in combination with positivism to gain a more insightful understanding of the nature of the problem, to discover more in-depth thoughts, and to help formulate a more clinical research design. According to Creswell (1994), if the research topic is new or with little existing literature, it is more appropriate to work in an inductive way to generate data with the aim of gaining comprehensive and informed views. The current study, is novel in that no integrated model including customer, sponsor and ambusher related constructs and relationships has previously been developed from the literature (see Chapter 3). Moreover, there is a lack of research exploring how consumers perceive different types of ambush marketing strategies in terms of negativity and the reasons for those perceptions. As a result, interpretive and inductive approach utilizing qualitative preliminary interviews was conducted to compensate for the limitations of the positivistic and deductive approach. As suggested by Saunders et al. (2003), the mixed method approach is the best strategy to improve both a study's breadth and depth, and to enhance the validity of the research findings.

4.3 Research Design

In designing a research study, there are three research options viz, exploratory, descriptive and causal research (Aaker et al., 2003). An exploratory research design is utilized to gain general insights into the nature of the research problem and the relevant factors which need to be taken into consideration (Aaker et al., 2003). There are different types of exploratory research, for example, literature search, in-depth interviews, and focus groups. The big advantage of exploratory

research is that it is flexible and adaptable to change (Saunders et al., 2007). Researchers can begin with exploratory research to get a full picture around the research topic. For this study, the literature review and secondary data collection were used to gain an overall understanding of ambush marketing, the importance of the research problem, and relevant variables that may impact on consumers' response to a company's ambushing practice. In addition, a set of preliminary interviews were employed in order to explore how people perceive each type of ambushing strategies and justify the constructs and their relationships in the model. The whole process of the research design for the present study is described in Figure 4.2.

Descriptive research is developed to provide an accurate description of some aspects of the market environment and then gain a better understanding of the research topic (Aaker et al., 2003). There are two types of descriptive studies: cross-sectional study and longitudinal study. A cross-sectional study involves data collected at one specific point in time, whereas a longitudinal study involves data gathered at different points in time. Sample survey is a common method for cross-sectional study, in which the sample is selected to be representative of the target population. Survey can be used to describe the characteristics, attitudes, beliefs, feelings, or behaviors of a particular population. It also can predict the proportion of people who behave in a certain way and determine relationships between variables (Saunders et al., 2007). Causal research is employed to test cause-and-effect relationships. It is designed to establish the possible causal relationships between two variables by eliminating other possible causes through the use of experiments. An experiment is carried out to observe how dependent variables change by manipulating one or more independent variables. Generally speaking,

survey is conducted on a mass scale of data basis but experiment only requires relatively small amount of data. In addition, the results and findings derived from a survey are expected to be generalized from the sample to the target population due to the representativeness of the sample. However, it is not the case for experiments.

Hence, a survey method was adopted for the current study as it aims to explore how UK consumers would respond to a company's ambushing practice. Consumers' data should be collected on a mass scale basis in order to predict characteristics of the target population. Furthermore, manipulations in experiments are not possible due to the complex settings this study involves. The preliminary survey was designed to determine which ambush marketing strategies this study should focus on given the complex typology outlined earlier (Burton & Chadwick, 2009). Moreover, the survey method was also used later in the main survey to investigate the respondents' demographic information, consumers' perceptions on each ambushing strategy in terms of negativity, consumers' knowledge about sport sponsorship and ambush marketing, and their attitude toward ambushing companies etc. In addition, the inter-relationships among event-related, sponsor-related, ambusher-related factors, the degree of blame attached to companies that indulge in ambush marketing, and the attitudinal outcomes that this may induce, were examined through primary survey questionnaire.

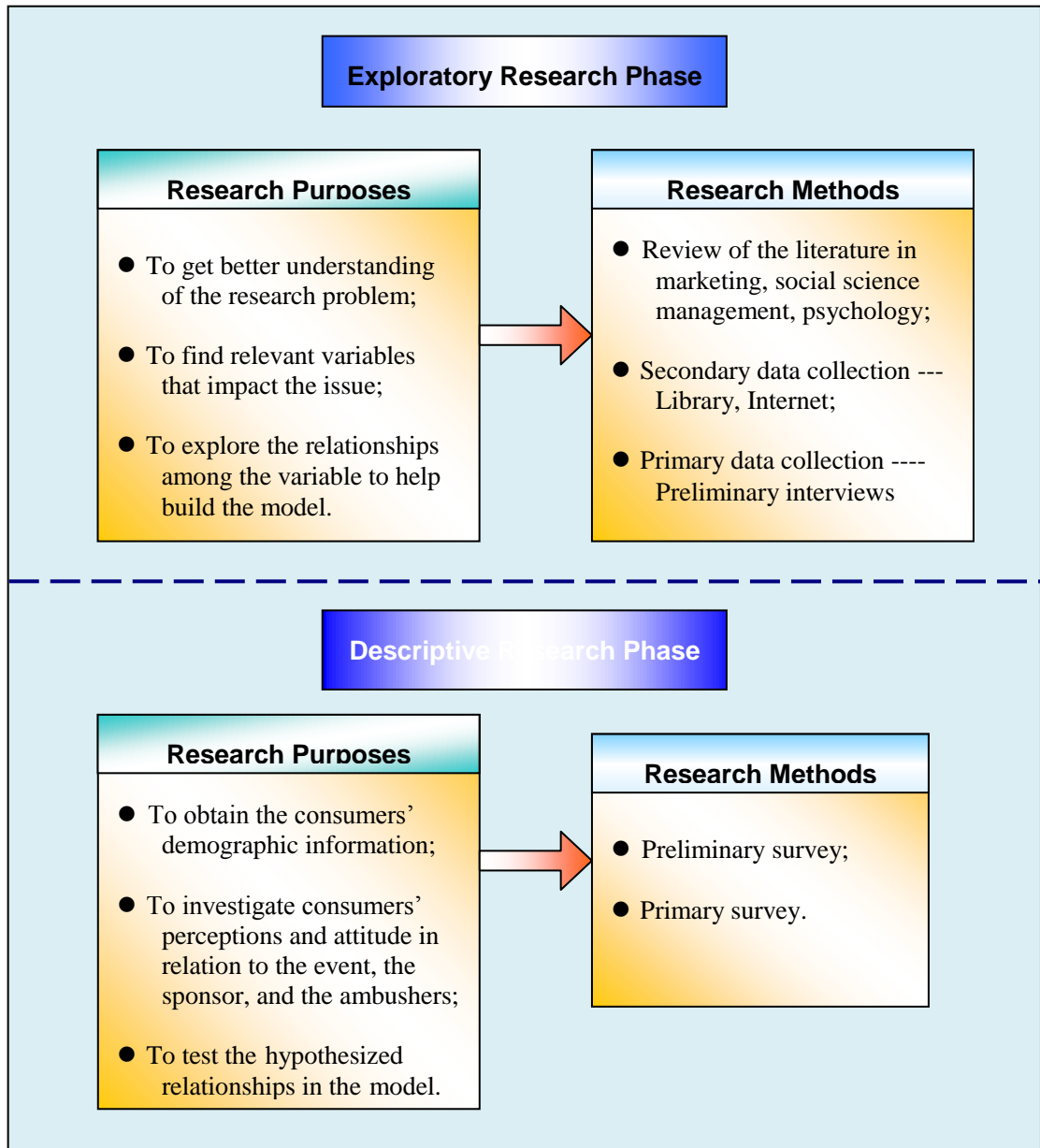


Figure 4. 2 Research design process

4.4 Ethical Issues

Saunders et al. (2007) indicate research ethics involve questions about how researchers formulate and clarify the research topic, design the research, collect data, process and store the data, analyze the data, and write up the findings in a moral and responsible way. Ethical issues arise across the whole process of conducting research. The key ethical issues for this study relate mainly to the data

collection stage. When planning and conducting preliminary interviews and surveys, the participants' rights to informed consent, to withdraw, to confidentiality/anonymity, were considered. The participants were informed about any possible risks of the research activities and a list of their rights was provided. Consent forms were signed by each of the interviewees. Privacy issues were represented at the beginning of the survey questionnaire or informed by the researcher before the interviews.

4.5 Data Collection Methods

Data collection methods include secondary data collection, experiment, interview, case study, focus group, survey etc. Which method is the most appropriate one for a particular study depends on the specific research questions and the purpose of the study. This study adopted mixed qualitative and quantitative methods in order to achieve the overall research objectives. In the first stage, preliminary interviews were used to verify the constructs and enhance the validity of the model, which was discussed in Chapter 3.6. It was followed by a preliminary survey with the purposes of exploring how consumers perceive each type of ambush marketing strategy in terms of its negativity, to identify which ambush marketing strategies this study should focus on. Additionally, case material, newspaper, or journal articles regarding ambushing practices were sourced to identify which types of ambushing attempts generate more concerns among media, event organizers, or sponsors. This provides a relevant and contemporary focus for the study given it is impossible to consider all types of ambush activities. Finally, the primary survey questionnaire was developed to collect the data for the research hypotheses testing. A pilot study, including an expert panel discussion and small sample survey of respondents from the target

audience, was conducted to check the validity and reliability of the questionnaire before the main survey. Structural equation modeling was used to test the fit between the model and the collected sample data. The whole process is described in the following Figure 4.3.

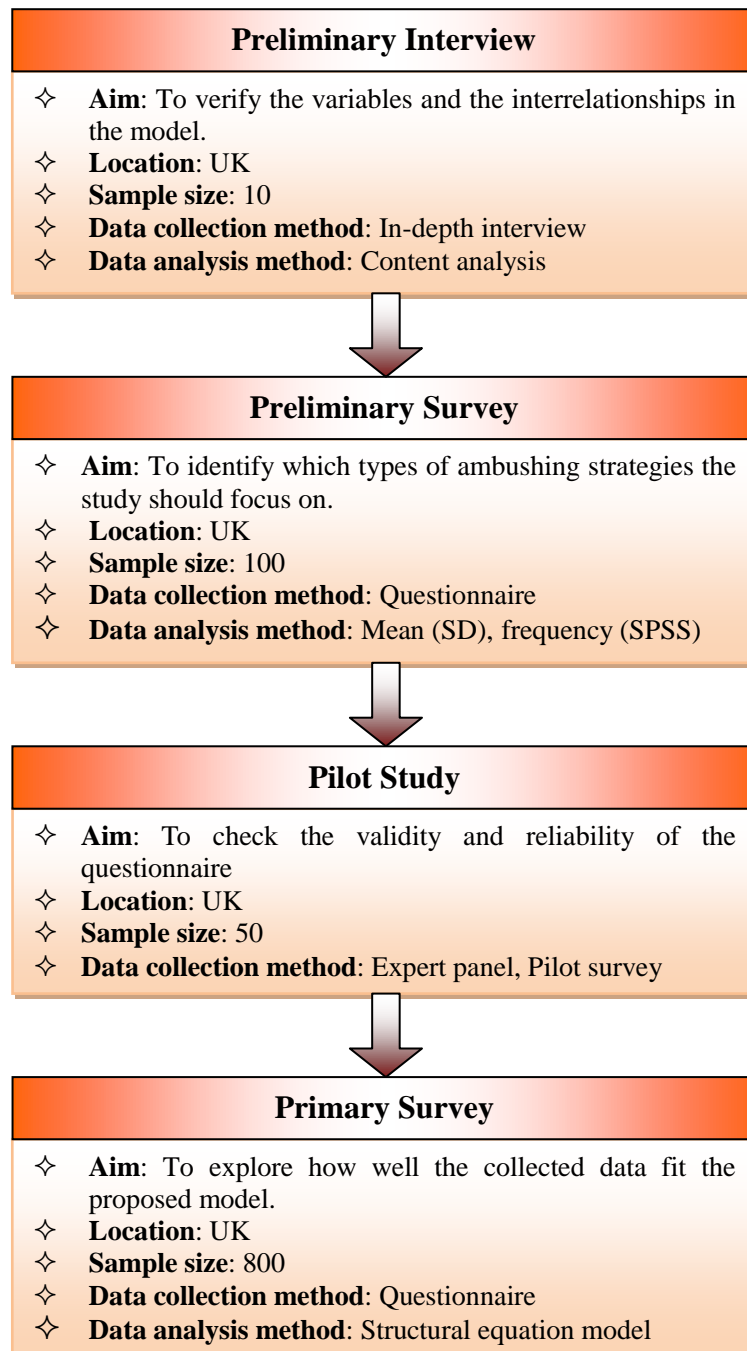


Figure 4. 3 Data collection methods

4.5.1 Preliminary survey

A survey is a systematic method for collecting quantitative data from respondents (Groves et al., 2004). It involves a structured questionnaire to obtain specific information. Thereby, it is simple to administer for coding, analysis and interpretation, and can reduce the variability of the results (Malhotra, 2004). The following sections outline the need for the preliminary survey.

The main purposes of preliminary survey for this study are: (1) to test if consumers perceive different types of ambush marketing strategies negatively; (2) to identify which types of ambushing strategy should be the focus of the current research. Ambush marketing has developed and evolved during recent years in parallel with the growth in sponsorship of major events and is of concern to both rights holders and sponsors. However, there are very few studies focused on the conceptualization and typology of ambush marketing. Most of the studies in the literature simply list the specific ambushing methods that companies are employing and consequently, there is lack of systematic categorization. In addition, the majority of the literature in ambush marketing is more than ten years old, and does not sufficiently represent the contemporary issues.

A recent study conducted by Burton & Chadwick (2009) develops the understanding of the ambushing concept and creates a new typology of ambush marketing strategies to fill in this research gap. Twelve types of ambush marketing are identified, which are further divided into three categories: direct ambushing, associative ambushing, and incidental ambushing (Burton & Chadwick, 2009). Nevertheless, the new ambushing typology is not suitable for this research as it is too complex and some types are difficult for consumers to relate to. Therefore, this

study begins with grouping similar approaches thereby re-categorizing the ambush marketing strategies (See Chapter 2.3) to make it easier for consumers to understand and distinguish the types and generate more insightful dialogue.

The purpose of this study is to explore how consumers would respond to the company's ambushing practice, specifically, which factors will have an impact on level of blame consumers attached to a company's ambushing attempts once they are alerted to it, and their subsequent attitude toward the ambusher. The research model was tested by collecting data from consumers who were provided with case material that outlines the specific ambushing scenario before they answered the questionnaire. This represents the sort of material they would be subjected to in real world situations based on "naming and shaming" campaign by event owners, official sponsors or media reports. As different results may emerge due to the consumers' varied reactions to the various types of ambushing, an initial attempt was made to identify the forms of ambush activity that are perceived as most negative by consumers.

Based on the above considerations, the preliminary survey was conducted with the following aims, (1) to develop a ranking of the consumer's perception of various ambush marketing strategies, from the most negative to the least negative (2) to group the ambushing strategies that might lead to a similar consumer reaction and delete the ones that may not incur any negative attitude; (3) in conclusion, to decide which types of ambush marketing this study should focus on.

Non-probability convenience sampling methods were adopted in a preliminary research phase as it generates general ideas, insights, or hypotheses. The sampling units were accessible, easy to measure, and cooperative (Malhotra, 2004) which

increase the ease of application and reduces cost. Therefore, 100 students were selected to take part in the survey in the universities and colleges in Leeds in UK.

The survey questionnaire consists of two parts. Part I aims to investigate consumers' knowledge and perceptions. There are three questions included. The first question is developed to explore consumers' knowledge regarding Olympic Games sponsorship in terms of official sponsor's rights and sponsorship levels. The second question tries to explore consumers' general attitude toward ambush marketing practice. The last question is to find how negatively consumers perceive each type of ambushing strategy with specific examples provided for each category. Part II is for collecting respondents' personal information, including gender, age, marital status, income level, and education level in order to get the overall understanding of the respondents' profiles. In addition, the personal information is also used for testing if there is significant differences of the answers provided in Part I among different groups.

The demographic information of the respondents is shown in Table 4.2 below. Among 100 respondents, 56% were male while 43.8% were female. The majority of the respondents was single and below 35 years old, with the annual income lower than £25,000. 34.4% of the respondents were college students, and 56.3% were at undergraduate level. Only 9.4% achieved postgraduate level.

Table 4. 2 Respondents profile for preliminary survey

| Demographic Items | | Percentage |
|-------------------|----------------------|------------|
| Gender | Male | 56.3% |
| | Female | 43.8% |
| Age | Up to 26 | 53.1% |
| | 26-35 | 34.4% |
| | 36-45 | 9.4% |
| | 46-55 | 3.1% |
| | 56-65 | 0% |
| | 66 and above | 0% |
| Marital Status | Single | 75% |
| | Married | 25% |
| Annual Income | £0-10,000 | 59.4% |
| | £10, 001-25,000 | 34.4% |
| | £25,001-40,000 | 6.3% |
| | £40,001-60,000 | 0% |
| | Above 60,000 | 0% |
| Education Level | High school or below | 0% |
| | College | 34.4% |
| | Undergraduate | 56.3% |
| | Postgraduate | 9.4% |

Consumers' knowledge regarding sponsorship was measured through respondent's judgment that each of the following statement in Table 4.3 is true or false, adapted from Lyberger & McCarthy (2001). It can be shown clearly in the table, 93.8% believe the official Olympic logo can used only by the official sponsors of the event. However, only 65.6% think only commercials of Olympic sponsors can be shown during the Olympic telecast. With regard to the

sponsorship level, the majority of respondents (59.4%) don't know that The Olympic Partners provide higher level of support than official sponsors. The last question indicates that most of the respondents (84.4%) are aware of the company's ambushing practices.

Table 4. 3 Consumer knowledge of sponsorship

| Consumer Knowledge | Yes | No |
|--|------------|-----------|
| The official Olympic logo can be used only by the official sponsors of the event. | 93.8% | 6.3% |
| Only commercials of Olympic sponsors can be shown during the Olympic telecast. | 65.6% | 34.4% |
| Companies that are official sponsors of Olympic Games provide a higher level of support than companies that are official partners. | 59.4% | 40.6% |
| Some companies try to present themselves as official sponsors without paying the fee to be official sponsors. | 84.4% | 15.6% |

In order to explore consumers' attitude toward ambush marketing, the following 4 statements were used, which was adapted from the literature (Shani & Sandler, 1998; Lyberger & McCarthy, 2001; Portlock & Rose, 2009; Seguin et al., 2005). 5-point Likert scales were employed to measure each statement from 1=strongly agree to 5= strongly disagree. Generally the respondents agree that companies should not associate themselves with the event without being official sponsors to mislead consumers (See Table 4.4). The respondents agree that it is unfair for companies to associate themselves with the Olympic Games without being official sponsors. However, as to the ethical issue of ambush marketing, the respondents are inclined to be neutral. Moreover, there is no strong negative feeling toward companies' ambushing efforts.

Table 4. 4 Consumer attitude toward ambush marketing

| Consumer Attitude toward Ambush Marketing | Mean | Standard Deviation |
|--|-------------|---------------------------|
| Non-sponsors should not lead consumers to believe they are official sponsors of the Olympic Games. | 1.81 | 0.644 |
| It is unfair for companies to associate themselves with the Olympic Games without being official sponsors. | 1.50 | 0.508 |
| The practice of associating with the Olympic Games without being an official sponsor is unethical. | 2.56 | 0.948 |
| I am annoyed by companies trying to associate themselves with the Olympic Games without being official sponsors. | 2.75 | 0.718 |

In order to measure consumers' perceptions on ambushing strategy, the respondents were asked to rate their negative feelings toward each of the ambushing categories. Five-point Likert scales are used, which range from 1=not negative at all to 5=extremely negative. The ambushing examples used in question 3 were adopted from Burton & Chadwick's (2009) study.

Table 4.5 illustrates consumers' perceptions of each ambushing strategies. The one which incurs the most negative feeling is predatory ambushing as this type of ambushing directly attacks the rival's official sponsorship. It is followed by property infringement ambushing, associative ambushing, promotional ambushing, and sponsor ambushing. The ambushing strategy that the respondents perceive as the least negative one is accidental ambushing as it is an unintentional marketing activity.

Table 4. 5 Consumer perceptions of ambushing strategies

| Ambushing Strategy | Mean | Standard Deviation |
|---------------------------------|-------------|---------------------------|
| Predatory ambushing | 3.59 | 0.798 |
| Property infringement ambushing | 3.41 | 0.979 |
| Associative ambushing | 2.72 | 0.813 |
| Promotional ambushing | 2.38 | 0.871 |
| Sponsor ambushing | 2.00 | 0.718 |
| Accidental ambushing | 1.16 | 0.369 |

ANOVA was used to compare the means of the negativity of each ambushing strategy and group those where there is no significant difference between the means. Accidental ambushing strategy was excluded from this study as there is almost no negative feeling towards it. It does not make any sense to examine which factors would have an influence on consumers' blame for company's ambushing practices if consumers have no negative feeling toward it at all. Predatory ambushing (Mean=3.59) and property infringement ambushing (Mean=3.41) were grouped as one because there is no significant differences between the two means ($p > .05$). Associative ambushing (Mean=2.72) and promotional ambushing (Mean=2.38) were considered as a whole as there is no significant differences between them ($p > .05$). It is also found that there is no significant differences ($p > .05$) between sponsor ambushing (Mean=2.00) and promotional ambushing (Mean=2.38). However, there is a significant difference ($p < .05$) between associative ambushing and sponsor ambushing. Therefore, these three strategies cannot be grouped into one.

In addition, internet searches of relevant ambush marketing cases, articles, and examples etc published by media, event owners, sponsors, marketing researchers, or consumers during the last two decades provide further evidence for which ambushing strategy the study should focus on, as it is the main channel where consumers get to know about company's ambushing practice and where the ambushers are named and shamed. It is found that most of the cases fall into predatory ambushing and property infringement ambushing categories. Associative and promotional ambushing, have become common during recent years, but receive less criticism compared with the former two types. Moreover, based on the Burton & Chadwick's (2009) study of 350 ambushing cases, nearly all of them fall into the above four ambushing categories. In a generic negative information context, some scholars identify the role of consumer-company relationship factors (such as consumer identification, commitment) or company performance factors (like CSR record) in mitigating the negativity effects and protecting the company against negative information may vary under different contexts (Einwiller et al., 2006; Jing et al., 2006; Liu et al., 2010). Therefore, the model in the current study will be tested under two ambushing situations: (1) Predatory ambushing/ property infringement ambushing, which represents a more serious ambushing scenario, and (2) Associative/ promotional ambushing, which is perceived as a less serious ambushing context. Two ambush marketing cases in the Olympic Games, a predatory ambushing and an associative ambushing example, are selected and adapted from the articles on the websites and Burton & Chadwick's (2009a) paper to constitute the ambushing disclosure. The case articles were pretested with the main survey questionnaire to ensure the clarity of the material.

4.5.2 Primary Survey

A survey represents “*the use of structured questionnaires given to a sample of a population*” (Malhotra & Birks, 2003, p.224) and is generally used for exploratory and descriptive purposes. It also can provide possible reasons or explanations for particular relationships between variables. The advantages of a survey include (1) more control over the research process and easy to administrate; (2) comparatively easy to understand; (3) capability to collect a large amount of data in an economical way (Cooper & Schindler, 2003). Moreover, the data obtained from survey questionnaires are consistent and easy to analyze and interpret, since most of the questions are fixed-response alternative questions (Malhotra & Birks, 2003). However, there are also some limitations and restrictions of survey research. For example, respondents might be unwilling to answer the questions that are sensitive or personally related. Besides, the structured questions also reduce the validity of some types of data like feelings, emotions etc. (Malhotra & Birks, 2003).

Survey questionnaires can be conducted through telephone, personal face-to-face, mail, and internet. This research used personal face-to-face street interviewing by town centre and shopping centre interception in the cities of Leeds and Manchester in UK. These two cities were selected by taking time, cost, and convenience into consideration. In addition, Leeds and Manchester are two of the biggest cities in UK with the population of 726,939 and 430,818 respectively. However, the respondents from these cities might be slightly different from the city where the event was held like London. For example, people in London are likely to have more personal experience with 2012 Olympic Games, which may lead to a higher level of interest or involvement with the event, and thus their

responses to ambush marketing activities may be different. This limitation can be taken into account in future research.

Street face-to-face interviews are beneficial as the researcher can clarify any points that respondents may feel unclear and the information is immediately available. It can also increase the response rate and enhance the quality of the data (Saunders et al., 2003). It is the most appropriate way for the current study because the majority of people are unfamiliar with the concept of ambush marketing. Especially, the different types of ambush marketing strategies are complex and cannot be easily understood in a short time. Therefore, this method provides scope for the provision of additional information. Moreover, it allows adapting questions if necessary and clarifying doubt to ensure the questions are properly understood. It also helps to minimize the response error, bias, and missing data. However, respondents may not feel encouraged to provide accurate and honest answers due to the presence of the researcher and they may feel uneasy because of anonymity and privacy concerns when they are in face-to-face interviews.

In addition, the populations of this study are UK consumers who have at least some knowledge of or degree of involvement with the Olympic Games and sponsorship. As a result, it is necessary for the researcher to ask the screening questions before the interviews take place to ensure the data is sufficiently valid and reliable: “Do you know about Olympic Games or do you watch the Olympic Games?” and “Do you know the Olympic Games are partly financially sponsored by companies?” Only if the answers for both of the questions were ‘yes’, they were eligible to move onto the main survey questionnaire. Thus, the face-to-face survey can help to reach the appropriate respondents of the study. However, with

this method, the interviewers might bias the results of the survey. For example, due to the interviewer's prior knowledge and pre-assumptions of the questions, the interviewer might suggest the answers by conveying their own attitude with tone of voice. In order to avoid or minimize the bias, the interviewers should not express their own opinions or emotions to influence or mislead the respondents.

The Olympic Games are the biggest and most influential international event in which with more than 200 nations participating. According to IOC (2011), the London 2012 Olympic Games were expected to reach an estimated global audience of 4.8 billion people through world-wide media coverage. Moreover, ambush marketing originated from Olympic Games in 1980s. It was extensively used and practiced by a large number of companies around each Olympic event and became the major concern of the event organizer and sponsors due to its' potential threat on sponsorship. Therefore, the current research was contextualized within the Olympic Games as this was more likely to generate informed respondents. The main purpose of the research is to explore how consumers' perceptions ambush marketing activities and which factors (including factors of consumers' perceptions on event, sponsor, and ambusher) might have an influence on their responses. Both sponsorship and ambush marketing work by capitalizing on event goodwill through associating themselves with the event. Consumers who pay little attention to sports events are definitely not the target consumers of sponsors and ambushers. Therefore, it doesn't make any sense to include the people who show no interest in major sporting events such as the Olympic Games and know little about sports sponsorship. As a result, the research was conducted in the UK because of the popularity of sport throughout the country. It is reported that eight in ten UK consumers have some degree of interest in sport and over two

thirds of the UK's sports audiences watch at least four sports, with four in ten watching seven or more (Mintel, 2009). According to Mintel (2011), the percentage of adults in UK rarely noticing event sponsorship decreased from 39% to 34% between 2008 and 2010, which means sports sponsorship is performing well in delivering brand awareness. Besides, the target respondents should be over 18 years' old adults who have a certain level of economic independence. To sum up, the target population of this study is UK adult consumers who have some degree of involvement with Olympic Games and have some knowledge of sponsorship.

It is impracticable to survey the entire population due to the time or budget constraints etc. Sampling can provide a range of methods to reduce the amount of the data collected. However, the representativeness and generalization of the sample for the whole target population are the major concerns. Malhotra & Birks (2003) propose the sampling design process as shown in Figure 4.4. Once the target population is identified, the sampling frame is to be determined. A sampling frame is *a representation of the elements of the target population that consists of a list or set of directions for identifying the target population* (Malhotra & Birks, 2003, p.359), for instance, an association directory, a telephone book, a mailing list etc. Clearly, given the defined target population for this study, there is no viable sampling frame that can be used to represent the target population precisely. Sampling techniques are categorized into two types: probability or representative sampling and non-probability or judgmental sampling (Saunders et al., 2007). Probability sampling is commonly used in survey-based research, and can generalize the sample result to the population (Groves et al., 2004). Since no sampling frame available, it is difficult to obtain a probability sample in this

research. As a result, a non-probability sample was adopted. According to Malhotra & Birks (2003), non-probability sampling techniques are less expensive, less time consuming, and convenient. As in most cases it is beyond the researchers' ability to cover the cost of obtaining a probability sample, the majority of the studies in the marketing area choose a non-probability sampling method. However, due to the selection bias, the results generated from non-probability samples should be interpreted with caution.

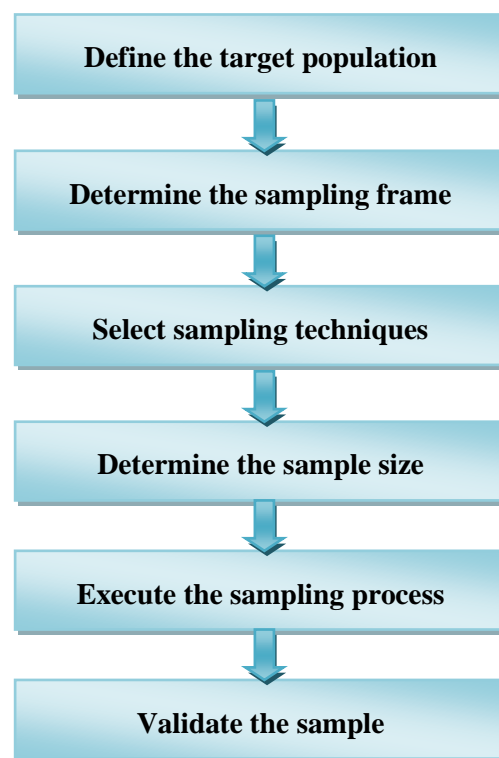


Figure 4. 4 The sampling design process

(Malhotra & Birks, 2003, p.358)

The sample size is decided based on several factors, for example, the nature of the research, the number of the variables, and the methods chosen for data collection and analysis (Saunders et al., 2003). The study was to test the research model by using structural equation modeling for data analysis. It is recommended by that a minimum sample size is 100 to 150 when using a maximum likelihood

estimation approach to perform the structural equation model (Ding et al., 1995). Similarly, Hoelter (1983) indicates that the most appropriate sample size is 200 for using ML estimation, since ML increases the sensitivity due to the increasing sample size. However, it is suggested by (Kline, 2011) that a complex model generally requires a larger sample size because the complex model has more parameters to be estimated. Moreover, for the current study, the sample size should be large enough to better represent the population in order to compensate for the non-probability sampling bias. In addition, taking cost, time, feasibility, and the data analysis method into consideration, the sample size for the current research was 400 respondents in UK respectively for predatory ambushing/ property infringement ambushing and associative/ promotional ambushing context, which is large enough to test the research model. The next section will focus on how the survey questionnaire was developed.

4.5.3 Questionnaire Development

The questionnaire design plays an important role in survey research because data are collected through questionnaire and the quality of the data relies on the quality of the questionnaire. A poorly designed questionnaire can lead to an increase of measurement and non-response errors, whereas a well-designed questionnaire can facilitate the respondents to give accurate answers. There are some points that need to be considered when framing a questionnaire, like the objectives of the survey, the process of how a survey is conducted, respondents' knowledge and interest, the type and the order of the questions, and how data will be analyzed etc. Churchill (1979) proposes that the questionnaire development should follow seven key steps. First, decide what information is required. It should link back to the research purpose and objectives. In this case, the specified

information needed include: respondents' demographic data, their knowledge of sponsorship, general perceptions on ambush marketing practice, perceptions on event, sponsor, and ambusher, perceived motives for sponsorship and ambush marketing, and their attitudinal responses to ambush marketing. Second, make a list of the questions to ensure that the questions cover all of the necessary information identified in the first step. Third, refine the question phrasing to make sure the questions make sense and are clearly stated. Fourth, determine the format of each question that can be open-ended questions or closed questions with pre-coded choices. Fifth, put all the questions into an appropriate order to make it a clear and logical flow. Sixth, finalize the layout of the questionnaire. Finally, pilot test the questionnaire and make revisions if necessary. In addition, there are some points that one needs to pay attention to when designing the questionnaire. For example, the questions should not be phrased in a way that might lead the respondent to answer in a particular way. Jargon, sophisticated or ambiguous words should be avoided.

Based on the results and findings generated from the preliminary survey and interviews, the questionnaire for the primary survey was developed to address the research problems. The questionnaire consisted of five main parts. Part one was the cover letter which involved the research purpose and ethical issues of the research. Part two included the definition of ambush marketing and the objectives of ambush marketing practice. Considering the majority of the respondents were not familiar with ambush marketing, it was necessary to give them a brief introduction before survey the started. Besides, the ambushing case scenario under either predatory ambushing/ property infringement ambushing or associative/ promotional ambushing context was provided before the respondents filled in the

questionnaire. The third part consisted of consumers' knowledge of sponsorship, consumers' perceptions and attitudes towards ambushing practices. The fourth section contained the questions with regard to the constructs depicted in the model. The final part was the demographic questions, such as age, gender, annual income etc.

There are three types of questions are identified in the literature, namely, behavioral, attitudinal, and classification. Behavioral types aim to seek factual information about the respondents and their activities. Attitudinal types deal with the information in relation to what respondents think and perceive of a product or brand and the reasons for this. The classification type was used to collect the information to classify the respondents into different groups, like gender, age, income etc. In the present study, attitudinal types of questions were employed for most of the information aimed at assessing respondents' perceptions, attitudes, attributed motives, and attributed blame. Moreover, classification type questions were used for collecting respondents' demographic information.

Measurement scales are commonly used for attitudinal types of questions. Measurement refers to "*a standardized process of assigning numbers or other symbols to certain characteristics of the objects of interest, according to some pre-specified rules*" (Aaker et al., 2003, p. 283). Four types of measurement scales are identified in literature, namely, nominal, ordinal, interval, and ratio. Nominal scales are used to simply label the different choice answers, for example, male=1, and female=2 in a gender question. Ordinal scales are used to place the objects in order, while an interval scale refers to an equal interval between objects. With ratio scales, the ratios are meaningful. Interval scales, also termed as rating scales, are

scales of measurement in which the distance between two consecutive scale points are equal. The majority of the questions in this study adopted 7-point Likert scale that is also referred as a summated instrument scale. Likert scales are treated as yielding interval data by many marketing researchers. Moreover, semantic differential scales, another type of rating scales, were also employed in the current research, where bipolar adjectives are used at the end points of the scales to describe feelings, perceptions, or attitudes.

The measures of key constructs in the model were related to event, sponsor, and ambusher factors and are presented in Table 4.6. According to Zaichkowsky (1994) and Shank & Beasley's (1998), Sports Involvement Scales consist of two components, namely, a cognitive component e.g. useful, needed, valuable, relevant and important, and affective component e.g. exciting, interesting, and appealing. Event involvement in this study was measured by 8 semantic type items in both cognitive and affective dimensions of involvement, which was adopted from Shank & Beasley's (1998) Sports Involvement Scales with a high coefficient alpha of reliability (.93). It relates to watching sport events on television or the internet, reading magazines or newspapers regarding the sports event, and attending the sports event. The measurements of prior brand knowledge were adapted from Lacey et al. (2010) with a reported reliability of .90. The scale items evaluate consumers' level of familiarity, usage, experience, and expertise with the ambusher's brand. The measurements of consumers' perceived CSR were adapted from Lichtenstein et al. (2004) with a high reliability score of .90. The scale items of CSR assess consumers' perceptions of the ambushing company's commitment to giving back to the community or society through support of various CSR initiatives. In addition, the measurements for consumer blame were adapted from

Griffin et al. (1996) with a reported Cronbach’s alpha .92, which consist of three questions relating to how much blame consumers attached to the company’s ambushing activities. Seven-point Likert scales were used for these three constructs. In order to measure consumer attitude toward the sponsor and ambusher, respondents were asked to rate their overall impressions of a sponsor and an ambusher company, which was adapted from Gwinner & Swanson (2003). A three-item, seven-point semantic differential scale is used to measure consumer attitude, including Bad (1) – Good (7), Unfavorable (1) – Favorable (7), and Unsatisfactory (1) – Satisfactory (7).

Table 4. 6 Key constructs and measurements

| Construct | Measurement | Measurement Scale | Reported Reliability | Sources |
|-----------------------|--|--|----------------------|------------------------|
| Event Involvement | <ol style="list-style-type: none"> 1. Exciting ----- Boring 2. Interesting ----- Uninteresting 3. Valuable ----- Worthless 4. Appealing ----- Unappealing 5. Useful ----- Useless 6. Needed ----- Not needed 7. Relevant ----- Irrelevant 8. Important ----- Unimportant | 7-point semantic differential scales | 0.93 | Shank & Beasley (1998) |
| Prior brand Knowledge | <ol style="list-style-type: none"> 1. I have experience with (Company name) brand. 2. I am familiar with (Company name) and their offerings. 3. I have expertise with (Company name) and their offerings. 4. I regularly use (Company name) brand. | 7-point Likert scales (1=strongly agree, 7=strongly disagree) | 0.90 | Lacey et al. (2010) |

| | | | | |
|--------------------------|---|--|------|----------------------------|
| Perceived CSR | <ol style="list-style-type: none"> 1. (Company name) is committed to using a portion of its profits to help nonprofits. 2. (Company name) gives back to the communities in which it does business. 3. Local nonprofits benefit from (Company name)'s contributions. 4. (Company name) integrates charitable contributions into its business activities. 5. (Company name) is involved in corporate giving. | 7-point Likert scales (1=strongly agree, 7=strongly disagree) | 0.90 | Lichtenstein et al. (2004) |
| Attitude toward Sponsor | <ol style="list-style-type: none"> 1. Bad ----- Good 2. Unfavorable ----- Favorable 3. Unsatisfactory ----- Satisfactory | 7-point semantic differential scales | 0.94 | Gwinner & Swanson (2003) |
| Consumer Blame | <ol style="list-style-type: none"> 1. How much do you blame (company name) for its' ambushing practice? 2. How responsible was (company name) for its' ambushing practice? 3. Do you think it is (company name)'s fault for engaging in ambushing practice? | 7-point Likert scales | 0.92 | Griffin et al. (1996) |
| Attitude toward Ambusher | <ol style="list-style-type: none"> 1. Bad ----- Good 2. Unfavorable ----- Favorable 3. Unsatisfactory ----- Satisfactory | 7-point semantic differential scales | 0.94 | Gwinner & Swanson (2003) |

With relation to the questions of consumers' perceived motivations for sponsorship, the answers choices were generated from literature review and preliminary interviews. Customers may attribute a company's motives for sponsoring an event as either intrinsic motives (also referred as altruistic motives), like goodwill generation, gift-giving etc., or extrinsic motives (also referred as exploitative motives), such as profit or reputation enhancement, self-promoting etc. According to Mintel (2009), consumers in the UK do not think too actively about the sponsorship and they also tend to be cynical towards sponsors' motives.

From the findings of the preliminary interviews, it is also found that most of the respondents perceived the motives for sponsorship as profit-driven. All of the suggested motives were incorporated into the question by asking the respondent “what do you think is the most important factor to motivate XX Company’s engaging in sponsorship?” The answer was then classified as an intrinsic or extrinsic motive.

For consumers’ perceived motives of ambush marketing, there is no literature that can provide a basis to form the question. The results generated from the preliminary interviews were used to phrase the question. The respondents were asked the question of “what do you think is the most important factor to motivate XX Company’s engaging in ambush marketing practice?” The response choices included high sponsorship fees, categorical exclusive rights of sponsorship, increasing sales, attack major rival’s sponsorship, and enhancement of brand awareness. The answer was then categorized as either intrinsic or extrinsic motives.

4.5.4 Pilot Study

The pilot test was conducted prior to the primary survey in order to enhance the reliability and validity of the questionnaire, and thus improve the quality of the data. Firstly, an expert panel review approach was used. The questionnaire draft was reviewed by three of the academic scholars in the Marketing Department in the University of Leeds, in order to examine the language and face validity of the questions, and to review the structure and the content of the questionnaire. Any inappropriate language and implicit expressions were revised based on their comments and feedback. Then, a pilot survey was conducted to test the scale items reliability and validity. Sudman (1976) suggests that the sample size of 20-50 for a

pilot study is sufficient to discover any major defects in questionnaires. Thus, the revised questionnaires were distributed to 50 students in Leeds University Business School. Cronbach's Alpha was employed to assess the scale reliability. Some of the questions were deleted considering both the feedback from the expert panel and the results from the pilot survey. The completed questionnaire after revisions is presented in Appendix 3 and 4.

4.5.5 Data Analysis Methods

There are three types of data included in the study: descriptive, explorative, and explanative / causal data. Descriptive data mainly deals with the respondents' demographic information and consumers' knowledge of sponsorship, while explorative data aims to capture and investigate the respondents' perceptions on the event, the sponsor, and the ambusher related factors. The causal data, however, are used to describe the relationships between variables which are hypothesized in the research model. Firstly, SPSS 17.0 was used in order to analyze the descriptive and explorative data. Frequency, mean, and standard deviation are appropriate for analysis. In addition, Cronbach's Alphas were assessed in the main survey to verify the scale reliability for each of the latent variables.

Secondly, the Structural Equation Modelling (SEM) with AMOS 20 was employed to examine the hypothesized relationships in the model. The main purpose of this research is to explore how consumers respond to ambush marketing disclosure and which factors might have an impact on their responses. Therefore the hypotheses testing of the relationships were the main focus of the study. SEM is "*a statistical methodology that takes a confirmatory approach (i.e., hypothesis-testing) to the multivariate analysis of a structural theory bearing on some phenomenon*" (Byrne, 1998, p.3). It can test the complex relationships

among observable indicators and latent variables simultaneously. Moreover, it can provide the explicit estimates of measurement errors, which cannot be performed in traditional multivariate approaches (Bentler, 1980).

Two types of variables are identified in SEM, that is, latent variable that refers to the variables that cannot be observed directly, and manifest / observed variables that can be collected scores and entered in a data file (Kline, 2011), also referred to as indicators of the latent variables. SEM contains two types of models: the measurement model and the structural model. The measurement model is to specify the relationships between latent variable and its indicators, while the structural model is to evaluate the relationships between latent variables. Generally speaking, SEM is a statistical technique that combines and integrates factor analysis to test the measurement model and path analysis to test the structural model. In the literature, two types of measurement model are identified: reflective measurement model and formative measurement models, which suggests a different assumption of the causal relationship between a latent variable and its indicators. Although the reflective measures are extensively used in the psychological and management sciences, the formative view is quite common in economics and sociology area (Coltman et al., 2008).

It is claimed that the relationship between a latent variable and its indicator is reflective when the change in the latent variable can be detected in its' indicator if variation in an indicator is associated with variation in the latent construct (Diamantopoulos & Winklhofer, 2001). With reflective measurement models, a causal relationship flows from the latent construct to the indicator. However, not all latent variables can be measured by a set of positively correlated items (Bollen

& Lennox, 1991; Edwards & Bagozzi, 2000). An alternative approach proposed by some scholars (Blalock, 1964; Diamantopoulos & Winklhofer, 2001) is to combine a number of indicators to form a construct without any assumptions of inter-correlation between these items, which is referred as a formative or causal measurement models (Edwards & Bagozzi, 2000). In this case, a causal relationship flows in the opposite direction, from the indicator to the construct. Although it may occur that the correlation between formative indicators is high, generally this situation is not expected. Therefore, Cronbach's Alpha and factor analysis, which are normally adopted to test the consistency among indicators for reflective measurements are not appropriate methods for formative measurements (Rossiter, 2002). Jarvis et al. (2003) indicate that in most of the studies the measurement model is presumably specified to be reflective without considering the constructs' formative nature. The mis-specification might result in poor scale validity and results of SEM may be strongly biased (MacKenzie et al., 2005). Thus, it is necessary to ensure the proper specification of the measurement model when using SEM.

In the present research, the model consists of six latent variables: event involvement, prior brand knowledge, perceived CSR, attitude toward the sponsor, consumer blame, and attitude toward the ambusher, all of which have several indicators for measurements. The indicators of the six latent variables, adapted from the literature, were reflective measurements. The scale reliability was verified in both previous studies in the literature and the pilot study of the current research by achieving a reliable Cronbach's Alpha. Besides, the scale reliability was tested again in the primary survey by using Confirmatory Factor Analysis

(CFA). Perceived sponsorship motives, perceived ambushing motives, and consumer blame are observed variables, which can be measured directly.

This research employed a strictly confirmative approach, in which only one pre-specified model was tested to check if the model fits the sample data well. Statistical model fit indices were employed to measure the degree of fit. Kline (2005) suggests a minimal set of fit indices that should be reported and interpreted in SEM analysis, including the model chi-square, the Steiger-Lind root mean square error of approximation (RMSEA), the Bentler comparative fit index, and the standardised root mean square residual (SRMR). Besides, in current study, the model was also assessed by using model fit indices like GFI, RMR, and CFI etc. However, there are some defects and limitations by using SEM approach. For example, it is argued that there is no universally applicable model fit index to indicate the best fit between the hypothesized model and the sample data (Brannick, 1995). Despite this weakness, the strong power of SEM leads to the popularity and wide use of it during the last 10 years in social science, psychology, marketing, and management area.

4.6 Research Biases

There are two types of error associated with most of research, namely, random error and systematic error (bias). Random errors refer to the statistical fluctuations in the measured data, while systematic errors or biases refer to *systematic deviation from what would be the most effective route to one goal because of commitment to another* (Hammersley, 2000). Both random and systematic errors can threaten and reduce the validity of the research. Random errors, however, can be evaluated and minimized by using statistical analysis of repeated

measurements, but most systematic errors or biases cannot be avoided because biases arise from various sources and can exist in the each stage of the research process. As a result, the biases can only be reduced by considering the most appropriate research design and performing an effective validation procedure.

There are many different types of biases identified in design, measurement, procedural, and sampling. The most common categories of bias include: (1) selection biases, which relates to the sample representativeness of the research population; (2) measurement biases, which refers to how the constructs are measured; and (3) intervention biases, which relates to how much the researcher, or other factors, intervene with the test subjects or respondents. In addition, type I errors (false positive), type II errors (detection failure), and type III errors (solving the wrong problem) also occur frequently due to the lack of consideration of other related exogenous factors, small sample size, inappropriate analysis and interpretation of the data, and inadequately problems identification etc.

Straub et al. (2004) provide the guideline on what aspect of validity should be performed with positivist research. It is suggested that construct validity, reliability, manipulation validity, and statistical conclusion validity are compulsory validity checks for all positivist research. Additionally, testing for common method bias is also highly recommended. Common method bias, also referred as “method halo” or “methods effects”, may occur when data are collected via only one method and/or collected at the same time (Straub et al., 2004). Four broad sources of common method bias are identified by Padsakoff et al. (2003), viz., common rater effects, item characteristic effects, item context effects, and measurement context effects. The major problem caused by common method bias

is that at least some of the observed covariation between different constructs is due to the fact that they share the same method of measurement, rather than hypothesized relationship between them (Podsakoff et al., 2003). Therefore, it is regarded as one of the main sources of measurement error that threatens the construct reliability and validity (Baumgartner & Steenkamp, 2001; Cote & Buckley, 1987; Spector, 1987). Moreover, common method bias also has a substantial influence on the observed relationships between predictor and criterion variables (Cote & Buckley 1988, Podsakoff et al., 2003). It is recommended by Straub et al. (2004) that the common methods bias can be avoided by obtaining data for the independent variables and dependent variables from different methods / sources, or testing it through SEM if only one method is used. Podsakoff et al. (2003) provide a comprehensive review of various remedies suggested in the literature to control common method biases, including **procedural remedies** like obtaining measures of the predictor and criterion variables from different sources, temporal, proximal, psychological, or methodological separation of measurement, and **statistical remedies** like Harman's single-factor test, partial correlation procedure, controlling for the effects of a directly measured latent methods factor etc. In addition, Siemsen et al. (2010) claim that although method bias can influence bivariate linear relationships, it cannot inflate (but does deflate) interaction effects. Thus the method bias can be ignored when a study is designed to test the interaction effects, rather than main effects.

According to Podsakoff et al. (2003), there is no single best way to control common method bias and which remedies are the most appropriate for the study depends on the sources of method variances and the feasibility of the remedies available for the study. Podsakoff et al. (2003) suggest a set of procedures to

control method biases. It is recommended by the scholars that the researchers should perform all of the procedural remedies related to questionnaire and item design, and then choose some additional procedural and statistical remedies if applicable and feasible by considering the following four questions: (a) Can the predictor and criterion variables be obtained from different sources? (b) Can the predictor and criterion variables be measured in different contexts? (c) Can the source of the method bias be identified? and (d) Can the method bias be validly measured? (Podsakoff et al., 2003).

For the present research, due to the time and cost constraints, it is impossible to obtain the predictor and criterion variables from different sources, nor measure them in different contexts. Moreover, the method biases arise from various sources, which cannot be easily and clearly identified. Taking the current research questions into consideration, Harman's single-factor approach (Podsakoff et al., 2003) is adopted to assess the threat of common method bias. In order to determine whether the majority of the variance can be explained by one general factor, a Confirmatory Factor Analysis was performed for the single-factor model and the six-factor model (event involvement, prior brand knowledge, perceived CSR, attitude toward sponsor, consumer blame, and attitude toward ambusher). If the problem caused by common method bias is serious, the single factor model will result in a good and better model fit than the six-factor model. On the contrary, if the single factor model leads to a poor model fit and is much worse than the six-factor model, the common method bias is not a problem. However, there are some limitations of this method. For example, it can neither identify the specific causes of the method variance nor statistically control them. Hence, this method can only be used to assess whether common method bias greatly influences the

hypothesized relationships. In addition, some other actions were taken during the process of research design to overcome the effects of bias and thus increase the reliability and validity of the research. Within the current study, due to the lack of an explicit sampling frame, non-probability sampling was employed, which means the representativeness of the population and the generalization of the results are yielded. However the limitation of the sampling method can be compensated by a large sample size. In total 800 respondents participated in the primary survey to improve the sample representativeness. In addition, taking time, cost, and feasibility into consideration, the sample was selected based on the accessibility and convenience in UK. However the two cities chosen for data collection are two of the biggest cities in UK, which improves a certain level of representativeness. Moreover, the measurement bias exists when the effects of data collection and measurement are not controlled. Bias can be reduced by improving the quality of the measurements. Most of the measures used in the study were taken from the literature with high reliability and confirmed validity. Besides, the expert panel and pilot survey were adopted to test the validity and reliability of the measurements before the primary survey. In addition, during the process of the face-to-face survey interviews, the researcher tried not to express any personal attitude, opinions, or feeling regarding the issue to ensure the respondents answer the question independently without the influence of the researcher. Finally, the answers given by the respondents might be biased because the respondents filled in the questionnaire just after reading the ambush marketing scenario case provided. In the real world, however, the influence of the ambushing disclosure may be less time constrained and effects may take time to develop.

4.7 Summary

The research philosophies and approaches are firstly described in this chapter. Positivism with a deductive approach was mainly adopted for theory verification according to the nature of the research problems. In addition, interpretivism with an inductive approach was used in combination with positivism to gain a more comprehensive and in-depth understanding of the research problem, and to help formulate a more clinical and valid research design. Then the research design and the specific strategies used to select the sample and collect the data were considered. Exploratory research was adopted to gain a better understanding of the research problem and to identify the relevant factors and their relationships. Moreover, descriptive research was adopted to obtain the demographic information of the respondents, investigate their perceptions and attitude, and test the hypothesized relationships among variables.

As to the data collection, preliminary interviews were firstly conducted to verify the variables and the interrelationships in the model. Then a preliminary survey was employed to examine whether consumers perceive each type of ambushing strategy negatively. Two types of ambushing (predatory and associative) were identified and included as research contexts for the primary survey. Subsequently, the whole process of the questionnaire development for the main survey was demonstrated. It is followed by a pilot study, which was conducted to enhance the validity and the reliability of the questionnaire. In addition, the statistical methods employed for data analysis were described. Finally, the issues regarding the research biases in the current study were discussed.

Chapter 5 Data Analysis

5.1 Chapter Overview

This chapter presents the data analysis results from the primary survey. Section 5.2 includes the descriptive analysis of the demographic data of the respondents, and the results from the exploratory research analysis regarding consumers' knowledge of, and perceptions of sponsorship and ambush marketing activities. Section 5.3 presents the results from the analysis of the measurement model and structural model in a predatory ambush marketing context. It includes the mean scores, standard deviation, scale reliability and validity, skewness and kurtosis scores of the measurement items, hypotheses testing of the research model, and moderation and mediation effects of consumers' perceived motives. Section 5.4 reports the results from the data collected in an associative ambush marketing context, which follows the same format as Section 5.3. The final section provides a summary of the data analysis results.

5.2 Summary of Respondents and Statistical Analysis

5.2.1 Demographic Characteristics

This section provides the results generated from descriptive data analysis. Table 5.1 provides a summary of the demographic characteristics of respondents. As can be seen in this table, there were 800 respondents in the study, 429 of males (53.6%) and 371 of females (46.4%).

Table 5. 1 Demographic characteristics of respondents

| Demographic Information | Classification | Frequency (N=800) | Valid Percent (%) |
|--------------------------------|-----------------------|--------------------------|--------------------------|
| Gender | Male | 429 | 53.6 |
| | Female | 371 | 46.4 |
| | Total | 800 | 100.0 |
| Age Group | Up to 26 | 68 | 8.5 |
| | 26-35 | 218 | 27.3 |
| | 36-45 | 232 | 29.0 |
| | 46-55 | 146 | 18.3 |
| | 56-65 | 106 | 13.3 |
| | 66 and above | 30 | 3.8 |
| | Total | 800 | 100.0 |
| Marital Status | Single | 314 | 39.3 |
| | Married | 486 | 60.8 |
| | Total | 800 | 100.0 |
| Annual Income | £0-10,000 | 108 | 13.5 |
| | £10,001-25,000 | 344 | 43.0 |
| | £25,001-40,000 | 226 | 28.3 |
| | £40,001-60,000 | 102 | 12.8 |

| | | | |
|------------------------|----------------------|-----|-------|
| | Above 60,000 | 20 | 2.5 |
| | Total | 800 | 100.0 |
| Education Level | High school or below | 71 | 8.9 |
| | College | 281 | 35.1 |
| | Undergraduate | 300 | 37.5 |
| | Postgraduate | 148 | 18.5 |
| | Total | 800 | 100.0 |

5.2.2 Consumers' Knowledge and Perceptions

This section presents the results of the exploratory data analysis with regard to consumers' knowledge of sponsorship and their perceptions/attitudes toward ambush marketing practice. Table 5.2 reports the frequencies of consumers' knowledge of sponsorship based on four key questions. The findings suggest that most of the respondents know that the official sponsors have the exclusive rights to use the Olympic Logo. However, only half of them understand the different levels of sponsorship. In addition, the majority of the respondents are aware of the existence of ambush marketing practice.

Table 5. 2 Frequency of consumers' knowledge of sponsorship

| Q1. "The official Olympic logo can be used only by the official sponsors of the event." | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
|--|----------------------|----------------------|---------------------------|
| Yes | 712 | 89.0 | 89.0 |
| No | 88 | 11.0 | 100.0 |

| | | | |
|---|----------------------|----------------------|---------------------------|
| Total | 800 | 100.0 | |
| Q2. “Only commercials of Olympic sponsors can be shown during the Olympic telecast.” | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
| Yes | 640 | 80.0 | 80.0 |
| No | 160 | 20.0 | 100.0 |
| Total | 800 | 100.0 | |
| Q3. “Companies that are official sponsors of Olympic Games provide a higher level of support than companies that are official partners.” | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
| Yes | 395 | 49.4 | 49.4 |
| No | 405 | 50.6 | 100.0 |
| Total | 800 | 100.0 | |
| Q4. “Some companies try to present themselves as official sponsors without paying the fee to be official sponsors.” | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
| Yes | 702 | 87.8 | 87.8 |
| No | 98 | 12.3 | 100.0 |
| Total | 800 | 100.0 | |

Table 5.3 provides the frequencies of consumers’ perceptions of ambush marketing practice, and the Table 5.4 shows the mean scores and the standard deviation of consumer’s perceptions of ambush marking practice. It is suggested

from the results that the respondents think non-sponsors should not mislead consumers as to who is the official sponsor and they moderately agree that ambush marketing is unfair marketing practice. However, they are inclined to be neutral in relation to ethical issues of ambush marketing, and they are not really annoyed by it.

Table 5. 3 Frequency of consumer's perceptions of ambush marketing practice

| Q1. “Non-sponsors should not lead consumers to believe they are official sponsors of the Olympic Games.” | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
|---|----------------------|----------------------|---------------------------|
| 1. Strongly Disagree | 36 | 4.5 | 4.5 |
| 2. Moderately Disagree | 109 | 13.6 | 18.1 |
| 3. Neutral | 235 | 29.4 | 47.5 |
| 4. Moderately Agree | 254 | 31.8 | 79.3 |
| 5. Strongly Agree | 166 | 20.8 | 100.0 |
| Total | 800 | 100.0 | |
| Q2. “It is unfair for companies to associate themselves with the Olympic Games without being official sponsors.” | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
| 1. Strongly Disagree | 25 | 3.1 | 3.1 |
| 2. Moderately Disagree | 96 | 12.0 | 15.1 |
| 3. Neutral | 196 | 24.5 | 39.6 |
| 4. Moderately Agree | 322 | 40.3 | 79.9 |

| | | | |
|-------------------|-----|-------|-------|
| 5. Strongly Agree | 161 | 20.1 | 100.0 |
| Total | 800 | 100.0 | |

Q3. “The practice of associating with the Olympic Games without being an official sponsor is unethical.”

| | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
|------------------------|----------------------|----------------------|---------------------------|
| 1. Strongly Disagree | 71 | 8.9 | 8.9 |
| 2. Moderately Disagree | 167 | 20.9 | 29.8 |
| 3. Neutral | 224 | 28.0 | 57.8 |
| 4. Moderately Agree | 224 | 28.0 | 85.8 |
| 5. Strongly Agree | 114 | 14.3 | 100.0 |
| Total | 800 | 100.0 | |

Q4. “I am annoyed by companies trying to associate themselves with the Olympic Games without being official sponsors.”

| | Frequency (N=800) | Valid Percent (%) | Cumulative Percent (%) |
|------------------------|----------------------|----------------------|---------------------------|
| 1. Strongly Disagree | 95 | 11.9 | 11.9 |
| 2. Moderately Disagree | 230 | 28.8 | 40.6 |
| 3. Neutral | 227 | 28.4 | 69.0 |
| 4. Moderately Agree | 174 | 21.8 | 90.8 |
| 5. Strongly Agree | 74 | 9.3 | 100.0 |
| Total | 800 | 100.0 | |

Table 5. 4 Mean scores and standard deviation of consumers' perceptions of ambush marketing practice

| Statements | Mean | Standard Deviation |
|--|------|--------------------|
| Non-sponsors should not lead consumers to believe they are official sponsors of the Olympic Games. | 3.51 | 1.10 |
| It is unfair for companies to associate themselves with the Olympic Games without being official sponsors. | 3.62 | 1.03 |
| The practice of associating with the Olympic Games without being an official sponsor is unethical. | 3.18 | 1.18 |
| I am annoyed by companies trying to associate themselves with the Olympic Games without being official sponsors. | 2.88 | 1.16 |

When comparing the means between the predatory ambushing group and the associative ambushing group in terms of event involvement, attitude toward sponsor, prior knowledge, perceived CSR, consumer blame, and attitude toward ambusher, there are no significant differences found between the two groups except for consumer blame. It is reported that the mean scores of consumer blame are 3.76 (SD=1.26) and 3.38 (SD=1.07) respectively in the predatory and associative ambushing contexts. The results generated from independent sample t-test ($t=4.58$ at $p<.001$) suggest that consumers' perceived degree of blame in the predatory ambushing group is significantly higher than that of the associative ambushing group. In both of the two groups, the degree of consumers' blame is lower than 4, which again indicates that consumers are not really annoyed by ambushing practice. The next two sections will examine the model and test the hypotheses in the two ambushing contexts respectively.

5.3 Research Model and Hypotheses Testing in SEM

The study follows three stages of analysis for hypotheses testing. First, the measurement model is examined to ensure the normality of the data and the reliability and validity of constructs. Second, the structural model is tested in which the event-related, sponsor-related, and ambusher-related factors are proposed to simultaneously influence consumers' response to a company's ambushing practice. The model is examined separately in predatory ambushing and associative ambushing contexts and multigroup analysis is then adopted to test the significant level of the differences between two ambushing cases. Finally, the hypotheses in relation to consumers' perceived motives for sponsorship and ambush marketing are tested under both ambushing scenarios.

5.3.1 The Measurement Model

One of the main concerns about the data when using Maximum Likelihood (ML) estimation in SEM is whether the sample has a multivariate normal distribution, as the ML estimation method is very sensitive to distributional characters of the data. A lack of multivariate normality will lead to inflated chi-square statistics, which is more likely to lead to rejection of a well-fit model (Hair et al., 1998). According to Finch (1993), increased non-normality can result in the increased bias of standard errors for ML. Therefore, the univariate and multivariate normality check will be firstly performed before primary data analysis in SEM. Skewness and Kurtosis values are used to assess the data normality. Skewness refers to the measure of the symmetry of the distribution, while kurtosis refers to the peaks and troughs of the distribution. It is suggested that the absolute values of skewness and kurtosis less than 1.0 are perceived as slight non-normality, the values between 1.0 and 2.3 as moderate non-normality, and the values beyond 2.3

as severe non-normality (Lei & Lomax, 2005). As can be seen from Table 5.5, all of the univariate skew and kurtosis scores for each measurement are within the range between -1 and +1, which reflects a good normal distribution. Moreover, the critical value of multivariate kurtosis is 1.548, which also demonstrates that the data meets the prescribed requirement.

Table 5. 5 Assessment of normality

| Variable | min | max | skew | c.r. | kurtosis | c.r. |
|-----------------|------------|------------|-------------|-------------|-----------------|-------------|
| AA3 | 1.000 | 7.000 | .025 | .287 | -.646 | -3.731 |
| AA2 | 1.000 | 7.000 | .046 | .531 | -.679 | -3.921 |
| AA1 | 1.000 | 7.000 | .045 | .517 | -.573 | -3.311 |
| CB3 | 1.000 | 7.000 | .082 | .952 | -.540 | -3.117 |
| CB2 | 1.000 | 7.000 | -.067 | -.768 | -.630 | -3.640 |
| CB1 | 1.000 | 6.000 | -.005 | -.054 | -.679 | -3.921 |
| AS3 | 1.000 | 7.000 | .161 | 1.860 | -.513 | -2.960 |
| AS2 | 1.000 | 7.000 | .179 | 2.069 | -.391 | -2.260 |
| AS1 | 1.000 | 7.000 | .096 | 1.110 | -.432 | -2.494 |
| CSR1 | 1.000 | 7.000 | .050 | .573 | -.382 | -2.204 |
| CSR2 | 1.000 | 7.000 | .031 | .359 | -.539 | -3.114 |
| CSR3 | 1.000 | 7.000 | .029 | .339 | -.660 | -3.810 |
| CSR4 | 1.000 | 7.000 | .023 | .269 | -.574 | -3.315 |
| CSR5 | 1.000 | 7.000 | .077 | .890 | -.343 | -1.982 |
| PK1 | 1.000 | 7.000 | .114 | 1.318 | -.246 | -1.419 |
| PK2 | 1.000 | 7.000 | .091 | 1.053 | -.188 | -1.086 |
| PK3 | 1.000 | 7.000 | .074 | .849 | -.205 | -1.183 |
| PK4 | 1.000 | 7.000 | .047 | .548 | -.453 | -2.616 |
| EI1 | 1.000 | 7.000 | .076 | .878 | -.548 | -3.165 |
| EI2 | 1.000 | 7.000 | .108 | 1.248 | -.559 | -3.227 |

| | | | | | | |
|---------------------|-------|-------|-------|-------|-------|--------|
| EI3 | 1.000 | 7.000 | .049 | .569 | -.458 | -2.646 |
| EI4 | 1.000 | 7.000 | .044 | .509 | -.557 | -3.215 |
| EI5 | 1.000 | 7.000 | .081 | .932 | -.466 | -2.693 |
| EI6 | 1.000 | 7.000 | .043 | .495 | -.579 | -3.345 |
| EI7 | 1.000 | 7.000 | -.056 | -.643 | -.632 | -3.647 |
| EI8 | 1.000 | 7.000 | -.013 | -.153 | -.605 | -3.493 |
| Multivariate | | | | | 4.176 | 1.548 |

In addition, it is essential to evaluate the reliability and validity of the constructs before primary analysis in SEM. Reliability refers to the degree to which the scores are free from random measurement error, while validity refers to the soundness of the inferences based on the scores and whether the scores measure what they are supposed to measure (Thompson, 2003). Cronbach's Alpha is firstly used to report the internal consistency reliability of the measurements, which should be greater than .70 to achieve a reliable level according to Peterson (1994). Moreover, the Composite Reliability (CR) coefficients are also reported to indicate the internal consistency of the measurements. It is suggested that a composite reliability should be higher than .70 (Nunnally, 1978). In addition, Average Variance Extracted (AVE), proposed by Fornell & Larcker (1981), was employed to measure the amount of variance explained by the indicators relative to the amount of variance due to measurement error. The AVE should be greater than .50 to achieve an internal consistency level (Chin, 1998). As shown in Table 5.6, all of the scores of Cronbach's Alpha, CR, and AVE are above the suggested level.

According to Fornell & Cha (1994), convergent validity and discriminant validity can be guaranteed if the value of Average Variance Extracted (AVE)

reaches at .50 level. Moreover, convergent validity is also achieved when CR is greater than AVE. As shown in Table 5.6, all the CR values are higher than AVE, which ensures convergent validity of the measurements. Discriminant validity refers to the extent to which a latent variable is distinct and different from other variables (Bentler, 1995). According to Joreskog (1971), discriminant validity can be assessed for the pairs of the constructs by constraining the correlation parameter at 1.0 and then performing a chi-square difference test on the chi-square values obtained from the constrained and unconstrained models. Moreover, discriminant validity is also achieved when the square root of the AVE is greater than the correlation between constructs (Fornell & Larcker, 1981). In this study, the results show that the unconstrained model has a significant lower chi-square value than the constrained model for each possible pair of the constructs. The correlation matrix is shown in Table 5.7. In all cases, the square root of the AVE is larger than the correlation. which suggests that discriminant validity is achieved.

Table 5. 6 Descriptive and reliability tests of measurement items

| Items | | Mean | Standard Deviation | Cronbach's Alpha | CR | AVE | Corrected Item-Total Correlation | Squared Multiple Correlation | Standardized Factor Loading |
|--------------------------|-----|-------|--------------------|------------------|-------|-------|----------------------------------|------------------------------|-----------------------------|
| Event Involvement | EI1 | 4.137 | 1.393 | 0.922 | 0.922 | 0.618 | .777 | .620 | .766 |
| | EI2 | 4.155 | 1.412 | | | | .804 | .663 | .738 |
| | EI3 | 3.921 | 1.272 | | | | .611 | .401 | .797 |
| | EI4 | 4.105 | 1.396 | | | | .763 | .591 | .812 |
| | EI5 | 4.165 | 1.378 | | | | .768 | .600 | .642 |
| | EI6 | 4.086 | 1.409 | | | | .709 | .518 | .838 |
| | EI7 | 3.997 | 1.462 | | | | .731 | .538 | .823 |
| | EI8 | 4.077 | 1.431 | | | | .730 | .539 | .821 |

| | | | | | | | | | |
|--|------|-------|-------|-------|-------|-------|------|------|------|
| Attitude toward Sponsor | AS1 | 3.406 | 1.373 | | | | .790 | .625 | .846 |
| | AS2 | 3.571 | 1.377 | 0.890 | 0.889 | 0.728 | .788 | .622 | .794 |
| | AS3 | 3.490 | 1.388 | | | | .774 | .600 | .762 |
| Prior Brand Knowledge | PK1 | 3.446 | 1.283 | | | | .737 | .548 | .770 |
| | PK2 | 3.432 | 1.278 | | | | .787 | .624 | .827 |
| | PK3 | 3.430 | 1.258 | 0.892 | 0.892 | 0.674 | .767 | .598 | .752 |
| | PK4 | 3.467 | 1.300 | | | | .755 | .571 | .783 |
| Perceived Corporate Social Responsibility | CSR1 | 3.453 | 1.253 | | | | .721 | .527 | .870 |
| | CSR2 | 3.490 | 1.284 | | | | .691 | .497 | .841 |
| | CSR3 | 3.437 | 1.298 | 0.885 | 0.885 | 0.667 | .770 | .594 | .848 |
| | CSR4 | 3.511 | 1.298 | | | | .716 | .531 | .854 |
| | CSR5 | 3.482 | 1.333 | | | | .711 | .516 | .877 |
| Consumer Blame | CB1 | 3.506 | 1.254 | | | | .767 | .591 | .845 |
| | CB2 | 3.551 | 1.304 | 0.877 | 0.876 | 0.703 | .777 | .606 | .796 |
| | CB3 | 3.652 | 1.396 | | | | .751 | .564 | .830 |
| Attitude toward Ambusher | AA1 | 3.535 | 1.385 | | | | .779 | .609 | .887 |
| | AA2 | 3.447 | 1.374 | 0.893 | 0.894 | 0.737 | .808 | .653 | .818 |
| | AA3 | 3.410 | 1.375 | | | | .784 | .618 | .760 |

In addition, Confirmatory Factor Analysis (CFA) was performed to assess the measurement model. All of the factor loadings of the indicators on their latent variables are high and statistically significant (see Table 5.6), which further confirm the convergent validity of the constructs (Anderson & Gerbing, 1988). Table 5.8 summarizes the measurement model fit indices in predatory ambushing context. The results show that the model fit the data well ($\chi^2 = 602.053$ with 284 degree of freedom, $p = .00$, $\chi^2/df = 2.120$, TLI = .976, GFI = .944, AGFI = .931, CFI = .979, RMSEA = .037, and PCLOSE = 1.000).

Table 5. 7 Correlation matrix

| | Event Involvement | Attitude toward Sponsor | Prior Brand Knowledge | Perceived CSR | Consumer Blame | Attitude toward Ambusher |
|--------------------------|-------------------|-------------------------|-----------------------|---------------|----------------|--------------------------|
| Event Involvement | 1 | | | | | |
| Attitude toward Sponsor | .634** | 1 | | | | |
| Prior Brand Knowledge | -.467** | -.403** | 1 | | | |
| Perceived CSR | -.498** | -.445** | .776** | 1 | | |
| Consumer Blame | .756** | .596** | -.581** | -.590** | 1 | |
| Attitude toward Ambusher | -.602** | -.511** | .697** | .715** | -.686** | 1 |

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

Table 5. 8 Measurement model fit indices in predatory ambushing context

| Model | χ^2 | χ^2/df | TLI | GFI | AGFI | CFI | RMSEA | PCLOSE |
|----------------------------|---------------------------------|-------------|------|------|------|------|-------|--------|
| Measurement model | 602.053 (d.f.=284, p=.00) | 2.120 | .976 | .944 | .931 | .979 | .037 | 1.000 |
| Recommended Cut-off | ————— | < 3 | >.95 | >.90 | >.80 | >.90 | <.05 | >.05 |

Finally, Harman’s single-factor approach (Podsakoff et al., 2003) is adopted to assess the threat of common method bias. A confirmatory Factor Analysis was performed respectively for the single-factor model and the six-factor model (event involvement, prior knowledge, perceived CSR, attitude toward sponsor, consumer blame, and attitude toward ambusher). The single factor model will result in a better model fit than the six-factor model if the problem caused by common

method bias is serious. The results show that there is no significant influence of common method bias in this case as the fit of the single factor model is poor and much worse than the fit of the six-factor model ($\chi^2 = 4799.658$, $df = 299$, $\chi^2/df = 16.052$, $RMR = 0.196$, $GFI = 0.487$, $AGFI = 0.397$, $RMSEA = 0.137$, $PCLOSE = 0.000$, $\Delta\chi^2 = 4197.605$, $\Delta df = 15$, $p \leq .001$). Therefore, common method bias is not a problem in this study. All of the above tests show that the measurement model is reliable and valid, and the data are ready for primary analysis in SEM.

5.3.2 The Structural Model

5.3.2.1 Predatory Ambushing

The correlation coefficients between latent variables and the descriptive statistics are presented in Table 5.9. All of the correlation coefficients are significant at $p < .01$ level. Considering some of the correlations are high, a multicollinearity check among all the independent variables is performed in SPSS. The results indicate that there is no multicollinearity problems raised.

Table 5.9 Correlation matrix and descriptive statistics

| | Event Involvement | Attitude toward Sponsor | Prior Knowledge | Perceived CSR | Consumer Blame | Attitude toward Ambusher |
|-------------------------|-------------------|-------------------------|-----------------|---------------|----------------|--------------------------|
| Event Involvement | 1 | | | | | |
| Attitude toward Sponsor | .722** | 1 | | | | |
| Prior Knowledge | -.324** | -.278** | 1 | | | |
| Perceived CSR | -.339** | -.294** | .765** | 1 | | |

| | | | | | | |
|---------------------------------|---------|---------|---------|---------|---------|------|
| Consumer Blame | .826** | .702** | -.445** | -.459** | 1 | |
| Attitude toward Ambusher | -.537** | -.524** | .646** | .650** | -.645** | 1 |
| Mean | 3.70 | 3.47 | 3.39 | 3.47 | 3.76 | 3.41 |
| S.D. | 1.10 | 1.13 | .95 | .99 | 1.26 | 1.26 |

**p < .01

Table 5.10 shows the statistical results drawn from the SEM analysis in AMOS based on maximum likelihood estimation. The table contains the coefficient estimates, standardized estimates, standard error, critical ratio, p value, and if a hypothesis is supported or not. Totally there are eight hypotheses supported at $p < .05$ level, whereas one of them is not supported. Specifically, consumers' perceived CSR (standardized coefficient = $-.077$, C.R. = $-.956$, $p > .05$) has no significant effect on the consumers' degree of blame attributed to a company's ambushing practice in a predatory ambushing context. In addition, the coefficient estimates and the standardized coefficient estimate of the indirect effects are also included in the table. For most of the indirect paths, the mediation effects are not significant and much lower compared to the direct effects. However, it is worthy to mention that there are three paths (Path 2, 3, 4 in the indirect effect part of Table 5.10) of the indirect effects of event involvement on attitude toward ambusher with the total standardized indirect effect $-.398$. As there is no direct effect from event involvement to attitude toward ambusher, it can be concluded that event involvement has a strong indirect effect on attitude toward ambusher through attitude toward sponsor and consumer blame. The model with

the standardized coefficients results and their significant levels are clearly described in Figure 5.1. In addition, Table 5.11 summarizes the model fit indices. Chi-square is 479.706 with 287 degree of freedom, which is significant at $p < .01$ level. It is expected to be significant due to the sensitivity of chi-square statistics to sample size (Baggozzi & Yi, 1988). However, all other fit indices show that the model fit the data well ($\chi^2/df = 1.671$, TLI = .970, GFI = .916, AGFI = .897, CFI = .974, RMSEA = .041, and PCLOSE = .991).

Table 5. 10 Structural model results

| Path | | Estimate | Standardized Estimate | S.E. | C.R. | P | Hypotheses Supported? |
|--|----------------------------|----------|-----------------------|------|--------|------|-----------------------|
| Direct Effect | | | | | | | |
| Event Involvement | → Attitude toward Sponsor | .688 | .830*** | .048 | 14.253 | .000 | Yes |
| Event Involvement | → Consumer Blame | .766 | .707*** | .075 | 10.240 | .000 | Yes |
| Attitude toward Sponsor | → Consumer Blame | .220 | .169** | .082 | 2.685 | .007 | Yes |
| Prior Knowledge | → Consumer Blame | -.232 | -.162* | .116 | -2.001 | .045 | Yes |
| Perceived CSR | → Consumer Blame | -.099 | -.077 | .104 | -.956 | .339 | No |
| Prior Knowledge | → Attitude toward Ambusher | .454 | .333** | .143 | 3.177 | .001 | Yes |
| Perceived CSR | → Attitude toward Ambusher | .282 | .228* | .126 | 2.240 | .025 | Yes |
| Attitude toward Sponsor | → Attitude toward Ambusher | -.222 | -.178* | .105 | -2.110 | .035 | Yes |
| Consumer Blame | → Attitude toward Ambusher | -.282 | -.295** | .089 | -3.153 | .002 | Yes |
| Indirect Effect | | | | | | | |
| 1. Event involvement → Attitude toward sponsor → Consumer Blame | | .151 | .140 | | | | |
| 2. Event involvement → Attitude toward sponsor → Attitude toward ambusher | | -.153 | -.148 | | | | |
| 3. Event involvement → Attitude toward sponsor → Consumer blame → Attitude toward ambusher | | -.043 | -.041 | | | | |

| | | |
|--|--------|--------|
| 4. Event involvement → Consumer blame → Attitude toward ambusher | -0.216 | -0.209 |
| 5. Attitude toward sponsor → Consumer blame → Attitude toward ambusher | -0.062 | -0.050 |
| 6. Prior knowledge → Consumer blame → Attitude toward ambusher | .065 | .048 |
| 7. Perceived CSR → Consumer blame → Attitude toward ambusher | .028 | .023 |

*** p < .001

** p < .01

* p < .05

Table 5. 11 Model fit indices summary

| Model | χ^2 | χ^2/df | TLI | GFI | AGFI | CFI | RMSEA | PCLOSE |
|----------------------------|---------------------------------|-------------|------|------|------|------|-------|--------|
| Whole model | 479.706 (d.f.=287, p=.00) | 1.671 | .970 | .916 | .897 | .974 | .041 | .991 |
| Recommended Cut-off | | < 3 | >.95 | >.90 | >.80 | >.90 | <.05 | >.05 |

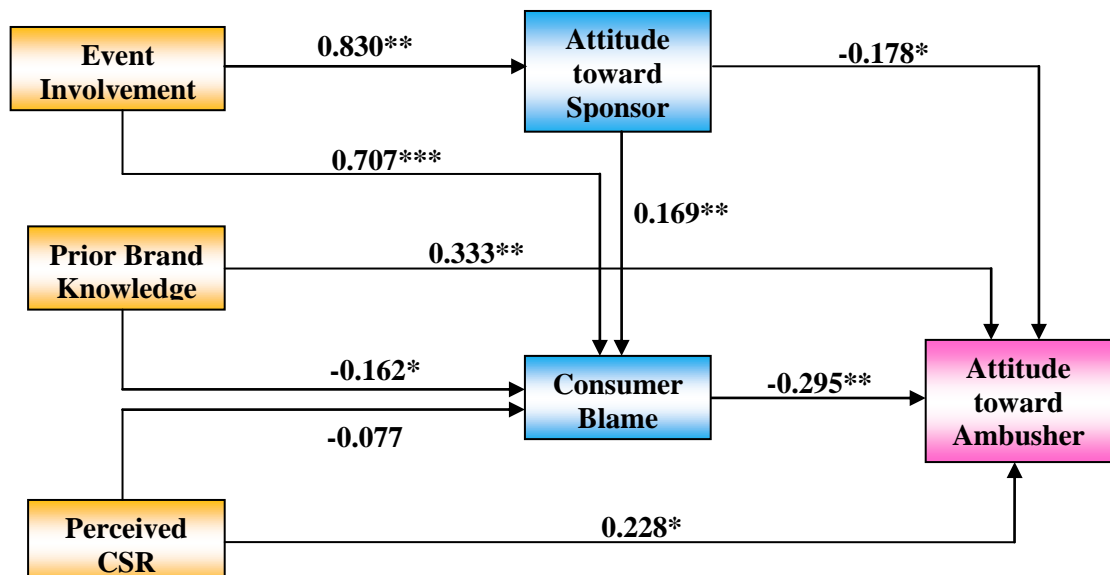


Figure 5. 1 Structural model in predatory ambushing context

5.3.2.2 Associative Ambushing

The correlation coefficients between the latent variables and the descriptive statistics are presented in Table 5.12. All of the correlation coefficients are significant at the $p < .01$ level. A multicollinearity check among independent variables is performed in SPSS considering some of the correlations are high. The results show that there are no multicollinearity problems raised.

Table 5. 12 Correlation matrix and descriptive statistics

| | Event Involvement | Prior Knowledge | Perceived CSR | Attitude toward Sponsor | Consumer Blame | Attitude toward Ambusher |
|---------------------------------|--------------------------|------------------------|----------------------|--------------------------------|-----------------------|---------------------------------|
| Event Involvement | 1 | | | | | |
| Prior Knowledge | -.632** | 1 | | | | |
| Perceived CSR | -.684** | .787** | 1 | | | |
| Attitude toward Sponsor | .763** | -.580** | -.637** | 1 | | |
| Consumer Blame | .788** | -.729** | -.750** | .720** | 1 | |
| Attitude toward Ambusher | -.647** | .749** | .777** | -.662** | -.745** | 1 |
| Mean | 4.47 | 3.50 | 3.48 | 3.51 | 3.38 | 3.52 |
| Standard Deviation | 1.04 | 1.25 | 1.15 | 1.36 | 1.07 | 1.24 |

Table 5.13 shows the results of the structural model based on maximum likelihood estimation. The table contains the coefficient estimates, standardized estimates, standard error, critical ratio, p value, and confirms whether hypotheses are supported or not. All of the hypotheses are supported at $p < .05$ level. The model with the standardized coefficient estimates are clearly illustrated in Figure 5.2. Moreover, most of the indirect effects can be ignored, except event involvement on attitude toward ambusher with the sum of standardized indirect effect $-.235$ through Path 2, 3, and 4. As there is no direct effect from event involvement to attitude toward ambusher, the conclusion can be drawn that event involvement has a strong indirect effect on attitude toward ambusher through attitude toward sponsor and consumer blame. In addition, Table 5.14 summarizes the model fit indices. Chi-square is 538.853 with 287 degree of freedom ($p < .01$) due to its sensitivity to the sample size and model complexity. However, all other fit indices show that the model fit the data well ($\chi^2/df = 1.878$, TLI = .966, GFI = .905, AGFI = .884, CFI = .970, RMSEA = .047, and PCLOSE = .795).

Table 5. 13 Structural model results

| Path | | Estimate | Standardized Estimate | S.E. | C.R. | P | Hypotheses Supported |
|--|----------------------------|----------|-----------------------|------|--------|------|----------------------|
| Direct Effect | | | | | | | |
| Event Involvement | → Attitude toward Sponsor | 1.350 | .839*** | .103 | 13.052 | .000 | Yes |
| Event Involvement | → Consumer Blame | .613 | .466*** | .105 | 5.817 | .000 | Yes |
| Attitude toward Sponsor | → Consumer Blame | .110 | .134* | .048 | 2.284 | .022 | Yes |
| Prior Knowledge | → Consumer Blame | -.207 | -.233** | .064 | -3.249 | .001 | Yes |
| Perceived CSR | → Consumer Blame | -.193 | -.186* | .087 | -2.213 | .027 | Yes |
| Prior Knowledge | → Attitude toward Ambusher | .190 | .208* | .077 | 2.471 | .013 | Yes |
| Perceived CSR | → Attitude toward Ambusher | .450 | .421*** | .106 | 4.261 | .000 | Yes |
| Attitude toward Sponsor | → Attitude toward Ambusher | -.109 | -.129* | .048 | -2.260 | .024 | Yes |
| Consumer Blame | → Attitude toward Ambusher | -.224 | -.218* | .095 | -2.349 | .019 | Yes |
| Indirect Effect | | | | | | | |
| 1. Event involvement → Attitude toward sponsor → Consumer Blame | | .125 | .113 | | | | |
| 2. Event involvement → Attitude toward sponsor → Attitude toward ambusher | | -.147 | -.108 | | | | |
| 3. Event involvement → Attitude toward sponsor → Consumer blame → Attitude toward ambusher | | -.033 | -.025 | | | | |
| 4. Event involvement → Consumer blame → Attitude toward ambusher | | -.138 | -.102 | | | | |
| 5. Attitude toward sponsor → Consumer blame → Attitude toward ambusher | | -.025 | -.029 | | | | |
| 6. Prior knowledge → Consumer blame → Attitude toward ambusher | | .047 | .051 | | | | |
| 7. Perceived CSR → Consumer blame → Attitude toward ambusher | | .043 | .041 | | | | |

*** p < .001

** p < .01

* p < .05

Table 5. 14 Model fit indices summary

| Model | χ^2 | χ^2/df | TLI | GFI | AGFI | CFI | RMSEA | PCLOSE |
|----------------------------|---------------------------------|-------------|------|------|------|------|-------|--------|
| Whole model | 538.853 (d.f.=287, p=.00) | 1.878 | .966 | .905 | .884 | .970 | .047 | .795 |
| Recommended Cut-off | — | < 3 | >.95 | >.90 | >.80 | >.90 | <.05 | >.05 |

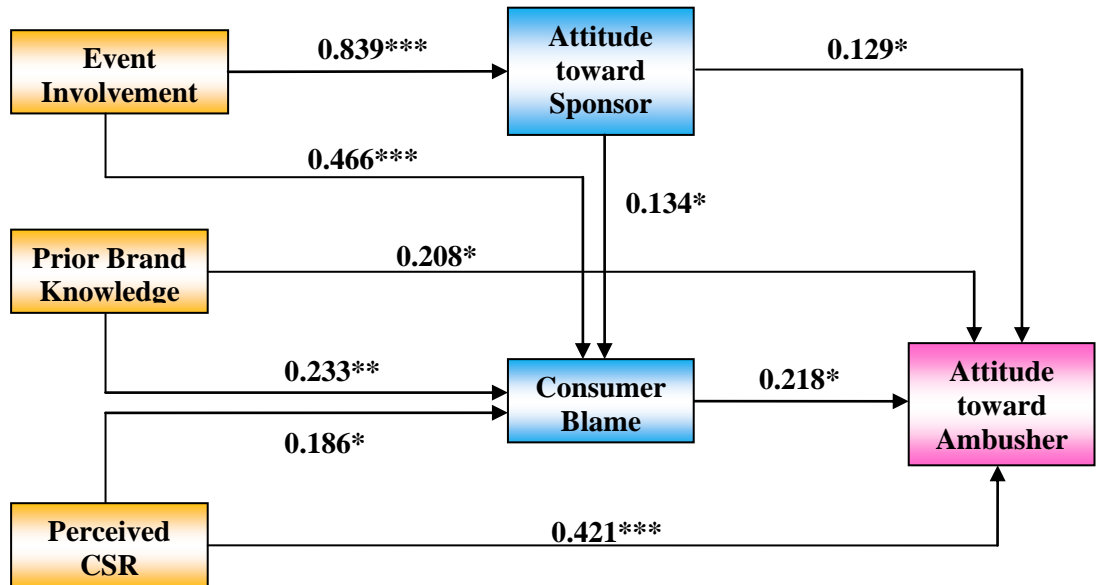


Figure 5. 2 Structural model in associative ambushing context

5.3.2.3 Multi-group Analysis in AMOS

Multi-group analysis is used to test the moderating effect of ambush marketing type on the relationships between perceived CSR and consumer blame, and between perceived CSR and attitude toward ambusher. The fully unconstrained model is firstly examined in which all paths are free to vary across the two groups. It is the baseline model for the comparison and demonstrates good model fit with the data ($\chi^2 = 1018.558$, $df = 574$, $p < .001$, $\chi^2/df = 1.774$, $GFI = .910$, $CFI = .972$, $NFI = .938$, and $RMSEA = .031$). Next, all the path coefficients are constrained to be equal across the two groups to assess the model ($\chi^2 = 1250.966$, $df = 603$, $p < .001$, $\chi^2/df = 2.075$, $GFI = .891$, $CFI = .959$, $NFI = .924$, and $RMSEA = .037$). The constrained model is compared with the unconstrained baseline model. The differences in χ^2 ($\Delta\chi^2 = 232.408$, $\Delta df = 29$, $p < .001$) are significant, which suggests that the two groups are significantly different at the model level. Then, the moderating effect of ambushing type is tested for each hypothesized paths by independently constraining each of the paths. A significant difference in χ^2 between the constrained and unconstrained model indicates that the paths are significantly different across the two groups and thus the moderating effect is confirmed. As shown in Table 5.15, the results support the hypotheses that ambushing strategy moderate the relationship between perceived CSR and consumer blame ($\Delta\chi^2 = 4.681$, $\Delta df = 1$, $p < .05$), and the relationship between perceived CSR and attitude toward ambusher ($\Delta\chi^2 = 4.049$, $\Delta df = 1$, $p < .05$). It is indicated that perceived CSR has a significant stronger impact on consumer blame and attitude toward ambusher in associative ambushing context than in predatory ambushing context. Therefore, it can be concluded that ambush marketing strategy moderate the relationship between perceived CSR and consumer blame, and the relationship between perceived CSR and attitude toward ambusher, which means hypothesis 16 and 17 are supported.

Table 5. 15 Multi-group analysis results

| Path | | Predatory Ambushing | Associative Ambushing | Significantly Different? |
|-------------------------|----------------------------|-----------------------|-----------------------|--------------------------|
| | | Standardized Estimate | Standardized Estimate | |
| Event Involvement | → Attitude toward Sponsor | .830*** | .839*** | No |
| Event Involvement | → Consumer Blame | .707*** | .466*** | No |
| Attitude toward Sponsor | → Consumer Blame | .169** | .134* | No |
| Prior Knowledge | → Consumer Blame | -.162* | -.233** | No |
| Perceived CSR | → Consumer Blame | -.077 | -.186* | Yes |
| Prior Knowledge | → Attitude toward Ambusher | .333** | .208* | No |
| Perceived CSR | → Attitude toward Ambusher | .228* | .421*** | Yes |
| Attitude toward Sponsor | → Attitude toward Ambusher | -.178* | -.129* | No |
| Consumer Blame | → Attitude toward Ambusher | -.295** | -.218* | No |

5.4 Testing the Models of Consumers' Perceived Motives

5.4.1 Predatory Ambushing

5.4.1.1 Consumers' Perceived Motives for Sponsorship

Figure 5.3 shows the model of consumers' perceived sponsorship motives. The relationship between perceived sponsor motive and attitude toward sponsor is tested by using an independent sample t-test. Among 400 respondents, 254 of them (63.5%) perceive sponsorship motives as self-interest/profit-driven, compared to only 146 of them (36.5%) attributing altruistic motives to sponsorship. The mean score of consumers' attitude toward sponsor is 4.56 (SD=.66) in the altruistic motive group, while it is 2.85 (SD=.82) in the self-interest motive group. A t-test was performed to test the difference between the two means. As can be seen from Table 5.16, perceived sponsorship motive ($t = 22.776, p < .001$) has a significant effect on

attitude toward sponsor, specifically, intrinsic motives that consumers attribute for a company's sponsorship will lead to more positive consumers' attitude toward the company than extrinsic motives in predatory ambushing context.

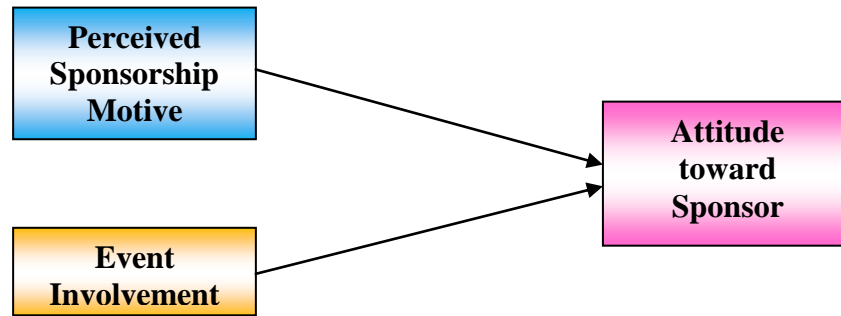


Figure 5. 3 The model of consumers' perceived sponsorship motives

Table 5. 16 Independent samples t-test (perceived sponsorship motive and attitude toward sponsor)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|----|-----------------------------|---|------|------------------------------|---------|-----------------|-----------------|---|---------|---------|
| | | | | | | | | 95% Confidence Interval of the Difference | | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| AS | Equal variances assumed | 15.394 | .000 | 21.450 | 398 | .000 | 1.70965 | .07971 | 1.55295 | 1.86635 |
| | Equal variances not assumed | | | 22.776 | 357.697 | .000 | 1.70965 | .07506 | 1.56203 | 1.85727 |

5.4.1.2 Consumers Perceived Motives for Ambush marketing

Figure 5.4 illustrates the interrelationships between consumers' perceived motives for ambushing practice and other factors posited in the model. As the construct of perceived ambushing motive is a categorical variable (1=extrinsic motives, 2=intrinsic motives), the model cannot be tested in SEM as an integral

model. The effects of prior brand knowledge and perceived CSR on consumers perceived motives were assessed by using logistic regression, while the relationship between consumers perceived motives and consumer blame was examined through independent sample t-test. In addition, split group analysis was adopted when testing the moderation effect of perceived ambushing motives on the relationship between prior knowledge and consumer blame, and the relationship between perceived CSR and consumer blame.

Among 400 respondents, 228 of them (57%) perceive ambushing motives as intrinsic, while 172 of them (43%) attribute extrinsic motives to ambush marketing. The results from the logistic regression analysis show that the model fits the data well and both hypotheses are supported. It is reported that the Cox & Snell R Square is .651 and Nagelkerke R Square is .874. Approximately 87% of the variability in the dependent variable is accounted for by the independent variables, but it should be qualified by the context as this is a pseudo R square value and does not represent the proportionate reduction in error. Besides, the chi-square is 7.489 with 8 degree of freedom at p value =.485 in the Hosmer and Lemeshow Test, which also demonstrates a very good model fit. Table 5.17 summarizes the results generated from the logistic regression. It can be concluded that prior knowledge has a significant effect on consumers' perceived ambushing motives, with a B coefficient = 6.145 (S.E. = .878), odd ratio = 466.226, Wald chi-square = 49.029 at $p < .001$ level. It is indicated that the higher the level of prior brand knowledge consumers have, the more likely that they will attribute extrinsic motives for a company's ambushing practice than intrinsic motives. Similarly, perceived CSR also has a significant influence on consumers' perceived ambushing motives, and B coefficient = 1.674 (S.E. = .420), odd ratio = 5.331, Wald chi-square = 15.881 at $p < .001$ level. In

another words, the more positive consumers perceive a company’s CSR, the more likely that they will attribute extrinsic motives for the company’s ambushing practice than intrinsic motives.

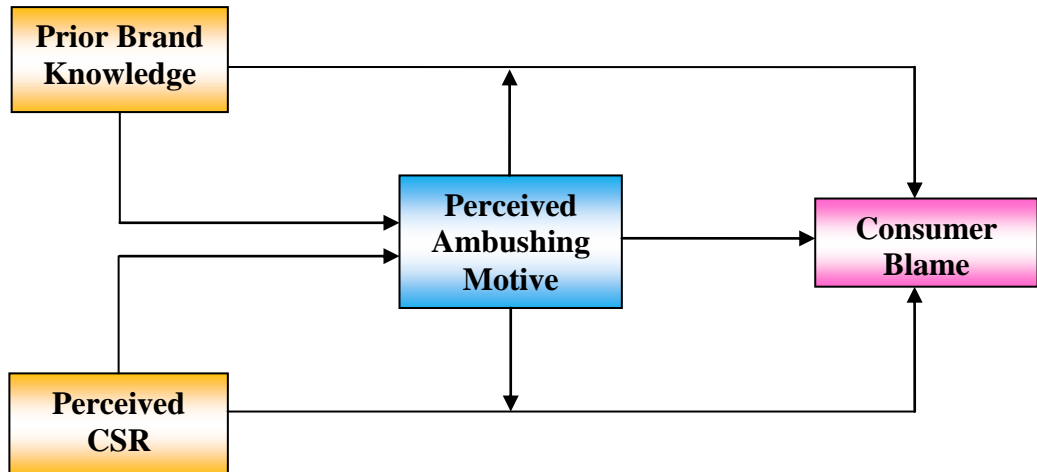


Figure 5. 4 The model of consumers' perceived ambushing motive

Table 5. 17 Logistic regression results (prior knowledge and CSR on perceived ambushing motives)

| | B | S.E. | Wald | df | Sig. | Exp(B) |
|-----------------|----------|-------------|-------------|-----------|-------------|---------------|
| PK | 6.145 | .878 | 49.029 | 1 | .000 | 466.226 |
| CSR | 1.674 | .420 | 15.881 | 1 | .000 | 5.331 |
| Constant | -27.704 | 3.575 | 60.037 | 1 | .000 | .000 |

When examining the relationship between consumers perceived ambushing motives and their degree of blame attributed to ambushing practice, an independent sample t-test is applied. The mean score of consumer blame is 3.11 with a standard deviation of 1.13 when the respondents attribute extrinsic motives for ambushing practice, while it is 4.25 with a standard deviation 1.13 if the intrinsic motives for ambush marketing are attributed. As shown in Table 5.18, perceived ambushing motive ($t = -10.010, p < .001$) has a significant effect on consumers’ degree of blame

for the company’s ambushing practice, specifically, extrinsic motives that consumers attribute for a company’s ambushing practice will lead to lower degree of consumers’ blame than intrinsic motives.

Table 5. 18 Independent samples t-test (perceived ambushing motive on consumer blame)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|----|-----------------------------|---|------|------------------------------|---------|-----------------|-----------------|---|----------|---------|
| | | | | | | | | 95% Confidence Interval of the Difference | | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| CB | Equal variances assumed | .002 | .967 | -10.010 | 398 | .000 | -1.13807 | .11369 | -1.36159 | -.91456 |
| | Equal variances not assumed | | | -10.009 | 368.233 | .000 | -1.13807 | .11371 | -1.36167 | -.91448 |

Then split group analysis is performed to test the moderation effect of perceived ambushing motive on the relationship between prior knowledge and consumer blame, and the relationship between perceived CSR and consumer blame. Firstly, the sample is split into two groups by consumers’ perceived ambushing motives. Secondly, regression analysis is performed separately for each group. The results of regression analysis are presented in Table 5.19. Finally, t-test is employed to examine whether regression coefficients for the two groups are significantly different. It is shown that there is no moderation effect of perceived ambushing motive on the relationship between prior knowledge and consumer blame ($t = 1.369$, $p > .10$). However, there is a significant moderation effect of perceived ambushing motive on the relationship between perceived CSR and consumer blame ($t = 2.249$, $p < .05$), with standardized regression coefficients $-.018$ ($t = -.196$, $p = .845$) and $-.285$ ($t = -4.025$, $p < .001$) in two groups respectively. Although the main effect of

perceived CSR on consumer blame is significant according to the results generated from multiple regression analysis in SPSS, this relationship is not significant in SEM analysis. As multiple regression does not take measurement errors into consideration, the results drawn from SEM are more reliable, which means there is no need to test the moderating effect of perceived ambushing motive on the relationship between perceived CSR and consumer blame in predatory ambushing context.

Table 5. 19 Moderation effect of perceived ambushing motive

| PAM | Model | | R | R Square | Adjusted R Square | F | Sig. | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. | | | | | |
|------|-------|-----------------|---|----------|-------------------|---|------|-----------------------------|------------|---------------------------|--------|------|-------|------|-------|--------|------|
| | | | | | | | | B | Std. Error | Beta | | | | | | | |
| | | | | | | | | | | | | | | | | | |
| 1.00 | 1 | (Constant) | | | | | | 4.759 | .686 | | 6.936 | .000 | | | | | |
| | | Prior Knowledge | | | | | | .189 | .036 | .024 | 3.128 | .046 | -.358 | .183 | -.178 | -1.961 | .052 |
| | | Perceived CSR | | | | | | | | | | | -.030 | .153 | -.018 | -.196 | .845 |
| 2.00 | 1 | (Constant) | | | | | | 5.677 | .362 | | 15.681 | .000 | | | | | |
| | | Prior Knowledge | | | | | | .301 | .091 | .082 | 11.205 | .000 | -.061 | .129 | -.034 | -.474 | .636 |
| | | Perceived CSR | | | | | | | | | | | -.440 | .109 | -.285 | -4.025 | .000 |

a. Dependent Variable: Consumer blame

5.4.2 Associative Ambushing

5.4.2.1 Consumers' Perceived Motives for Sponsorship

This section presents the results of hypotheses testing with regard to consumers' perceived sponsorship motives. Among 400 respondents, 234 of them (58.5%) perceive sponsorship motives as self-interest/profit-driven, compared to only 166 of them (41.5%) attributing altruistic motives to sponsorship. When examining the relationship between consumers perceived sponsorship motives and their attitude toward sponsor, an independent sample t-test is employed. The mean score of

attitude toward sponsor is 4.63 (SD = 1.01) if the consumers attribute altruistic motives for sponsorship, while the mean score of attitude toward sponsor is 2.72 (SD = .97) if the consumers attribute self-interest motives for sponsorship. As it is shown in Table 5.20, perceived sponsorship motive ($t = 19.043$, $p < .001$) has a significant effect on attitude toward sponsor. Specifically, intrinsic motives that consumers attribute for a company’s sponsorship will lead to more positive consumers’ attitude toward the company than extrinsic motives in associative ambushing context.

Table 5. 20 Independent samples t-test (perceived sponsorship motive and attitude toward sponsor)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|----|-----------------------------|---|------|------------------------------|---------|-----------------|-----------------|-----------------------|---|---------|
| | | | | | | | | | 95% Confidence Interval of the Difference | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| AS | Equal variances assumed | 1.759 | .185 | 19.043 | 398 | .000 | 1.90655 | .10012 | 1.70972 | 2.10338 |
| | Equal variances not assumed | | | 18.935 | 348.093 | .000 | 1.90655 | .10069 | 1.70851 | 2.10459 |

5.4.2.2 Consumers’ Perceived Motives for Ambush Marketing

This section presents the results of the hypotheses testing in terms of consumers’ perceived ambushing motives under an associative ambushing context. Among 400 respondents, 193 of them (48.3%) perceive ambushing motives as intrinsic, compared to 207 of them (51.8%) attributed extrinsic motives to ambush marketing. Logistic regression analysis is firstly employed to examine the relationship between prior knowledge and consumers perceived ambushing motives, and the relationship between consumers’ perceived CSR and perceived ambushing

motive. The results show that the Cox & Snell R Square is .441 and Nagelkerke R Square is .588. Approximately, 58% of the variability in the dependent variable is accounted for by the independent variables. In addition, the chi-square is 15.044 with 8 degrees of freedom at p value =.058 in the Hosmer and Lemeshow Test, which suggests a good model fit and that the independent variables in the model can predict the dependent variable well. Table 5.21 summarizes the results generated from the logistic regression. The conclusions can be drawn that prior knowledge has a significant effect on consumers' perceived ambushing motives, with B coefficient = .610 (S.E. = .195), odd ratio = 1.840, Wald chi-square = 9.821 at p < .01 level, which means that the higher the level of prior brand knowledge consumers have, the more likely that they will attribute extrinsic motives for a company's ambushing practice than intrinsic motives. Similarly, perceived CSR also has a significant influence on consumers' perceived ambushing motives, and B coefficient = 1.439 (S.E. = .225), odd ratio = 4.215, Wald chi-square = 40.943 at p < .001 level. Specifically, the more positive consumers perceive a company's CSR, the more likely that they will attribute extrinsic motives for the company's ambushing practice than intrinsic motives.

Table 5. 21 Logistic regression results

| | B | S.E. | Wald | df | Sig. | Exp(B) |
|------------------------|----------|-------------|-------------|-----------|-------------|---------------|
| Prior Knowledge | .610 | .195 | 9.821 | 1 | .002 | 1.840 |
| Perceived CSR | 1.439 | .225 | 40.943 | 1 | .000 | 4.215 |
| Constant | -6.851 | .662 | 107.106 | 1 | .000 | .001 |

Then, the independent sample t-test is applied to examine the relationship between consumers perceived ambushing motives and their degree of blame attributed to ambushing practice. The mean score of consumer blame is 2.52 with

standard deviation .66 among the group with extrinsic motives attributed to ambushing practice, while it is 4.31 with standard deviation .49 among the group that intrinsic motives attributed to ambush marketing. As shown in Table 5.22, perceived ambushing motive ($t = -30.760$, $p < .001$) has a significant effect on consumers' degree of blame for ambushing attempts. The results demonstrate that extrinsic motives that consumers attribute for a company's ambushing practice will lead to lower degree of consumers' blame than intrinsic motives.

Table 5. 22 Independent samples t-test (perceived ambushing motive and consumer blame)

| | | Levene's Test for Equality of Variances | | t-test for Equality of Means | | | | | | |
|----|-----------------------------|---|------|------------------------------|---------|-----------------|-----------------|-----------------------|---|----------|
| | | | | | | | | | 95% Confidence Interval of the Difference | |
| | | F | Sig. | t | df | Sig. (2-tailed) | Mean Difference | Std. Error Difference | Lower | Upper |
| CB | Equal variances assumed | 22.820 | .000 | -30.450 | 398 | .000 | -1.79052 | .05880 | -1.90612 | -1.67492 |
| | Equal variances not assumed | | | -30.760 | 379.324 | .000 | -1.79052 | .05821 | -1.90497 | -1.67607 |

To test the moderation effect of perceived ambushing motive on the relationship between prior knowledge and consumer blame, and the relationship between perceived CSR and consumer blame, split group analysis is employed. The results of regression analysis for each groups are presented in Table 5.23. T-test is used to test whether there is a significant difference between the regression coefficients across the two groups. The findings support the hypothesis that there is a significant moderating effect of perceived ambushing motive on the relationship between prior knowledge and consumer blame ($t = 4.417$, $p < .001$), with the standardized regression coefficients $-.570$ ($t = -7.199$, $p < .001$) and $-.072$ ($t = -.957$, $p = .340$) in

two groups respectively. It is indicated that prior brand knowledge has a stronger negative effect on consumer blame when consumers attribute extrinsic motives rather than intrinsic motives for a company’s ambushing practice. Similarly, a significant moderation effect of perceived ambushing motive on the relationship between perceived CSR and consumer blame is found ($t = 1.654, p < .10$), with the standardized regression coefficients $-.117$ ($t = -1.476, p = .142$) and $-.287$ ($t = -3.793, p < .001$) in two groups respectively. However, the direction of the moderating effect is reversed as the hypothesis proposes that perceived CSR has a stronger negative effect on consumer blame when consumers attribute extrinsic motives rather than intrinsic motives for a company’s ambushing practice, which suggests that the hypothesis is not supported. The conclusion can be drawn that prior knowledge has a significantly stronger negative influence on consumer blame when consumers attribute extrinsic motives for a company’s ambushing practice, whereas perceived CSR has a significantly stronger negative influence on consumer blame when consumers attribute intrinsic motives for a company’s ambushing practice.

Table 5. 23 Moderation effect of perceived ambushing motive

| PAM | Model | R | R Square | Adjusted R Square | F | Sig. | Unstandardized Coefficients | | Standardized Coefficients | t | Sig. |
|------|-------|-------------------|----------|-------------------|--------|------|-----------------------------|------------|---------------------------|--------|------|
| | | | | | | | B | Std. Error | Beta | | |
| 1.00 | 1 | .662 ^a | .439 | .433 | 79.682 | .000 | 4.252 | .156 | | 27.263 | .000 |
| | | | | | | | | | | | |
| | | | | | | | -.331 | .046 | -.570 | -7.199 | .000 |
| | | | | | | | | | | | |
| | | | | | | | -.079 | .054 | -.117 | -1.476 | .142 |
| 2.00 | 1 | .324 ^a | .105 | .096 | 11.150 | .000 | 4.973 | .150 | | 33.237 | .000 |
| | | | | | | | | | | | |
| | | | | | | | -.044 | .046 | -.072 | -.957 | .340 |
| | | | | | | | | | | | |
| | | | | | | | -.203 | .052 | -.287 | -3.793 | .000 |

a. Dependent Variable: Consumer blame

5.5 Summary

This chapter presents the results generated from the descriptive analysis, exploratory analysis, and hypotheses testing. Firstly, the findings of the descriptive analysis provide an outline of the profiles of the respondents. Secondly, the results of the exploratory research indicate the level of knowledge consumers hold in relation to sponsorship. It is found that most of the respondents have a good knowledge with regard to the general sponsorship rights, but half of them were not aware of the different levels of sponsorship. Moreover, the respondents were inclined to have a neutral attitude toward ambushing practice. Then, the research model and hypotheses were examined respectively in a predatory and associative ambushing context. All of the measurements were verified to ensure reliability and validity, and common method bias was proved not to be a problem in both contexts. Most of the hypotheses were supported and confirmed. However, no significant effect of perceived CSR on consumer blame was found in a predatory ambushing context. Additionally, the moderation role of consumers' perceived sponsorship motives was not supported in either context, while the moderation effect of consumers' perceived ambushing motives on the relationship between prior knowledge and consumer blame was not confirmed in the predatory ambushing context. To conclude, most of the hypotheses were supported and the model fits the data well in both ambushing contexts.

Chapter 6

Discussions Of The Results

6.1 Chapter Overview

This study aims to build an integrated model of consumers' response to ambush marketing activities based on the literature relating to negative information and is supported by balance theory. Event, sponsor, and ambusher related factors are important antecedent categories. In addition, consumers' perceived motives for sponsorship and ambushing practice are also incorporated into the model on the basis of attribution theory. All of the factors are hypothesized to exert an influence on consumers' degree of blame for a company's ambushing attempts, and consequently affect their attitude toward the ambusher. The research model with hypotheses were tested in two types of ambushing contexts (predatory ambushing and associative ambushing) due to their different levels of negativity perceived by consumers. Chapter 5 presents the results of the research hypotheses testing. Most of them are supported in both contexts and the research model is confirmed to be reliable and valid. This chapter aims to interpret and discuss the results generated from the data analysis in Chapter 5, which includes the discussion of the results in the role of event and sponsor related factors, ambusher related factors, and consumers' perceived motives for sponsorship and ambushing practice on consumers' response to ambushing marketing activities.

6.2 The Role of Event Involvement and Attitude toward Sponsor

The summary of the results from the hypotheses testing in SEM is presented in Table 6.1. It provides the comparison of the findings relating to the predatory and

associative ambushing contexts. This section discusses the results in terms of the effects of event and sponsor factors on consumers' response to ambush marketing disclosure. Firstly, it is found that there is a strong link between event involvement and attitude toward sponsor in both ambushing contexts, which is consistent with the previous studies. The sponsorship literature emphasizes the importance of event involvement in determining the overall effectiveness of sponsorship (Meenaghan, 2001; Lardinois & Derbaix, 2001; McDaniel, 1999). Attitude toward sponsor is one of the most critical predictors when evaluating the effectiveness of sponsorship. The finding is in conjunction with the classical conditioning research undertaken in a sponsorship context (Speed & Thompson, 2000) showing that consumers' response to sport sponsorship depends on their attitudes toward the event. Besides, it is also consistent with the tenets of balance theory as applied in a sponsorship context, which claims that the higher levels of involvement consumers have with the event, the more favourable attitude they will have toward the event's sponsor, due to the positive relationship between the event and the sponsor.

Table 6. 1 Summary of the hypotheses testing in SEM

| Path | | Predatory Ambushing | | Associative Ambushing | | Significantly Different between Groups? |
|-------------------------|----------------------------|----------------------------|-----------------------|------------------------------|-----------------------|---|
| | | Standardized Estimate | Hypotheses Supported? | Standardized Estimate | Hypotheses Supported? | |
| Direct Effect | | | | | | |
| Event Involvement | → Attitude toward Sponsor | .830*** | Yes | .839*** | Yes | No |
| Event Involvement | → Consumer Blame | .707*** | Yes | .466*** | Yes | No |
| Attitude toward Sponsor | → Consumer Blame | .169** | Yes | .134* | Yes | No |
| Prior Knowledge | → Consumer Blame | -.162* | Yes | -.233** | Yes | No |
| Perceived CSR | → Consumer Blame | -.077 | No | -.186* | Yes | Yes |
| Prior Knowledge | → Attitude toward Ambusher | .333** | Yes | .208* | Yes | No |
| Perceived CSR | → Attitude toward Ambusher | .228* | Yes | .421*** | Yes | Yes |
| Attitude toward Sponsor | → Attitude toward Ambusher | -.178* | Yes | -.129* | Yes | No |
| Consumer Blame | → Attitude toward Ambusher | -.295** | Yes | -.218* | Yes | No |
| Indirect Effect | | Predatory Ambushing | | Associative Ambushing | | |

| | | | |
|--|-------|-------|--|
| 1. Event involvement → Attitude toward sponsor → Consumer Blame | .140 | .113 | |
| 2. Event involvement → Attitude toward sponsor → Attitude toward ambusher | -.148 | -.108 | |
| 3. Event involvement → Attitude toward sponsor → Consumer blame → Attitude toward ambusher | -.041 | -.025 | |
| 4. Event involvement → Consumer blame → Attitude toward ambusher | -.209 | -.102 | |
| 5. Attitude toward sponsor → Consumer blame → Attitude toward ambusher | -.050 | -.029 | |
| 6. Prior knowledge → Consumer blame → Attitude toward ambusher | .048 | .051 | |
| 7. Perceived CSR → Consumer blame → Attitude toward ambusher | .023 | .041 | |

***p<.001

**p<.01

*p<.05

Moreover, in both predatory and associative ambushing contexts, event involvement is confirmed to have a strong impact on the degree of blame consumers attribute to a company's ambushing practice. The finding is in accordance with balance theory in that consumers are likely to place more blame on the ambusher if they are highly involved with the event in order to maintain the psychological balance. Similarly, Meenaghan (1998) indicates that negative attitudes toward the ambusher will emerge if the consumers are emotionally involved with the event and are knowledgeable about the benefits of the sponsor as the viability of the event highly relies on the funding provided by its' sponsors. Moreover, Mazodier & Quester (2010) find that consumers' response to ambush marketing disclosure is negatively influenced by event involvement and attitudes toward sponsorship of an event. Therefore, ambush marketing may be counter-productive as it may alienate consumers that are highly involved with an event (Crompton, 2004).

Although no direct influence of event involvement on attitude toward ambusher was found in this study, there is a strong indirect effect through attitude toward sponsor and consumer blame (Indirect path 2, 3, and 4 shown in Table 6.1). Thus, the role of event involvement on consumers' response to ambush marketing cannot be neglected. In line with balance theory, the results also indicate that consumers' attitude toward the sponsor is positively related to consumers' blame, and negatively related to their attitude toward the ambusher in both predatory and associative contexts. Owing to the competitive rivalry relationship between the sponsor and the ambusher, a more favourable attitude toward the sponsor may lead to the consumers attributing more blame to the company's ambushing attempts,

and consequently a less favourable attitude toward the ambushing company to maintain their psychological balance as proposed through balance theory.

6.3 The Role of Prior Knowledge and Perceived CSR

This section discusses the role of ambusher related factors in affecting consumers' response to a company's ambusher practice. In a generic context, scholars claim that prior knowledge affects consumers' information processing when evaluating products or company based information and thus forming a basis for their attitude and behavioural outcomes. This research aimed to explore, in an ambush marketing context, how consumers' prior brand knowledge and perceptions of a company's CSR influenced their information processing of its' ambushing practice disclosure. The findings coincide with the generic literature that prior brand knowledge about the ambusher's brand is negatively related to the degree of blame that consumers attribute to its ambushing practice. According to Ahluwalia et al. (2001), a spillover effect of negative information occurs when consumers are not familiar with a brand, whereas the spillover effect is minimized when consumers are committed to the brand. In addition, it is claimed that people with positive prior beliefs about a target are likely to engage in biased assimilation that people interpret new information in a way that makes it consistent with their own pre-existing views (Ditto & Lopez, 1992; Edwards & Smith, 1996). In another words, consumer are more likely to make judgments regarding ambush marketing information based on their prior knowledge of the ambusher's brand which is stored in mind. As a result, they are inclined to place less blame on the ambusher if they have high levels of prior brand knowledge. Moreover, prior brand knowledge of the ambusher is also found to have a direct influence on their attitude towards the ambusher, which supports previous generic studies. For

example, Brown & Dacin (1997) emphasize the importance of corporate associations since what consumers know about a company can influence their responses to the company and its products.

In previous studies, researchers explore how CSR can influence consumer outcomes, although the results are mixed and inconsistent with relation to the positive and negative impacts of CSR (for example. Eisingerich et al., 2011; Klein & Dawar, 2004; Lichtenstein et al., 2004; Pelozo, 2009; Vlachos et al, 2009; Wagner et al., 2009; Walsh & Bartikowski, 2012). Most of the prior studies focus on the halo effect of CSR on brand evaluation or judgment in a product-crisis context. As a company's ambushing practice can be regarded as a company's CSR-related behaviour and can be contradictory to a company's stated standards of social responsibility. Therefore, the current research, aims to identify how this inconsistency may influence the consumers' judgment and attitude towards the company, rather than address the halo effect to the brand or other unrelated measures. Wagner et al. (2009) point out that this inconsistency might lead to consumers' perceptions of corporate hypocrisy and subsequently have negatively effect on their beliefs and attitude toward the company. However, Eisingerich et al. (2011) claim that CSR is capable of shielding a company from negative information related to its' CSR practice, but not the information regarding its core service offerings. Nevertheless, other scholars emphasize the benefits of CSR in terms of its ability to counter negative publicity and protect a company's image or reputation in a product/service failure or brand scandal contexts (e.g. Klein & Dawar, 2004; Minor & Morgan, 2011). The inconsistent results might be due to the different level of data used, varied contexts, or lack of relevant mediator and moderator variables in CSR and the customer outcome relationship. Therefore, this

study is designed to address these inconsistencies and fill the research gaps. The results show that the higher level of consumers' perceived CSR of the ambushing company can lower the degree of blame that consumers attribute to its ambushing practice only in an associative ambushing context, but not in predatory ambushing context, which confirms the insurance role of CSR in protecting the company from negative publicity where the consumers' perceptions of the seriousness of the "offence" is relatively low. It is claimed in the literature that corporate ability and CSR have a significant impact on consumers' responses in terms of corporate evaluation and product evaluation (Berens et al., 2005; Zhou et al., 2012). De Matos & Rossi (2007) found that product judgment is significantly influenced by CSR and blame attributed to the company when exploring consumers' responses to product recalls. In addition, stronger link between consumers' perceived CSR of the ambusher and their attitude toward ambusher emerges in associative ambushing context compared with predatory ambushing context. The findings suggest that the effect of CSR in sheltering a company from negative publicity is diminished when the degree of seriousness of the offence increases.

Finally, in accordance with the generic literature, the negative relationship between consumers' blame and attitude toward ambusher is confirmed in this study. According to Klein & Dawar (2004), blame exerts a significant negative influence on brand evaluations in a product-harm crisis context. In the case of negative association with celebrity endorsement, it was found that consumers' perceptions of the celebrity are affected by the level of negativity of the information and the level of blameworthiness in situations where indiscretions and misbehaviour are evident (Akturan, 2011). Therefore, in an ambush marketing

context, the evaluation of the company is affected by the degree of blame consumers attribute to the ambusher.

6.4 Consumers' Perceived Motives for Sponsorship and Ambush Marketing

This section aims to discuss and interpret the findings from the hypotheses testing in terms of consumers' perceived motives for sponsorship and ambush marketing. Table 6.2 provides a summary of the hypotheses testing results in both predatory ambushing and associative ambushing contexts.

6.4.1 Consumers' Perceived Sponsorship Motives

The results show that consumers' perceptions of a company's motives for the sponsorship have a positive effect on their attitude toward the sponsoring company, which supports the extant literature. According by Kim et al. (2011), positive attitude toward a sponsor is more likely to occur when the sponsor motives are perceived to be sincere. Barone et al. (2000) point out the important role of perceived sponsor motives in affecting consumer choice from the sponsoring company. Likewise, it is indicated by Rifon et al. (2004) that consumer assessments of sponsor motives are critical in influencing a consumer's response to the sponsorship of a cause. Vlachos et al. (2009) also claim that consumers' perceptions of motives affect their evaluation of a company's CSR efforts.

Table 6. 2 Summary of hypotheses testing for consumers' perceived motives

| Hypotheses | Hypotheses Supported? | |
|---|-----------------------|-----------------------|
| Consumers' Perceived Sponsorship Motives | Predatory Ambushing | Associative Ambushing |
| Intrinsic motives that consumers attribute for a company's sponsorship will lead to more positive consumers' attitude toward the company than extrinsic motives. | Yes | Yes |
| Consumers' Perceived Ambushing Motives | Predatory Ambushing | Associative Ambushing |
| The higher the level of prior brand knowledge consumers have, the more likely that they will attribute extrinsic motives for a company's ambushing practice than intrinsic motives. | Yes | Yes |
| The more positive consumers perceive a company's CSR, the more likely that they will attribute extrinsic motives for the company's ambushing practice than intrinsic motives. | Yes | Yes |
| Extrinsic motives that consumers attribute for a company's ambushing practice will lead to lower degree of consumers' blame than intrinsic motives. | Yes | Yes |
| Prior brand knowledge has a stronger negative effect on consumer blame when consumers attribute extrinsic motives rather than intrinsic motives for a company's ambushing practice. | No | Yes |
| Perceived CSR has a stronger negative effect on consumer blame when consumers attribute extrinsic motives rather than intrinsic motives for a company's ambushing practice. | --- | No |

6.4.2 Consumers' Perceived Ambushing Motives

Attribution theory claims that the attribution process dominates consumers' interpretation process of negative information, and consumers' attributions are very important and worthy of investigation due to their significant impact on consumers' attitude and behavioural intentions (Folkes, 1984). According to Lei et

al. (2006), the impact of negative information depends on the information characteristics, like crisis severity and attribution, and specifically, information relating to attribution has a dominant role in forming the basis for central consumer judgments. Moreover, attribution theory provides a useful framework for the researches in negative event context, such as product or service failure (Griffin et al., 1996). As a result, integrating attributional process for ambush marketing practice in the model can offer valuable insights and provide better understanding on how consumers arrive at the attitudinal consequences.

Attributions are classified into three causal dimensions, namely, locus of control, stability, and controllability (Weiner, 1980). Only locus of control dimension is the focus in current research, which refers to an individual's perception about the underlying main causes of events. A company's motivation for engaging in ambushing practice can be viewed by consumers as either driven by external causes (extrinsic motives) (e.g. high sponsorship fees, categorical exclusive rights) or internal causes (intrinsic motives) (e.g. increased sales, attacking major rivals sponsorship). The intrinsic and extrinsic motives are the causes that lead companies to adopt ambush marketing activities. This study examines the impacts of prior brand knowledge and perceived CSR on consumers' attribution, the results suggest that prior knowledge and perceived CSR can mitigate the negativity effect and lower the degree of consumers' blame for ambushing practice, but only under certain circumstances. As can be seen from table 6.2, prior brand knowledge has a positive effect on consumers' inferred motives for ambush marketing practice. Specifically, high levels of prior brand knowledge will lead to extrinsic ambushing motives being attributed, whereas low levels of prior brand knowledge will lead to the attribution of intrinsic ambushing

motives. According to Maheswaran & Sternthal (1990), consumers with high levels of knowledge are capable of processing new information more extensively through engaging in more attribute-level processing. Moreover, the search-and-alignment model (Pham & Muthukrishnan, 2002) suggests that people tend to search their memory for information to support their prior attitude when the new information received challenges their prior attitudes. Thereby, when consumers are informed of a company's ambushing practice, those with high levels of prior knowledge are more likely to search for information to support their prior attitude, and tend to attribute the motives for ambush marketing activity to external factors, such as extremely high sponsorship fees, rather than internal factors such as seeking to benefit from a situation without making a realistic contribution. Moreover, consumer perceived CSR of the ambushing company is also confirmed to have a positive effect on consumers' inferred motives for ambush marketing practice. It coincides with Klein & Dawar (2004)'s finding that CSR associations have a strong impact on consumers' attribution and then translate into blame in a product-harm crisis.

In addition, consumers' perceptions of the motives for a company's engagement in ambush marketing practice significantly impact the degree of blame that consumers attribute to its ambushing practice. Specifically, extrinsic ambushing motives will lead to a lower degree of consumers' blame, whereas intrinsic ambushing motives will lead to a higher degree of consumers' blame. Although there is no prior study investigating the role of consumers' perceived motives in the case of ambush marketing, the result is similar to the literature in the negative information context. According to Weiner (1986), consumer attributions can lead to an overall judgment of culpability that is related to

consumer blame. As confirmed in previous studies, the degree of blame is influenced by consumer attributions (Folkes & Kotsos, 1986; Kelley & Michela, 1980; Klein & Dawar, 2004).

The moderation role of consumers' perceived ambushing motives in a predatory ambushing context is not supported. However, in the associative ambushing context, the moderation effects of perceived ambushing motive on the relationship between prior knowledge and consumer blame, and the relationship between perceived CSR and consumer blame are confirmed to be significant, although the direction of the latter hypothesis is reversed. Specifically, prior knowledge has a significant negative impact on consumer blame only if they attribute extrinsic motives to ambushing practice, whereas perceived CSR can exert an influence on consumer blame if consumers attribute intrinsic motives to a company's ambushing practice. There is no literature examining the moderating role of consumers' perceived ambushing motives. Thus, the findings from this study can offer unique contributions and valuable insights on how perceived motives work interactively with other factors to influence the degree of blame consumers attributed to the ambusher. Lei et al. (2008) claim that consumers' attributions play a dominant role in the consumers' interpretation process of negative information, and it has a significant moderating effect on the spillover of negative information in a brand portfolio context. In an ambush marketing context, the findings suggest that prior knowledge can mitigate the impact of negative information in terms of ambushing practice, only if consumers think the activity is driven by external factors (e.g. exclusivity of the sponsorship rights). However, if consumers attribute intrinsic motives for ambushing practice (e.g. increasing sales and profits), only CSR can shelter the company from the negative publicity, but

prior knowledge cannot do so in this situation. In addition, the moderation effects of consumers' perceived motives only exist in an associative ambush marketing context which represents a lower level of information negativity. However, there is no interaction effect found in the predatory ambushing context.

To conclude, some of the findings in this study are consistent with the prior research in a generic negative information context and based on psychological theories. The hypothesized relationships based on balance theory involving the event, the sponsor, and the ambusher are confirmed. This study is the first to apply balance theory into an ambush marketing context to better explain how the occurrence of a negative event related to one party will influence the consumers' perceptions of that entity through the triadic relationship. In addition, it is the first study to bring attribution theory into an ambush marketing situation to form an integrated model incorporating the consumers' attributional process for sponsorship and ambushing practice. This provides further explanations on how consumers arrive at that blame point under the influence of both consumers' sponsorship and ambushing attributional processes. Consumers' perceived ambushing motives are firstly identified in this study and the important role of perceived motives are explored and confirmed. The unique findings related to perceived motives contribute to the literature in relation to consumers' information processing and consumers' attributional process. Finally, the findings point out the boundary conditions of the effect of consumers' perceived CSR in mitigating the negative effect in an ambush marketing context, which helps to address the inconsistency of the findings in the extant literature and contribute to a better understanding of the role of CSR in impacting consumers' judgment and behaviour.

6.5 Summary

This chapter discusses and interprets the findings of the hypotheses testing. The interrelationships among an event, a sponsor, and an ambusher that were developed based on balance theory were confirmed. Prior knowledge with the ambusher's brand is able to mitigate the negative effect in an ambushing context. However, it only works when consumers attribute extrinsic motives to ambushing practice in a form of ambushing that they perceive to be less serious (associative). In addition, consumers' perceived CSR can only shield a company from negative publicity when the perceived negativity derive from a less serious form of ambush (associative) and when consumers' perceived motives for ambushing practice intrinsic. As the negativity of the information increases as the type of advertising becomes more serious, the insurance role of CSR diminishes.

Chapter 7 Conclusions

7.1 Chapter Overview

This chapter draws conclusions of the study based on a summary of the research findings and is followed by the suggested research implications. The next section outlines both theoretical and practical contributions of this study. Finally, the research limitations are pointed out and the recommendations for further research are highlighted.

7.2 Summary of the Findings and Conclusions

The purpose of this study is to investigate how consumers respond to ambush marketing exposure and which factors influence their reactions. The research is designed to test the integrated model that comprises various factors related to different entities under two ambushing (predatory and associative) circumstances. Firstly, balance theory is applied to both sponsorship and ambush marketing contexts. The triangular relationships among an event, a sponsor, and an ambusher that were established based on balance theory are tested and confirmed. There is a strong link between event involvement and attitude toward sponsor, which suggests that the sponsorship is more effective among the consumers who are highly involved with the event. Moreover, both event involvement and attitude toward sponsor have a strong impact on the degree of blame consumers attribute to a company's ambushing practice. In addition, the result shows that consumers' attitude toward the sponsor negatively influence their attitude toward the ambusher. Although no direct influence of event involvement on attitude toward

ambusher was found in this study, there is a strong indirect effect on it through attitude toward sponsor and consumer blame.

As to the ambusher related factors, prior knowledge about the ambusher's brand is found to have a significant effect on the consumers' degree of blame attributed to ambushing practice and their attitude toward the ambusher. The role of consumers' perceived CSR in mitigating consumers' blameworthiness is confirmed in the associative ambushing context, but not in predatory ambushing context, which implies that a company's CSR record can protect the company from negative publicity when the negativity of the information is perceived as low. In addition, there is a positive relationship between consumers' perceived CSR of the ambusher and their attitude toward the ambusher in both ambushing contexts. Additionally, the negative relationship between consumer blame and attitude toward ambusher is confirmed in this study.

Finally, attribution theory is incorporated into the model to illustrate the process of consumers' attribution. Consumers' perceived motives for sponsorship and ambush marketing are brought into the model and the role of the motives in influencing consumers' response is examined. The findings indicate that consumers' perceptions of a company's motives for the sponsorship positively affect their attitude toward the sponsoring company. Moreover, both prior brand knowledge and perceived CSR have a significant effect on consumers' inferred motives for ambush marketing practice. Then perceived ambushing motives significantly impact the degree of blame that consumers attribute to its ambushing practice. Additionally, the moderation effects of perceived ambushing motive on the relationship between prior knowledge and consumer blame, and the

relationship between perceived CSR and consumer blame are confirmed in the associative ambushing context. Specifically, prior knowledge has a significant impact on consumer blame, only if customers attribute extrinsic motives to ambushing practice, whereas perceived CSR can exert an influence on consumer blame if consumers attribute intrinsic motives to a company's ambushing practice.

7.3 Research Implications

Ambush marketing has experienced a significant evolution and development since its emergence in 1980s. Along with the economic globalization, the major sports events (e.g. Olympic Games, FIFA World Cup) provide attractive marketing opportunities for companies to reach global consumers due to the worldwide media coverage of the events and consumers' increasing interest in sport events. As a result, companies plan marketing activities to associate themselves with the event in order to capitalize on the value or benefits of the events. Although sponsorship provides great opportunities for official association, expensive fee structures to secure the sponsorship rights and the impact of category exclusivity limit the scope many companies to get involved. Therefore, ambush marketing activity, as an alternative to official sponsorship, is increasingly planned and used to exploit the goodwill of major events. It has become a concern for event owners and sponsors because of the potential threats posed on future sponsorship revenue and subsequent event viability. Consequently, ambush marketing has been studied and investigated by both marketing practitioners and academic scholars. In general, ambush marketing research falls into the following four themes: (1) ambush marketing definitions and strategies/types (e.g. Burton & Chadwick, 2011; Crompton, 2004; Lyberger & McCarthy, 2001; Meenaghan, 1994; Meenaghan, 1998; Sandler & Shani, 1989); (2) the effectiveness of ambush marketing and its

impact on sponsorship (e.g. McDaniel & Kinney, 1996; Meenaghan, 1996; Meenaghan, 1998; Sandler & Shani, 1989); (3) moral and ethical issues of ambush marketing (e.g. Meenaghan, 1994; O'Sullivan & Murphy, 1998; Payne, 1998); (4) ambush marketing prevention (counter-ambushing strategies), including legitimate measures (e.g. Burton & Chadwick, 2009; Hoek & Gendall, 2002; Kendall & Curthoys, 2001; Meenaghan, 1994; Payne, 1998; Schmitz, 2005; Townley et al., 1998).

Besides the studies regarding the identification of ambush marketing, most of ambush marketing literature is related to the ethical and legal debate among event owners, sponsors, and ambushing companies, but how consumers perceive and react to ambush marketing practice is largely ignored (See Figure 7.1). However, consumers' perceptions and attitudes are major concerns for both sponsors and ambushers, since marketing activities aim to build a positive brand image in the consumers' mind and form a favourable consumer attitude thereby helping to stimulate sales and increase profits. Therefore, notwithstanding the negative feelings of event owners and sponsors towards ambushing and the measures they take to combat it, ambush marketing will still prove to be very effective strategy if consumers largely show indifference or even think it is a fair and creative marketing practice.

Mazodier & Quester (2012) is the only study to firstly identify the nature of consumers' responses to ambush marketing disclosure, but no ambusher-related factors and consumers attributed motives for sponsorship and ambushing are taken into account in that research. Nevertheless, consumers are inclined to retrieve prior knowledge/attitude from their memory as a basis for making a judgement or

evaluation when they encounter a negative publicity about a company/brand (Pullig et al., 2006). Hence, this study is designed to fill in an important research gap by exploring: (1) how consumers perceive ambush marketing activities by considering different types of ambushing strategies, and (2) which factors influence their responses or reactions. On one hand, the factors identified in the model not only explain the potential reasons why consumers respond to ambushing practice in that way, but also provide suggestions for event owners and sponsors on which defensive strategies they can use to discredit ambushers by increasing the degree of blame consumers attribute to ambushing practice and consequently, forming a more negative attitude toward the ambushing company. On the other hand, the findings offer valuable insights for potential ambushing companies on how to evaluate the risks and rewards of engaging in ambush marketing activities by taking all the factors related to various entities into consideration.

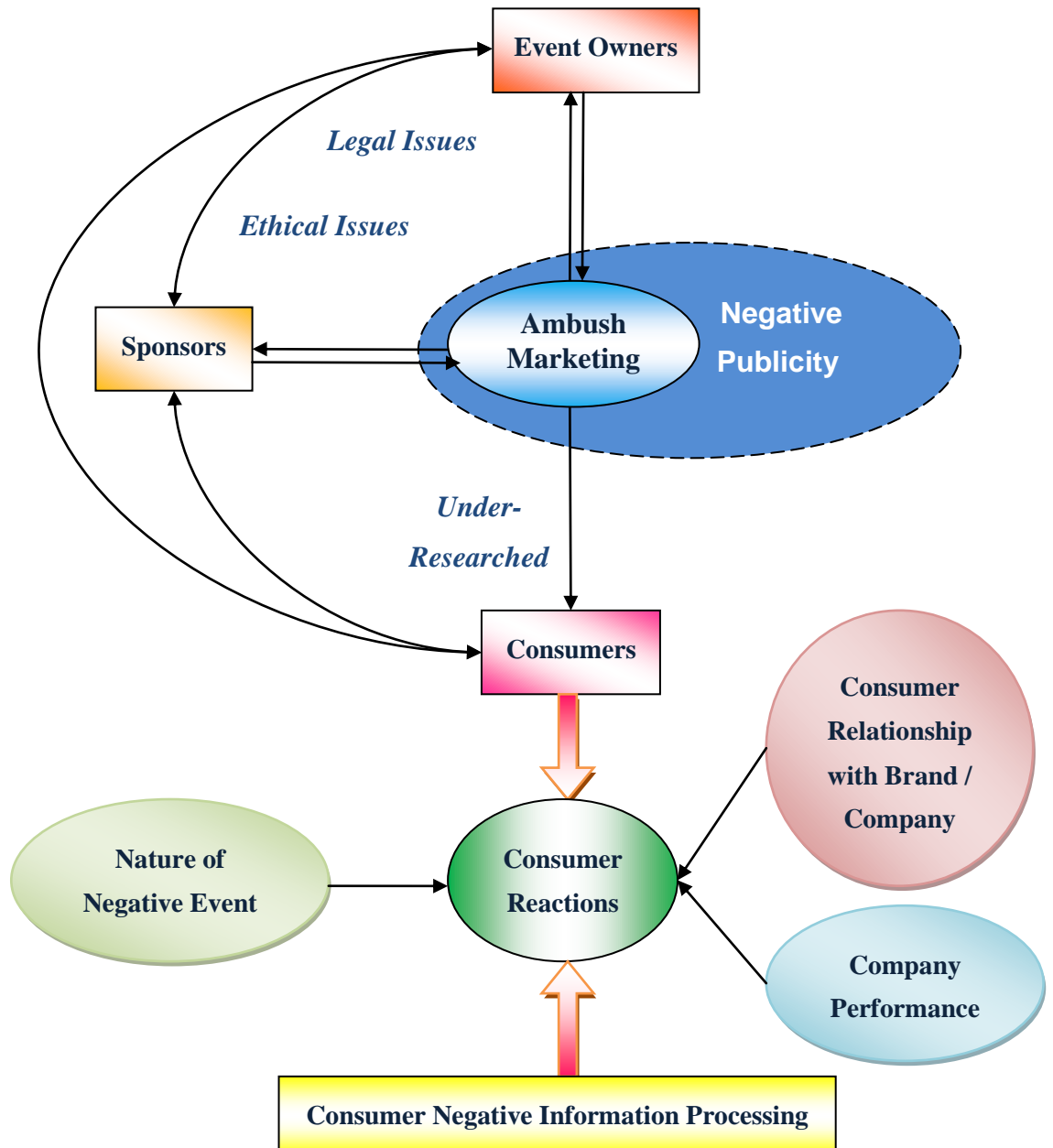


Figure 7. 1 Ambush marketing research areas

According to the research findings, consumers' response to the exposure of a company's ambushing practice can be influenced through the event and sponsorship route, as well as the ambusher route. The varied consumers' responses suggest that the event owner and the sponsors should understand when and how the measure of 'Name and Shame' campaign could be effective in combating ambush marketing activities. In view of fact that the official sponsor has limited

control over the ambushers and their activities, it seems more appropriate to emphasize the activities on which they have more control. In these circumstances, it is important to focus on proactively managing the relationship with the sponsored event in order to maximize the effectiveness of their sponsorships, for example, through more efficient leveraging and create more awareness of their official involvement with the event. In that case, sponsors can be more influential in terms of increasing consumers' degree of blame placed on ambushing practice. As the consumers' attitude toward ambush marketing tends to be neutral and the level of their blameworthiness (especially in an associative ambushing context) is relatively low after ambushing exposure, it is shown that the counter-ambushing measure does not work as well as expected. However, in accordance with balance theory, consumers who have higher involvement with the event have different perceptions of ambush marketing. As a result, if the highly involved fans are the main target consumers of the sponsoring company, ambushing disclosure through a naming and shaming campaign can be very effective as it discredits ambushers and results in a higher degree of blame. However, if the highly involved fans are the main target consumers of the ambushing company, the managers should plan the ambushing activities with caution as ambush marketing can backfire and be counter-productive in this case. Moreover, the results lead to a recommendation that the sponsor should emphasize altruistic motives rather than sales motives in order to gain a more favorable attitude towards themselves and thus increase the degree of blame consumers place on ambushers. In contrast, the negative effect of ambush marketing can be mitigated when consumers have little involvement with the event and attribute sales / profit motives for sponsorship activity.

In addition to the external factors (consumers' event involvement and attitude

toward the sponsors), consumers' reactions are also affected by ambushing companies internal factors. For this study, the forms of ambush that consumers felt generated little if any negativity are excluded in this study (See findings from preliminary survey in Chapter 4.5.1). Two types of ambushing strategies (predatory ambushing and associative ambushing) which do suggest negativity are included, although based on the earlier results, their levels may be different. Therefore, as shown in Figure 7.1, ambush marketing disclosure can be regarded as a type of negative publicity about a company. How consumers respond to the exposure of a company's ambushing practice can be seen as how they process the negative information about the offending company. For the consumers who have a favorable prior attitude toward the ambushing companies and their brands, then once they are aware of the companies alleged ambushing attempts, they would either perceive this negative information as more diagnostic in making a judgment revision, or possibly counter-argue the negative information to resist their attitude change. It is suggested in the literature that how consumers would respond to companies' negative information and whether companies can insulate themselves from it depends on one of the following aspects or interactions between them: (1) the nature of the negative event (e.g. Eisingerich et al., 2011; Marcus & Goodman, 1991) (product/service failure, or social/value-related in nature); (2) companies' performance (e.g. Dean, 2004; Decker, 2012; Eisingerich et al., 2011; Lin et al., 2011; Mattila et al., 2010; Minor & Morgan, 2011), including both product/brand performance (e.g. brand image, brand prominence) and companies' organizational performance (e.g. corporate reputation, corporate social responsibility record), and (3) consumers' relationship with brand/company (e.g. consumer commitment, identification, brand involvement) (e.g. Cheng et al., 2012; Einwiller et al., 2006;

Liu et al., 2010; Raju, 2002).

The nature of ambush marketing exposure represents a company's socially related negative publicity. There is a lack of research to explore consumers' responses under this context. Although the effects of companies' performance and consumers' relationship with brand/company on consumers' reactions to negative publicity are extensively examined in prior studies, there is no consistent findings in the literature due to varied level of data used, different research scenarios, lack of moderators or control variables etc. The question of how and when these factors are effective in countering negative publicity still remains unsolved. Thus, this study tests both companies' performance factor (consumers' perceived CSR) and consumer-brand relationship factor (prior brand knowledge) under two ambushing strategies contexts in order to fill in the research gap. Moreover, consumer attribution processes for sponsorship and ambushing are integrated into the model, which demonstrates a comprehensive explanation on how and why consumers ultimately arrive at that response. Therefore, the findings from the current research not only contribute to the sponsorship / ambush marketing literature, but also the literature in relation to company crisis management and consumer psychology.

The findings of this study confirm the role of prior knowledge and perceived CSR in sheltering the company from negative publicity, but only under certain circumstances. Consumers' high levels of prior knowledge of the ambusher's brand can lessen the negative effect of ambush marketing when consumers perceive the motives for ambushing practice to be extrinsic (for example, restrictions imposed by exclusivity of the sponsorship rights) rather than intrinsic (for example, increasing sales) in relation to types of ambush that consumers

perceive as less serious (associative). Although perceived CSR exerts an influence in lowering the degree of consumers' blame when consumers attribute intrinsic motives to ambush marketing in a less serious ambushing context (associative), this insurance role of CSR disappears in a predatory situation. However, consumers' high level of prior knowledge with the ambusher's brand still can mitigate the negative effect of ambush marketing and decrease the level of consumers' blame in predatory ambushing contexts when consumers react without considering the motivation for ambush activity. In addition, the findings also exemplify the attributional framework proposed by Laufer et al. (2005), whereby consumers' attributions are influenced by their prior beliefs. In turn, the attributions further affect the degree of consumers' blame. The results emphasize the importance of perceived motives in impacting consumers' response to ambush marketing exposure. To conclude, the findings suggest that when planning an ambushing marketing activity, the marketing managers should not only take their own company's factors into consideration (such as CSR record, brand reputation etc), but also the factors related to the event and the sponsor in order to conduct an overall evaluation on the risks of ambush marketing practice and the probability of positive or negative outcomes.

7.4 Research Contributions

7.4.1 Theoretical Contributions

The study contributes the academic literature in the following ways:

Firstly, an integrated model (including event, sponsor, and ambusher related factors) is proposed based on balance theory and attribution theory, which provides the deep and comprehensive understanding of how consumers' respond to ambush

marketing disclosure and identifies which factors influence their reactions. The application of balance theory provides a basic framework of the relationships among the event, the sponsor, and the ambusher, while the attribution theory offers further explanations of the cognitive process of how consumers are driven to arrive at the blame point and form their attitude towards the ambushers after the ambushing exposure. Specifically, consumers' responses are affected by both the sponsorship attribution path and the ambushing attribution path. Moreover, the integrated model and the combined application of balance theory and attribution theory offers a valuable framework when in future studies there is a need to examine, for example, the interrelationships among a consumer, a core brand, and a brand extension, or the interrelationships among a celebrity, a consumer, and a brand) in terms of a negative/positive event or publicity context. In other words, the combined framework can be applied to the research that investigates how changes to one element of a triadic relationship, interacts on the other two elements or how the inclusion those two elements in a relationship may serve to reconstitute the third element.

Secondly, this is the first study to identify consumers' perceived motives for a company's ambushing practice and to explore how these motives exert an influence on consumers' response to the ambush marketing exposure. Most of the prior empirical studies indicate that consumers show indifference toward ambush marketing practice, although the motivations for these feelings haven't been explored. In addition to the factors related to the three involved parties under an ambushing situation, consumers' perceived ambushing motive is another critical factor brought into the consumers' attribution process for ambush marketing activities. Two types of motive (extrinsic and intrinsic) are identified based on the

literature review and the preliminary customer interviews. Perceived ambushing motives are incorporated into the model to illustrate the whole process of consumer attribution and the role of perceived motives in affecting consumers' responses. This study examines and confirms both main effect and interaction effect of consumers' inferred motives to ambushing practice on their attributed blames, which fills in the research gap and contributes to the consumer psychology literature.

Thirdly, the findings from this study shed light on a boundary condition of the effect of CSR. Prior studies draw contradictory conclusions with regard to the halo effect of CSR in affecting consumers' brand judgment or evaluations when a product (service) failure or an incident occurs. However, ambushing marketing is a company's CSR related behavior. The current research offers valuable insights on how prior perceptions of CSR work when a CSR related negative event occurs. This research examines it in two different ambushing scenarios, where different levels of negativity are perceived. The results suggest that the perceived CSR can only shelter a company from negative publicity by lowering the degree of consumers' blame when the negativity of the information pertaining to the behavior is low and consumers attribute intrinsic motives to ambushing practice. As the negativity relating to the behavior increases, the role of CSR in mitigating this negativity is diminished. The findings enhance the understanding of CSR by suggesting how and when it is effective, which contributes to the company crisis management literature.

Finally, this study also has a methodological contribution. Almost all of the studies regarding negative information employ an experimental method for data

collection and with only a small number of factors considered in the experiment. Although the cause and effect between one variable and the other can be inferred in an experiment by controlling all other variables, there are various factors that may influence consumers' information processing of ambush marketing information due to the many parties' involved in the ambushing contexts. Therefore, it is impossible to control all other influential factors in an experimental setting. In addition, the nature of the research problem is to explain how consumers respond to ambush marketing disclosure and why they have that reaction. Thus, the single relationship between one predictor and the criterion variable without taking other predictors into account does not fully address the pertinent issues. The integrated model used in this study brings a broader range of influential factors together and allows testing of all these relationships simultaneously with due consideration of measurement error and unexplained factors (residuals) at the same time. As a result, not only addresses the research problems well, but also improves the external validity of the findings. Additionally, the method adopted increases the generalisability of the findings through the use of a large sample. Therefore, an integrated model with SEM analysis offers a creative way to explore the interrelationships among various factors under negative information circumstances.

7.4.2 Practical Contributions

The findings of this research also offer some practical contributions. For event owners, the results provide insights into how effective the 'Name and Shame' Campaign is. The event owner tries to combat ambush marketing due to its potential harm to the event's financial viability. Major events, particularly in the sporting context rely heavily on the financial contribution of sponsors.

Increasingly, a more professional and market focused approach has become evident in recent years, and is likely to be even more relevant at a time of economic pressure. Sponsors who do not feel that they have been suitably rewarded for their investment may decide not to invest similarly in future which in turn generates problems for event owners. Generally speaking, as illustrated in both qualitative and quantitative analysis, after the exposure, consumers' attitude toward ambush marketing practice is inclined to be neutral and the degree of blame attributed to it is relatively low (in both predatory and associative ambushing context, the mean scores of blame are below the middle point of 4 on the 7-point scale). However, this measure works well among those who are highly involved with the event, with more favorable attitude toward the sponsor, and with low level of prior knowledge and perceived CSR of the ambusher. Therefore, in order to shelter the sponsorships from the harm of ambushing practice, event owners should either increase the level of consumers' interests of the event (or importance attached to the event), or most importantly, help the sponsors enhance their sponsorship effectiveness. Besides reactive strategies (like name and shame campaigns) used to counter ambush marketing, the event owners can provide more secure sponsorship packages and adopt some proactive measures (e.g. legislative protection, packaging various rights) to facilitate the sponsor's defense against ambushers' attack and minimize the opportunity for these activities. Finally, in accordance with the findings of Burton (2011), event owners must implement effective strategic collaboration to ensure a better activation of their partnerships, which could also protect the sponsorship against ambush marketing.

For sponsors, if ambush marketing proves effective for a competitor, it certainly devalues and undermines the official sponsorship. However, the creative

and imaginative nature of ambush marketing suggests that it will be inevitably planned and practiced in the future, despite the potential risks of deteriorating consumers' attitude and the strict measures taken by the event organizer. The research model proposed in the study can offer the sponsors' valuable insights on which factors are crucial to influence consumers' response to ambush marketing activities and when ambush marketing would possibly damage the perpetrators. The findings of this study suggest that sponsors should not only focus on how to combat ambush marketing, but also, what is the most important, to improve their sponsorship effectiveness so that to strengthen their influential power on consumers' responses to ambushing practice. Additionally, event involvement and consumers' perceived sponsorship motive are two important factors that have a significant influence on sponsorship effectiveness. As a result, sponsorship can work well if the company's target consumers are highly involved fans with the event and they refer the sponsorship as sincere motives. In conclusion, ambush marketing practice, due to its creative and imaginative nature, inevitably becomes a big challenge for event sponsorship. Therefore, sponsors should effectively manage their sponsorship, and at the same time, adopt some proactive strategies to prevent and protect themselves from ambush marketing practice.

For the companies who are engaging or planning to engage in ambushing practices, the findings help to assess the risks and rewards of these practices and provide suggestions on which factors may aggravate or mitigate against consumers' blame or negativity. It is found that consumers are more likely to place less blame if they are familiar with the ambusher's brand. However, perceived CSR can only protect the company from the negative publicity when the perceived information in an ambush context that the consumer perceives as less serious or

negative. In addition, consumers' perceived ambushing motives play a vital role in affecting their responses to ambush marketing exposure. Therefore, companies should emphasize the external reasons for engaging in ambushing practice in their mass media communications (i.e. "we had little choice but to do this"). Since consumers' response to ambush marketing is affected through the event and sponsorship route and the ambusher route, it is necessary for marketing managers to firstly identify their target market and then investigate the characteristics of their target consumers, specifically, how they perceive the event and the sponsorship. Then considering their own companies marketing performance, a comprehensive assessment can be made as guidance to draw up the most appropriate marketing plans.

7.5 Limitations

There are some limitations of this study which should be taken into account when interpreting the results.

Firstly, this study adopted a non-probability sampling method as the sampling frame of the target population could not be identified. As a result, it cannot be estimated to what extent the sample statistics differ from the population statistics. However, the sample size of the current research was large, which should reduce the sampling error and increase the representativeness of the sample.

Secondly, measurement bias in terms of the testing effects exist during the data collection process, due to the short time between the respondents' exposure of ambush marketing case and measuring their consideration of blame and attitude toward the ambushing company. The results could be biased if the respondents perceived the purposes of the study and adjusted their answers accordingly, rather

than reporting their real thoughts. In addition, the long-term and short-term effect of the ambush marketing exposure might be different. This study only explores the immediate effect of ambush marketing exposure.

Thirdly, consumers' attitude toward the ambushing company may be influenced by exogenous factors which are not modeled in the study. If these exist, then the external validity of the results may be compromised. Therefore, further research can incorporate other important antecedent, outcome or control factors into the model.

7.6 Further Research

The nature of the study and the research limitations provide opportunities for further research. Firstly, owing to the potential harm of ambush marketing to sponsorship and an event's financial variability, it is worthy to explore which other event or sponsor related factors can exert a significant influence on consumers' response to ambush marketing activities. In this study, consumers' degree of blame attributed to ambushing practice can be affected through event, sponsor, and ambusher paths. Identifying other important factors (e.g. consumers' perceived fit of event-sponsor, consumers' sponsorship knowledge, sponsoring company's reputation, emotional attachment with the sponsor's brand etc.) regarding the event and the sponsor helps to increase the influencing power of the event and sponsor on consumers' blame. Practically, it can provide the valuable insights on how the event owner and the sponsor can effectively combat ambush marketing.

Moreover, it would be interesting to examine the consumers' response to ambush marketing activities in different countries to see if consumers from diverse cultural backgrounds perceive ambush marketing differently, and if cultural factors

moderate some of the relationships posited in the model. This approach will offer a means by which to generalize the results in this study.

In addition, this study was designed under the context of the Olympic Games. Further research can investigate the similar topic with other major events, like FIFA World Cups. The Olympic Games are more family-oriented, while FIFA World Cups are more male-oriented and with potentially stronger emotional attachment involved. Therefore, it is worthy to enquire whether the characteristics of the events can influence consumers' response to ambushing practice.

Furthermore, this study only focuses on the cognitive process of consumers' response to ambush marketing activities. However, it is interesting to explore the affective process of consumers' reactions, what kinds of emotions can be triggered by a company's ambushing practice, and how these emotions interact with other factors to influence consumers' attitude and behavior.

Finally, consumers' attribution process for ambush marketing can be explored further by taking some personal factors related to information processing into consideration, such as information processing styles or motives. In this study, the attribution process was built on the consumers' information process in a negative information context. However, various aspects of the psychological literature, for example, the search-and-alignment model (Pham & Muthukrishnan, 2002), diagnosticity and spillover effect of negative information (Keller & Aaker, 1993), hold the different views on how consumers' process the negative information and how they respond to it. Information processing is complex and varies from person to person. As a result, it is useful to incorporate some personal characteristics into the model to gain a better understanding of what drives a person to arrive at that

blame point.

7.7 Summary

This chapter draws conclusions based on a summary of the research findings derived from the hypotheses testing. The results imply that the measure of a name and shame campaign may not be as effective as organizers and rights holders might expect, since consumers' attitude toward ambushing practice is prone to be neutral and the degree of blame they place on ambush marketing activities is relatively low. However, this measure can work much better among the consumers who have high involvement with the event and hold a favorable attitude toward the sponsor. Thus, the event owners and the sponsors should work collaboratively to improve the effectiveness of the sponsorships in order to protect the sponsors from the harm of ambush marketing. Moreover, from the ambusher perspective, consumers' prior knowledge about their business and their perceived CSR activity are found to shelter them from negative publicity under certain conditions, and consumers' perceived motives for ambushing practice also play an important role in affecting consumers' responses.

Furthermore, a number of theoretical and practical contributions are also highlighted. The theoretical contributions include the proposed integrated model, the investigation of consumers' perceived ambushing motives, the boundary conditions of the effect of CSR, and the methodological contribution. Additionally, the practical contributions are identified respectively for event owners, sponsors, and ambushers or potential ambushing companies. Finally, the limitations in terms of the sampling method, measurement biases, and the external validity issues of the findings are presented and the related further research areas are suggested.

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List of Abbreviations

| | |
|------------|---------------------------------|
| CSR | Corporate Social Responsibility |
| IOC | International Olympic Committee |
| SEM | Structural Equation Modeling |

Appendix 1 Preliminary Interview

Introduction Key Components:

Thank you

Self-introduction

Research purposes

Confidentiality

Duration

Explain how interview will be conducted

Opportunity for questions

Main Interview Questions:

1. Introduction of ambush marketing

Do you know what ambush marketing is? (Yes/No)

If no, would you like me to provide you with a brief definition?

Explain the definition, the nature and objectives of ambush marketing.

2. Are you aware of any instances of ambush marketing in media?

Introduce the six types of ambush marketing strategies.

How do you perceive each type of ambush marketing strategies, negatively, positively, or indifferently? (Ranking from least negative to most negative) Can you explain the reason for that ranking?

3. What impact do you think ambush marketing has on sponsorship?

Prompts:

- Devalues sponsorship?
- Erodes the integrity of the event?
- Threatens the financial viability of the events?

- Mislead or confuse consumers?

4. What is your opinion of ambush marketing? Why?

Prompts:

- Ethical/unethical?
- Moral/Immoral?
- Legal/Illegal?
- Creative or clever?
- Unfair?

5. What do you think are the main reasons for a company's engagement in sponsorship? What do you think are the main reasons for a company's engagement in ambush marketing?

6. How do you think the use of ambush marketing strategies will influence your attitude toward the ambusher, ambusher's brand, and purchase behavior from the ambusher? Why?

Will you blame the company for ambushing attempt? Why?

7. What factors do you think might have an impact on consumer's response or reaction to ambush marketing? Why?

Prompts:

- Event involvement?
- Prior attitude toward the sponsor?
- Prior knowledge with ambusher's brand?
- Perceived CSR of the ambushing company?
- Any other factors, like gender, culture, age, or religion?

Appendix 2 Preliminary Survey

PART 1

1. Please indicate if you agree or not with each of the following statement.
(Please circle on the appropriate number)

| Statements | Yes | No |
|--|-----|----|
| The official Olympic logo can be used only by the official sponsors of the event. | 1 | 2 |
| Only commercials of Olympic sponsors can be shown during the Olympic telecast. | 1 | 2 |
| Companies that are official sponsors of Olympic Games provide a higher level of support than companies that are official partners. | 1 | 2 |
| Some companies try to present themselves as official sponsors without paying the fee to be official sponsors. | 1 | 2 |

2. Please indicate your degree of agreement or disagreement with each following statement. (Please circle on the most appropriate number, 1= strongly agree, 5= strongly disagree)

| Statements | Strongly Agree | | Neutral | | Strongly Disagree |
|--|----------------|---|---------|---|-------------------|
| Non-sponsors should not lead consumers to believe they are official sponsors of the Olympic Games. | 1 | 2 | 3 | 4 | 5 |
| It is unfair for companies to associate themselves with the Olympic Games without being official sponsors. | 1 | 2 | 3 | 4 | 5 |
| The practice of associating with the Olympic Games without being an official sponsor is unethical. | 1 | 2 | 3 | 4 | 5 |
| I am annoyed by companies trying to associate themselves with the Olympic Games without being official sponsors. | 1 | 2 | 3 | 4 | 5 |

3. Please indicate how you perceive with each of the following categories of ambush marketing strategies (Please circle on the appropriate number, 1 = not negative at all, 5= very negative)

| Ambushing Strategy | Example | Not negative at all | | | | Extremely negative |
|--|---|---------------------|---|---|---|--------------------|
| Predatory ambushing | American Express ran an ad campaign to attack Visa's official sponsorship in 1994 Lillehammer Winter Olympics, featuring the slogan "If you are going to Lillehammer this winter, you will need a passport, but you don't need a Visa!" | 1 | 2 | 3 | 4 | 5 |
| Property infringement ambushing | Betting company Unibet released a series of magazine advertisements in Polish magazine Pitkanonza for online betting on the European Championships 2008, explicitly featuring the words 'Euro 2008' and football in their adverts. | 1 | 2 | 3 | 4 | 5 |
| Associative ambushing | Fosters allegedly ambushed the official England sponsors, Steinlager, when they ran a campaign in Britain during the 1992 Rugby World Cup with the tag line "Swing low sweet carry-out". This was an obvious play on the words of the English rugby anthem "Swing low sweet chariot" and an alleged attempt to obtain benefits that an association with the English team might bring. | 1 | 2 | 3 | 4 | 5 |
| Promotional ambushing | Nike purchased all poster space/advertising sites in and around Wembley Park tube station as a means of promoting the brand during the UEFA Euro 1996 in England. | 1 | 2 | 3 | 4 | 5 |
| Sponsor ambushing | Official sponsor Carlsberg of UEFA European Championships in 2008 extended its promotions beyond the scope of their sponsorship rights, effectively ambushing other sponsors by offering in-stadium promotions and signage, giving away headbands to fans during the tourney. | 1 | 2 | 3 | 4 | 5 |
| Accidental ambushing | Speedo earned considerable media attention throughout the Beijing Olympics as a result of the success of swimmers in their LZR Racer swimsuits, resulting in the brand being identified as a sponsor and cluttering the market. | 1 | 2 | 3 | 4 | 5 |

PART 2

1. What is your gender? (Please circle on the most appropriate number)

1 2

Male Female

2. Which of the following age groups do you belong to? (Please circle on the most appropriate number)

1 2 3 4 5 6

Up to 26 26-35 36-45 46-55 56-65 66 and above

3. What is your marital status? (Please circle on the most appropriate number)

1 2

Single Married

4. Which category does your annual income belong to? (Please circle on the most appropriate number)

1 2 3 4 5

£0-10,000 £10,001-25,000 £25,001-40,000 £40,001-60,000 Above 60,000

5. What is your education level? (please circle on the most appropriate number)

1 2 3 4

High school or below College Undergraduate Postgraduate

Appendix 3 Primary Survey (Predatory Ambushing)

Ambush Marketing Questionnaire

Dear participants,

Thank you for agreeing to participate in this study. It takes about 10-15 minutes to complete. All information you provide is strictly confidential and for research purposes only.

Thanks for your time!

Predatory Ambushing Case

The following box includes a newspaper article regarding a company's ambush marketing activity. Please read the article and answer the questionnaire.

**CREDIT CARD WAR ERUPTS AT OLYMPICS:
IOC ACCUSES AMERICAN EXPRESS OF 'AMBUSH MARKETING' IN
CAMPAIGN AIMED AT RIVAL VISA**

LILLEHAMMER, Norway — The International Olympic Committee (IOC) lashed out Friday at American Express, accusing the company's ambush attack on Visa's official sponsorship during the Winter Games. The IOC has stated that ambush marketing has been used in an American Express television commercial promoting the availability of its services in Norway. The voice-over says: "So if you're travelling to Norway, you'll need a passport but you don't need a Visa". The advertisement angered not only the IOC, but also Visa, the official Olympic sponsor who paid \$40 million for securing the sponsorship rights to provide credit card services at the Games venues. American Express was giving a misleading impression that it had an Olympic connection and had refused to withdraw the advertisement. This is the fifth successive Olympic Games in which American Express has implied such an association without the authority of the IOC. Dick Pound, the IOC executive board member, said "Unfortunately, it appears to be American Express corporate policy, deliberately established at the highest level, to try to appropriate the goodwill of the Olympics without in any way supporting them."

(Adapted from Reuters, 1994)

PART 1

1. Please indicate if you agree or not with each of the following statement.
(Please circle on the appropriate number)

| Statements | Yes | No |
|--|-----|----|
| The official Olympic logo can be used only by the official sponsors of the event. | 1 | 2 |
| Only commercials of Olympic sponsors can be shown during the Olympic telecast. | 1 | 2 |
| Companies that are official sponsors of Olympic Games provide a higher level of support than companies that are official partners. | 1 | 2 |
| Some companies try to present themselves as official sponsors without paying the fee to be official sponsors. | 1 | 2 |

2. Please indicate your degree of agreement or disagreement with each following statement. (Please circle on the most appropriate number)

| Statements | Strongly Disagree | | Neutral | | Strongly Agree |
|--|-------------------|---|---------|---|----------------|
| Non-sponsors should not lead consumers to believe they are official sponsors of the Olympic Games. | 1 | 2 | 3 | 4 | 5 |
| It is unfair for companies to associate themselves with the Olympic Games without being official sponsors. | 1 | 2 | 3 | 4 | 5 |
| The practice of associating with the Olympic Games without being an official sponsor is unethical. | 1 | 2 | 3 | 4 | 5 |
| I am annoyed by companies trying to associate themselves with the Olympic Games without being official sponsors. | 1 | 2 | 3 | 4 | 5 |

PART 2

1. Where on the below scale would you place your personal interest in Olympic Games? (Please circle on the most appropriate number)

Exciting ----1 2 3 4 5 6 7----- Boring

Interesting --1 2 3 4 5 6 7---- Uninteresting

Valuable ----1 2 3 4 5 6 7----- Worthless

Appealing ---1 2 3 4 5 6 7---- Unappealing

Useful -----1 2 3 4 5 6 7----- Useless

Needed -----1 2 3 4 5 6 7----- Not needed

Relevant -----1 2 3 4 5 6 7----- Irrelevant

Important ----1 2 3 4 5 6 7-----Unimportant

2. How would you rate your knowledge about American Express brand relative to other consumers? (Please circle on the most appropriate number, 1=strongly disagree, 7=strongly agree)

I have experience with American Express card.

1 2 3 4 5 6 7

I am familiar with American Express and their offerings.

1 2 3 4 5 6 7

I have expertise with American Express and their offerings.

1 2 3 4 5 6 7

I regularly use American Express card.

1 2 3 4 5 6 7

3. How would you rate American Express Company with each of the following aspect? (Please circle on the most appropriate number, 1=strongly disagree, 7=strongly agree)

American Express Company is committed to using a portion of its profits to help nonprofits.

1 2 3 4 5 6 7

American Express Company gives back to the communities in which it does business.

1 2 3 4 5 6 7

Local nonprofits benefit from American Express Company's contributions.

1 2 3 4 5 6 7

American Express Company integrates charitable contributions into its business activities.

1 2 3 4 5 6 7

American Express Company is involved in corporate giving.

1 2 3 4 5 6 7

4. Please rate your overall impression of Visa Company that sponsor the Olympic Games using each of these scales. (please circle on the most appropriate number)

Bad 1 2 3 4 5 6 7 Good

Unfavorable 1 2 3 4 5 6 7 Favorable

Unsatisfactory 1 2 3 4 5 6 7 Satisfactory

5. What do you think is the most important factor to motivate Visa Company to engage in sponsorship? (please circle on the most appropriate number)

- 1 Goodwill generation
- 2 Gift-giving
- 3 Profit-driving
- 4 Reputation enhancement
- 5 Self-promoting
- 6 Others (please specify_____)

6. What do you think is the most important factor to motivate American Express Company to engage in ambush marketing practice? (please circle on the most appropriate number)

- 1 High sponsorship fees
- 2 Categorical exclusive rights of sponsorship
- 3 Increasing sales
- 4 Attack major rival's sponsorship
- 5 Enhancement of brand awareness

6 Others (please specify _____)

7. Please indicate your degree of blameworthiness for American Express Company's ambushing practice. (Please circle on the most appropriate number)

How much do you blame American Express Company for its' ambushing practice?

No blame 1 2 3 4 5 6 7 Total blame

How responsible was American Express Company for its' ambushing practice?

No responsibility 1 2 3 4 5 6 7 Completely Responsible

Do you think it is American Express Company's fault for engaging in ambushing practice?

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

8. Please rate your overall impression of American Express Company using each of these scales. (please circle on the most appropriate number)

Bad 1 2 3 4 5 6 7 Good

Unfavorable 1 2 3 4 5 6 7 Favorable

Unsatisfactory 1 2 3 4 5 6 7 Satisfactory

PART 3

1. What is your gender? (Please circle on the most appropriate number)

- 1 2
Male Female

2. Which of the following age groups do you belong to? (Please circle on the most appropriate number)

- 1 2 3 4 5 6
Up to 26 26-35 36-45 46-55 56-65 66 and above

3. What is your marital status? (Please circle on the most appropriate number)

- 1 2
Single Married

4. Which category does your annual income belong to? (Please circle on the most appropriate number)

- 1 2 3 4 5
£0-10,000 £10,001-25,000 £25,001-40,000 £40,001-60,000 Above 60,000

5. What is your education level (please circle on the most appropriate number)

- 1 2 3 4
High school or below College Undergraduate Postgraduate

Appendix 4 Primary Survey (Associative Ambushing)

Ambush Marketing Questionnaire

Dear participants,

Thank you for agreeing to participate in this study. It takes about 10-15 minutes to complete. All information you provide is strictly confidential and for research purposes only.

Thanks for your time!

Associative Ambushing Case

The following box includes a newspaper article regarding a company's ambush marketing activity. Please read the article and answer the questionnaire.

NIKE AMBUSHED AT THE BEIJING OLYMPICS

August 04, 2008

Nike is famous for being an ambush marketer in major sports events. It is not surprised if you think it is one of the official sponsors for the Beijing 2008 Olympic Games. Throughout the summer of 2008, Nike made extensive use of the number 8 in their ads campaigns and products' designs. The number 8 stands for luck and fortune in China and it is also a symbol for the Games as the start date was 08.08.08. In addition, Nike has signed up the hurdler Liu Xiang who is one of the most popular sports stars in China. Following Liu Xiang's injury in the men's 110m hurdles, Nike released a full-page ad in the major Beijing newspapers featuring an image of the disconsolate Liu with the slogan: 'Love competition. Love risking your pride. Love winning it back. Love giving it everything you've got. Love the glory. Love the pain. Love sport even when it breaks your heart'. By using of generic symbol, word, imagery, or phrasing, Nike successfully creates an impression in consumers' minds that it is associated with the Games, without actually break the intellectual property laws or the event legislation. Nike's ambush marketing stunts overshadow Adidas's official sponsorship with a total spending of over \$200 million on its complete sponsorship and advertising package. As Shaun Rein (a managing director of China Market Research Group) mentioned, "It doesn't make much sense to sponsor the Olympics, as you cannot set yourself apart from others any more due to the maket clutter caused by ambush marketing."

(Adapted from Burton & Chadwick, 2009 and Woodward, 2008)

PART 1

1. Please indicate if you agree or not with each of the following statement. (Please circle on the appropriate number)

| Statements | Yes | No |
|--|-----|----|
| The official Olympic logo can be used only by the official sponsors of the event. | 1 | 2 |
| Only commercials of Olympic sponsors can be shown during the Olympic telecast. | 1 | 2 |
| Companies that are official sponsors of Olympic Games provide a higher level of support than companies that are official partners. | 1 | 2 |
| Some companies try to present themselves as official sponsors without paying the fee to be official sponsors. | 1 | 2 |

2. Please indicate your degree of agreement or disagreement with each following statement. (Please circle on the most appropriate number)

| Statements | Strongly Disagree | | Neutral | | Strongly Agree |
|--|-------------------|---|---------|---|----------------|
| Non-sponsors should not lead consumers to believe they are official sponsors of the Olympic Games. | 1 | 2 | 3 | 4 | 5 |
| It is unfair for companies to associate themselves with the Olympic Games without being official sponsors. | 1 | 2 | 3 | 4 | 5 |
| The practice of associating with the Olympic Games without being an official sponsor is unethical. | 1 | 2 | 3 | 4 | 5 |
| I am annoyed by companies trying to associate themselves with the Olympic Games without being official sponsors. | 1 | 2 | 3 | 4 | 5 |

PART 2

1. Where on the below scale would you place your personal interest in Olympic Games? (Please circle on the most appropriate number)

Exciting ----1 2 3 4 5 6 7----- Boring

Interesting -1 2 3 4 5 6 7---- Uninteresting

Valuable ----1 2 3 4 5 6 7----- Worthless

Appealing ---1 2 3 4 5 6 7---- Unappealing

Useful -----1 2 3 4 5 6 7----- Useless

Needed -----1 2 3 4 5 6 7----- Not needed

Relevant -----1 2 3 4 5 6 7----- Irrelevant

Important ----1 2 3 4 5 6 7-----Unimportant

2. How would you rate your knowledge about Nike brand relative to other consumers? (Please circle on the most appropriate number, 1=strongly disagree, 7=strongly agree)

I have experience with Nike brand.

1 2 3 4 5 6 7

I am familiar with Nike and their offerings.

1 2 3 4 5 6 7

I have expertise with Nike and their offerings.

1 2 3 4 5 6 7

I regularly use Nike brand.

1 2 3 4 5 6 7

3. How would you rate Nike Company with each of the following aspect? (Please circle on the most appropriate number, 1=strongly disagree, 7=strongly agree)

Nike Company is committed to using a portion of its profits to help nonprofits.

1 2 3 4 5 6 7

Nike Company gives back to the communities in which it does business.

1 2 3 4 5 6 7

Local nonprofits benefit from Nike Company's contributions.

1 2 3 4 5 6 7

Nike Company integrates charitable contributions into its business activities.

1 2 3 4 5 6 7

Nike Company is involved in corporate giving.

1 2 3 4 5 6 7

4. Please rate your overall impression of Adidas Company that sponsor the Olympic Games using each of these scales. (please circle on the most appropriate number)

Bad 1 2 3 4 5 6 7 Good

Unfavorable 1 2 3 4 5 6 7 Favorable

Unsatisfactory 1 2 3 4 5 6 7 Satisfactory

5. What do you think is the most important factor to motivate Adidas Company to engage in sponsorship? (please circle on the most appropriate number)

- 1 Goodwill generation
- 2 Gift-giving
- 3 Profit-driving
- 4 Reputation enhancement
- 5 Self-promoting
- 6 Others (please specify_____)

6. What do you think is the most important factor to motivate Nike Company to engage in ambush marketing practice? (please circle on the most appropriate number)

- 1 High sponsorship fees
- 2 Categorical exclusive rights of sponsorship
- 3 Increasing sales
- 4 Attack major rival's sponsorship
- 5 Enhancement of brand awareness
- 6 Others (please specify_____)

7. Please indicate your degree of blameworthiness for Nike Company's ambushing practice. (Please circle on the most appropriate number)

How much do you blame Nike Company for its' ambushing practice?

No blame 1 2 3 4 5 6 7 Total blame

How responsible was Nike Company for its' ambushing practice?

No responsibility 1 2 3 4 5 6 7 Completely Responsible

Do you think it is Nike Company's fault for engaging in ambushing practice?

Strongly disagree 1 2 3 4 5 6 7 Strongly agree

8. Please rate your overall impression of Nike Company using each of these scales. (please circle on the most appropriate number)

Bad 1 2 3 4 5 6 7 Good

Unfavorable 1 2 3 4 5 6 7 Favorable

Unsatisfactory 1 2 3 4 5 6 7 Satisfactory

PART 3

1. What is your gender? (Please circle on the most appropriate number)

- 1 2
Male Female

2. Which of the following age groups do you belong to? (Please circle on the most appropriate number)

- 1 2 3 4 5 6
Up to 26 26-35 36-45 46-55 56-65 66 and above

3. What is your marital status? (Please circle on the most appropriate number)

- 1 2
Single Married

4. Which category does your annual income belong to? (Please circle on the most appropriate number)

- 1 2 3 4 5
£0-10,000 £10,001-25,000 £25,001-40,000 £40,001-60,000 Above 60,000

5. What is your education level (please circle on the most appropriate number)

- 1 2 3 4
High school or below College Undergraduate Postgraduate