

**Ambush Marketing: A Chinese Perspective**

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### Abstract

As one of the top topics in both scholarly and practical fields of sport sponsorship, ambush marketing research usually focuses on protection of the sports sponsor's rights and prevention strategies. According to the International Olympic Committee's (IOC) (2008) marketing report, the Chinese government did a great job in preventing ambush marketing. Since five years passed, whether China can maintain a high-performing sponsor protection record after the Olympics should be evaluated.

In response to the question, the investigator conducted a qualitative study involving 11 semi-structured interviews of subject-matter experts and a material/archive content analysis. The interviewees chosen were experts from various types of organizations including: (1) government, (2) sports organizations, (3) companies involved in sports sponsorship, (4) sports media, and (5) academic research institutions in China. The interviews aimed at revealing further insights into how ambush campaigns are perceived within China as well as to further its possible sociological and economical causes. Results revealed that although ambush marketing was regulated during the 2008 Summer Olympics, it is still common in China. The current situation of ambush marketing in China is shaped by five factors including: (1) media, (2) legal system, (3) government relationships, (4) event organizers' experience, and (5) contemporary culture.

The study reveal ambush marketing is with the background that China possesses a socialist political background while having a period of capitalistic economic development. The importance of the government's role in maintaining the socialistic culture in economic development cannot be neglected. Also, the triangulated contemporary culture (includes traditional, communism and capitalism) is a big influence to the "Chinese characteristics" in the country's sport sponsorship.

*Keywords:* sport sponsorship, China, ambush marketing, experts

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## Introduction

Ambush marketing has been part of scholastic discussion surrounding sponsorship over the past 25 years (Ellis, Scassa, & Seguin, 2011). Simply put, ambush marketing is a deliberate effort by non-sponsors who aim to associate themselves with a major event in order to deflect the consumer's attention away from official sponsors (Bean, 1995; Meenaghan, 1994, 1996; Sandler & Shani, 1989, 1993). Previous research has shown that ambush marketing, whether legal or illegal, clashes with the already established value of sponsorship rights by causing confusion amongst consumers (Humphreys, Cornwell, McAlister, Kelly, Quinn, & Murray, 2010; Pitt, Parent, Berthon, & Steyn, 2010; Sandler & Shani, 1989; Seguin, Lyberger, O'Reilly, & McArthy, 2005). Once the media pertaining to the event are filled with ambush marketers' initiatives, potential sponsors might no longer want to invest money into the event (Johnson, 2011; Meenaghan, 1994). Since any company can take advantage of an association by not buying the rights for the event, sport organizers should urgently address ambush marketing activities. Moreover, in recent years, local governments have started to cooperate with sport governing bodies, such as the IOC and the Fédération Internationale de Football Association (FIFA), in an effort to reduce ambush marketing. Along with the expansion of global sport, China's sport industry expansion has grown by leaps and bounds (Xiao & Yuan, 2008). Given that these events are often viewed as a great opportunity to stimulate the development of the sport industry in one country, actions such as the passing of special legislation to protect sponsors against ambush marketing at the 2008 Olympic Games in the People's Republic of China (PRC) were deemed necessary (Xiao & Yuan, 2008; Xu, 2007). Since joining the World Trade Organization (WTO) and winning the bid for the 2008 Summer Olympics in 2001, China put greater effort into attracting "non-government investments" and bidding for international events (Li, 2012). China

now hosts top tier sport events such as Formula One racing, National Basketball Association (NBA) pre-season games, the Masters Tennis Cup, the Premier League Final, and the Golf Asian tour, which makes sport events organizing one of the most prosperous industries in China (Liu, Huang, & Jiang, 2007).

However, in terms of ambush marketing, notorious for its low infringement awareness and brand protection, China was previously “a country prone to ambush marketing” (Preuss, Gemeinder, & Seguin, 2008, p. 259). Moreover, the “Li Ning affair” which happened during the 2008 Olympic Games became one of the top discussions around the Games (Pitt et al., 2010, p. 282). The ambush occurred when former gymnast Li Ning, a Chinese national hero and the most decorated athlete at the 1984 Los Angeles Games, was hoisted 75 feet in the air by cables and ran around the inside perimeter of the Bird’s Nest arena to ignite the Olympic flame in front of thousands of spectators on-site and billions of television viewers worldwide. Since Li Ning’s sportswear company share the same name as its creator, without any commercial interruption, the two minute international advertising was captured by global media as an ambushing activity for Li Ning Company. It is the most well-known example of ambush marketing at the 2008 Olympic Games as it successfully confused the public about who was the official sponsor, in this case, Adidas (Pitt et al., 2010). Beyond the Li Ning affair, many business organizations, such as the milk company Mengniu, the China Merchant Bank (CMB), and the electrical equipment firm Xinfei, also took advantage of ambush marketing strategies around the time of the 2008 Olympic Games (Xiao & Mao, 2008).

Although there are a small number of studies which investigate ambush marketing under the culture and policy of China during its sports globalism (Pitt et al., 2010; Preuss et al., 2008; Tan & Green, 2008; Xiao & Yuan, 2008; Xie, 2007; Xu, 2007 ), researchers quickly shifted their

attention away from the country once the Olympics ended (Tan & Houlihan, 2012). However, since China has already planned to be an active bidder for future Winter Olympic Games and a FIFA host country, the value of the Olympic Games' effect in ambush marketing to a country should not be neglected (Bergman, 2010). In any case, considering the fact that Nike and Adidas achieved marketing success in China due to the Olympics (Li, 2012), it is inevitable that more companies plan to share a margin of the Chinese sport market through associating with sport events, whether as sponsors or non-sponsors. In addition, although current literature offers a large amount of information on ambush marketing research before and around the 2008 Olympic Games (Xiao & Yuan, 2008; Xiao & Mao, 2008; Xie, 2007; Xu, 2007; Zhao & Li, 2009), there is a lack of research surrounding the ambush marketing issue specifically after the Olympics are over. With the success of presenting the country on the world stage after 2008 Olympic Games, the Chinese government plan to host more international commercial sports events inside the country (Close, 2010). Thus, related issues including the expert-stakeholders' opinions towards sponsorship and ambush marketing merit some exploratory research concentrating on what role ambush marketing plays in China post-Olympics (Pitt et al., 2010).

This thesis addresses sport sponsorship issues through authorities in China. Leaders who got involved in sports sponsorship have played an important role in changing the public's awareness of ambush marketing; therefore, their devotion to sponsors' protection and their commitment to sport industry development has yet to be evaluated. There is an increasing amount of interest in China's sports market, as more international sport organizations consider hosting sports events there. It has made sports organizations and their event sponsors more concerned about how China will deal with ambush marketing. Therefore, by focusing on Chinese sport sponsorship experts' opinions towards the ambush marketing phenomenon, the aim of this

paper is to provide an inside perspective of a country where culture and policy are different from the western capitalist world. The purpose of this study is to investigate ambush marketing in China in order to answer the following: What are the opinions of Chinese experts regarding ambush marketing? By presenting the results from an inside perspective of China and putting the inside results within the western literature reviews, the discussions will focus on whether the Chinese experts' understandings and knowledge are different to western countries? If so, what possible reasons could lead to these differences?

To address the aforementioned research questions, this study will concentrate on opinions of different experts (including sports sponsorship experts from government, sport organizations, sports media, research institutions, and companies enrolled in sponsorship) of commercial sport events in China. The methods used were semi-structured research interviews combined with writing materials and archive content analysis for triangulation purposes. Through deep analysis of the interviews, the study proposes to provide a more in-depth investigation of the Chinese sport industry in relation to ambush marketing.

### **Background**

Aside from the Li Ning affair, the Chinese government generally did an admirable job in preventing ambush marketing during the Olympic Games (IOC, 2008). However, the mass media and some researchers observed several ambush marketing activities before the 2008 Olympic Games.

The first widely discussed ambush marketing issue prior to the Olympics involved one of the most famous Chinese milk companies, Mengniu. Based on an online survey conducted by Liu (2009), Mengniu successfully made more participants believe that it was the official sponsor for the 2008 Olympic Games rather than the real one – its rival – Yili. The most impressive case

of this occurrence happened in 2006 when Mengniu was the title sponsor of a television show – Intercities. The show was a sports competition between grassroots athletes representing their respective cities around the world. It was presented on the Olympic broadcasting channel, the Chinese Centre Television (CCTV)-5, two years before the Olympics Games and lasted one year. Mengniu used words such as “passion”, “08 now start” and “folks’ Olympic” which alluded to the upcoming Olympic Games. Moreover, the show’s logo was very similar to the Olympic symbol, even sharing the same colors as the Olympic rings. Eventually, the company was prohibited by the Chinese Olympic Committee (COC) from using these words and symbols related to the Olympic Games. It was after this case that arguments about the new concept “ambush marketing” quickly spread throughout Chinese media (Xie, 2007).

Similarly, China Merchant Bank (CMB) was also seen as an ambusher before the Olympic Games (Xiao & Mao, 2008). Knowing that Visa has been a worldwide sponsor of the Olympic Games for many years, CMB organized a Visa credit card promotion activity named “2008, same family with the world” for its 20th year anniversary celebration on March 24<sup>th</sup>, 2007. They also created a TV commercial in which a man said “Beijing” in a scene featuring thousands of people cheering the success of bidding for something, easily implying the 2008 Olympic Games bid. The bank claimed that the Visa card, which they issued, was the official sponsor of Chinese Water Sports Association and supported the Qingdao government’s activity “Qianfanjingfa 2008” (which could be translated as “thousands of boats get started at 2008”). Xiao and Mao (2008) consider the bank used VISA to create an ambushing strategy. Obviously, the goal of CMB’s activity was to market its own bank by Olympic association without the authorization of Visa.

Moreover, in 2007 the electronic product firm Xinfeng, which was not a sponsor of the Olympic Games, organized a beauty contest named “Xinfeng 2008 cheer squad selecting competition” which lasted for one year. The purpose of this competition was to select 50 girls around the nation in order to organize an unofficial cheer squad watching and cheering for the Beijing Olympic Games. In addition, the beer company Yanjing did “saturation ambush marketing” (Chadwick & Burton, 2011, p.717) by claiming that they were the official sponsor for all beer lovers in China rather than the Olympic Games. Its television commercial copied and twisted the expression that some official sponsors used in their advertisement.

Notably, the Chinese government has put increased efforts into improving sponsorship protection in order to constrict ambush marketing. During the 54<sup>th</sup> Executive Meeting of the State Council, China adopted its *2002 Olympic Symbol Protection Law* which was associated with the event organization’s target to protect the goodwill of Olympic sponsors (The Beijing Olympic Committee, 2002). Consequently, the control of ambushers’ advertisements on the official broadcast channel –CCTV5 was successful. The audience rarely encountered ambush marketing on the official channel during the two weeks of the Olympic Games (Pitt et al., 2010). Nonetheless, the aforementioned cases prove that ambush marketing was still more or less prevalent in China before and during the Olympic Games.

The previous sports regime was largely been built around the planned economic system known as *juguo*, or "whole nation", in which the government owns and regulates all sports. While the strength of this system is evident, based on the gold medal count, it was difficult for a free market to grow and for a sports industry to take root. Along with the economic opening, more recent political documents highlight the sports industry development as “a Chinese characteristic economic and sport systems” (Xie, 2007, p. 90). Furthermore, although previous

research with a Western focus yielded rich results, the generalizability of these findings may not be applicable in China. Investigation from the Chinese perspective will be a more fruitful source to help further develop academic research in the ambush marketing field. Therefore, this thesis will first examine both the Western and Chinese research on ambush marketing.

## **Literature review**

### **Overview of Ambush Marketing**

According to Chadwick and Burton (2011), four central ambush marketing areas that research currently touches include: (a) the descriptive and definitive discussions; (b) the consumer's perceptions, especially their brand awareness towards ambush marketing; (c) the ethical issues; and (d) the legal debates. Moreover, Seguin and O'Reilly (2008) found that previous research also included (e) anti-ambush marketing strategies. With the evolution of ambush marketing, articles published within the last three years are more interested in the newly enacted anti-ambush marketing laws (Cookson, 2011; Ellis et al., 2011; Ellis, Gauthier, & Seguin, 2011; Gardy, Mckelvey, & Bernthal, 2010; Hartland & Williams-Burnett, 2012) and the newly created ambush marketing types, along with the consumers' reaction towards them (Chadwick & Burton, 2011; Koenigstorfer & Croeppel-Klein, 2010; Mazodier, Quester, & Chandon, 2010). In this literature review section, the research will mainly follow the aforementioned categories, with an expansion in reviewing articles which specifically focus on sports marketing: especially ambush marketing in China.

### **Definition of ambush marketing**

Defined 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). Ambush marketing was put forward in 1989

by Sandler and Shani whose results indicated that this “growing phenomena” (p.10) and “current wave” (p. 13) has decreased the effectiveness of official sponsorship. From that time on, ambush marketing advanced along with the rapidly expanding marketing and the development of sport sponsorship (Chadwick & Burton, 2011; Crow & Hoek, 2003; Farrelly, Quester, & Greysen, 2005; Meenaghan, 1994). Undeniably, in recent decades there has been an increasing trend for companies to invest money into sponsorship, which has made sponsorship one of the most popular marketing tools. From only 900 companies that spent \$300 million to sponsor special events, including sports events in 1980 (Steven, 1984; Gardner and Shuman, 1987), sponsorship spending has increased to \$51.1 billion dollars globally and is expected to grow by 4.2% during 2013 (IEG, 2013). As a component of the promotional mix, the sponsorship proportion that allocated to sport purposes once reached 80% (Sandler & Shani, 1993; Seguin et al., 2005), and the proportion is 69% in 2012(IEG, 2013). Moreover, since marketing expenditures in leveraging and promoting sponsorship are generally agreed to have at least equalled, if not exceeded, the amount spent in securing rights. Therefore, the sponsorship’s overall estimated market value may amount to around \$100 billion per annum (Chadwick & Burton, 2011).

However, during this process, many researchers argued the definition of ambush marketing. For instance, some researchers held a pejorative attitude to ambush marketing in practice: The term ambush marketing was defined as a strategy that “...intrudes upon public attention surrounding the event, thereby deflecting attention toward themselves and away from the sponsor...” (Meenaghan, 1994, p. 79), or pointed out that it “...seek(s) to confuse the buying public as to which company really holds official sponsorship...” (McKelvey, 1994, p. 20). These definitions indicate that ambush marketing refers to the inappropriate activity with an evil intent (Johnson, 2008; McKelvey & Grady, 2008). On the other hand, other researchers argue that

marketers have various objectives and changing tactics; thus, it is inaccurate to conclude that all ambushing activities are intentional and vicious (Chadwick & Burton, 2011). Therefore, in order to avoid describing ambush marketing with the bias of “evil” or “inappropriate” but in a “more capitalistic nature” (p. 713), Chadwick and Burton (2011) defined it as:

... a form of associative marketing which is designed by an organization to capitalize on the awareness, attention, goodwill, and other benefits, generated by having an association with an event or property, without the organization having an official or direct connection to that event or property. (p. 714)

### **Consumer reaction**

The emergence of ambush marketing during the time that marketing value of sponsorship has increasingly been realized is mainly due to an imbalance of two realities. On the one side, marketing managers are eager to obtain the potential benefits of associating themselves with a specific event, especially a mega-sports event. On the other side, several reasons have made being an official sponsor more competitive, including (a) the overly expensive price of purchasing official sponsorship rights, (b) exclusivity of an official sponsor due to the restrictions on the number of sponsors categories, and (c) a sports organization’s pre-existing exclusive deal with a competing company (McKelvey & Grady, 2008). Companies engage in ambush marketing for various reasons. Although some ambushers complain that the reason they choose ambush marketing is because of the limited opportunities to become an official sponsor, researchers argue that these companies actually choose the ambushing tactic in order to save costs or to distract their competitor’s promotional effect (McKelvey and Grady, 2008).

Regardless of the motivation for why some companies pick this strategy, ambush marketing has proven effective in increasing company brand awareness while at the same time

causing negative consequences to the official sponsors (MacIntosh, Nadeau, Seguin, O'Reilly, Bradish & Legg, 2012; Meenaghan, 1998; Sandler & Shani, 1989). As stated by Farrelly, Quester, and Greyser (2005), compared to the expected benefits, approximately 50% of sponsorships have experienced specific threats, which at least some of them are from the result of efforts by ambush marketers. In fact, many studies have used recall and recognition tests to reflect brand awareness to compare the performance of ambushers and official sponsors (Crimmins & Horn, 1996; Flanagan, 1993; Kinney & McDaniel, 1995; McDaniel & Kinney, 1998; Sandler & Shani, 1989). However, published articles rarely use the sales figures to verify the results. MacIntosh et al. (2012) focused on the purchase trend and decision making for both sponsors and ambushers. The results indicate that the role of mega-sports event interests significantly influences what consumers think and feel and how they behave. Consequently, people who are interested in a particular sports event are more likely to purchase the sponsor and ambusher's merchandise (MacIntosh, et al., 2012). The research also discusses that consumers with a high interest perceived ambush marketing more negatively than consumers less interested. However, the results are not sufficient to conclude the effect of ambush marketing for consumers, since it does not compare the difference of purchasing behaviour between the sponsor and ambusher.

According to Meenaghan (1998), successful ambushing is likely to occur (1) when the official sponsor fails to profit from the purchased property right (Crimmins & Horn, 1996; Shani & Sandler, 1992); and (2) when broadcast coverage of the event is not sponsored by an official sponsor of the event (Millman, 1995; Parker, 1991). Meenaghan (1998) emphasised the importance to educate the consumers of the relative contribution of the sponsor for an event in order to make them conscious about the anti-ambushing activity. Another study based on ten in-

depth interviews with The Olympic Program (TOP) sponsors and senior executives of the Olympic marketing programmes highlights the importance for event organizers. In this case, the IOC enhances their brand management, brand protection, protection of sponsors' rights, consumer education, and a fully integrated marketing communications program (Seguin and O'Reilly, 2008). Scholars have recently also dealt with the consumer attitudes on both implicit and explicit marketing behaviors (Koenigstorfer & Croppel-Klein, 2012), as well as the results after the disclosure of ambush marketer's brand (Mazodier et al., 2010). According to Koenigstorfer and Croppel-Klein (2012), the influence of implicit brand-event linkage is close between sponsors and ambushers of global sporting events; however, sponsors generate higher long-term brand awareness. Another study found that there is no significant difference statistically between males and females in sponsor recall or recognition levels. Nevertheless, females have higher mean scores in attitude toward the brand and purchase intentions for two of three product categories investigated (McDaniel & Kinney, 1998). Mazodier et al. (2010) found that ambush marketing disclosure is associated with lower attitudes towards the ambusher's brand. Furthermore, two variables moderate this effect: involvement in the event and attitude towards sponsorship, both of which worsen the negative influence of ambush disclosure on audience's attitudes. These results are in accordance with the findings by Meenaghan (1998), which outlined that consumer's attitudes toward ambush marketing are driven by (a) the consumer degree of involvement; (b) the level at which the sponsor is involved; and (c) the behavior of the sponsor.

According to Seguin et al. (2005), there are significant differences among people in Canada, France, and United States on their perceptions and attitudes towards Olympic sponsorship and ambush marketing. These differences are mainly captured in six variables

including purchase behaviour, ambushing tactics, brand recognition by consumers, commercial activities, fairness, and brand impression. These differences are related to consumer perceptions of and attitudes towards ambush marketing depending on the country (i.e., cultural differences). Moreover, Preuss et al. (2008) found that empirical data shows that customers from U.S., Canada, and Germany also had a different rate in purchasing products from ambushers. Thus, it is suggested that country of origins may impact consumers' attitudes towards ambush marketing (Seguin et al., 2005).

### **Ethical debate and legal issue**

Even though the ethics of ambush marketing is frequently mentioned as an important issue, scholarly discussions have been limited. O'Sullivan and Murphy (1998) examined ambush marketing from four perspectives – utilitarianism, duty-based ethics, stakeholder theory, and virtue ethics. They found that in each case, the argument can be made both for and against the classification of ambush marketing as unethical. Even though ambush marketing could be an “urgent challenge” (p. 365), it still needs scholarly contribution from theoretical perspectives and empirical data to shape the debate (O'Sullivan & Murphy, 1998). It is regularly noted that holding the opinion in regards to ambush marketing, being ethical or unethical, depends largely on the position of the arguer as either the ambusher or the ambushed (Chadwick & Burton, 2011; Crompton, 2004; Meenaghan, 1994). For that reason, recent scholarly research on this topic tends to fall into two broad groups. The first perspective is from a “property owner” such as the Olympic Games who have conceptualized ambush marketing as “parasite marketing” (Payne, 1993, p. 4) and what some researchers have stressed as “unauthorized” marketing (Townley, Harrington, & Couchman, 1998, p. 335). The second group puts both official sponsors and ambushers into an integrity free market, so that ambush marketing is referred to as “parallel

marketing” to sport sponsorship (McKelvey & Grady, 2008, p. 553) Therefore, the second perspective brings an evolution in the researchers’ understanding of the concept of ambush marketing. This requires us to balance “the sponsors’ contractual rights against the rights of non-sponsors to maintain a market presence during an event through legal and competitive business activities” (McKelvey & Grady, 2008, p. 553).

Nevertheless, although the debates on ethics still exist, for mega-event organizations like the IOC and FIFA, many countries have already used legal methods to help them prevent ambush marketing. Additionally, in the research field, various articles have examined (1) what legal issues can be raised (Bhattacharjee & Rao, 2006; Hoek & Gendall, 2002; Scassa, 2008); (2) the difference of ambush marketing as a legal issue in different countries (Bhattacharjee & Rao, 2006; Johnson, 2008); and (3) the feedback in preventing ambush marketing of the already enacted laws (Cookson, 2011; Ellis et al., 2011). Counter-ambush marketing laws are usually grounded in an acceptance of conventional property rights. According to Dick Pound of the IOC (cited by Ettorre, 1993), the contract terms give access to property rights which belong to the event owners and corporate sponsors, while ambush marketers make frequent and explicit reference to the rights without paying for them. Furthermore, addressing the issue of ambush marketing solely from the perspective of property rights is challenging since it may also “limit or otherwise weaken the rights of others, or to subvert order and the interests of the community at large” (O’Sullivan & Murphy, 1998, p. 360). Additionally, according to Ellis et al. (2011), another problematic concern in translating ambush marketing into a legal issue is how to set the boundaries of legitimate and illegitimate conduct, especially since ambush marketers’ generally avoid the use of trademarks, which the law protects directly. Moreover, it is difficult to identify the precision of the ambusher’s objectionable conduct (Crompton, 2004; Crow & Hoek, 2003;

Meenaghan, 1994). The current law demands for the implementation of anti-ambush marketing legislation, which as proposed by the IOC, includes a protection against “ambush marketing by association” and “ambush marketing by intrusion” (Ellis et al. 2011, p. 303). The former type points to the classic kinds of ambush marketing (Meenaghan, 1998; Sandler & Shani, 1989) that address the right of the event organizers in protecting the goodwill of the event; this kind of ambush marketing potentially damages the right of the organizers in controlling how commercial associations can be made and by whom. The latter refers to when companies place their trademarks with a physical proximity to the event venues (Bartlett, 2007) that can include streets, parks and other public spaces, including public transit routes (Scassa, 2011).

There are various articles that examine the legal recourse currently available to protect sponsors under already existing policies, such as contract law, trademark, and copyright protection (Bean, 1995; Crow & Hoek, 2003; McKelvey, 2003; McKelvey & Grady, 2008). Some researchers even go deeper to a specific law, including the *London Olympic and Paralympic Games Act 2006* (Hartland & William-Burnett, 2012), the *Olympics, Paralympics and London Olympics Association Rights (Infringement Proceedings) Regulations 2010* (Cookson, 2011), and Canada’s *Olympic and Paralympic Marks Act, 2007* (Ellis et al, 2011).

### **Anti-ambush marketing strategies**

Practitioners do not only discuss ambush marketing prevention in the legal landscape. In the scholarly field, researchers try to understand sponsorship program protection strategies, which further specify the ambush marketing definition and limits ambush marketers’ behaviour.

To better outline the counter-ambush marketing strategies, research first examines the common ambush marketing methods which Meenaghan (1998) suggested as being the following: (1) sponsorship of the official media coverage of the event; (2) sponsorship of a subcategory

within the event and aggressive conducting of investment practices; (3) sponsorship related contributions to the athletes and players; (4) engagement in advertising that coincides with the sponsored event; and (5) use of miscellaneous and “imaginative” (p. 112) ambushing strategies that serves to allow non-sponsors to associate themselves with particular events. Crow and Hoek (2003) examined a range of instances classified into these categories. Additionally, Crompton (2004) expanded the avenues of ambush marketing tactics to include (1) purchasing advertising space in locations close to the event venue; and (2) creating of a counter-attraction. Meanwhile, McKelvey and Grady (2008) elaborated and added the methods of congratulatory messages and conducting related consumer promotions. Previous studies also try to prove whether these research results vary when the sample of countries is modified. Moreover, a number of scholars have identified frameworks for categorizing the broad range of ambush marketing strategies, or tactics that non-sponsors used (Crompton, 2004; Crow & Hoek, 2003; McKelvey & Grady, 2008; Meenaghan, 1998).

Even though ambush marketers become more sophisticated in the development of marketing campaigns in order to avoid directly going against the related rules (McKelvey & Grady, 2004), present tactics that could be used by the sponsors and sport organizers to prevent ambush marketing include: pre-event education and public relations initiatives, on-site policing tactics, contractual language in athlete participation and spectator ticket agreements, and the enactment and enforcement of special trademark protection legislation (Hartland & Skinner, 2005; McKelvey & Grady, 2008). Nevertheless, one thing that we cannot neglect is that both ambush marketing strategies and anti-ambush marketing preventions actions have been developed during the past decades (Chadwick & Burton, 2011); thus, both sides have become more adept and ambush strategies are now more sophisticated.

### **China, Sport Sponsorship and Ambush Marketing**

It is important to contextualize the country's sport market (e.g., culture, recent policy history in its sport industry) in order to understand the nature and significance of China's ambush marketing. Generalizing about a country of 1.3 billion and 56 official ethnic groups runs the risk of misrepresentation (Tan & Houlihan, 2012). Indeed, many recent analysts have opted to discuss the country in light of paradoxes rather than ambiguous themes; such paradoxes include those between market socialism and Confucianism (Bell, 2008), atomistic consumerism and political collectivism (Dillon, 2009), and the country's need for international respect and affirmation as a world power and the desire to distance itself from the "century of humiliation" that dated from the middle of the nineteenth century and lose the label of the "sick man of East Asia" (Brownell, 1995, 2008; Lovell, 2008).

Sports used to play an important diplomatic role in China. Such as the "Ping-pong diplomacy", which refers to the exchange of table tennis (Ping-Pong) players between the United States and China in the early 1970s, the event ended the frozen relationship between China and western countries. Since then, China quickly developed its sport industry which translated into success on the international sporting stage on the Olympic medals table. From 1979, China initiated profound economic reform in its attempt to integrate with the global economy and to catch up with the Western capitalist world through modernization. China's eagerness to be recognized as a global power in economic development has been seen (Tan & Green, 2008). More recently, China's highest executive organ of State administration historically issued an official document designed to transform the nation's sports industry, with the primary goal of attracting non-governmental investment in 2012. Additionally, the government strongly proposed developing the sports industry as a way to stimulate economic growth at both the 2012

National Public Congress (NPC) and Chinese People's Political Consultative Conference (CPPCC).

### **Chinese Characteristic**

The term 'Chinese characteristic' refers to the current primary stage of socialism in China –the Chinese government maintains its Marxism ideology, but with capitalism economic system development policies. Therefore, the new concept of "Chinese characteristic Marxist theory" was created by the Communist Party of China (CPC) to accommodate this development. To be more specific, "Chinese characteristic" came along with the reforms in China's state-owned enterprise (SOEs), because of institutional flaws, which were typically reflected in the SOE sector's (as a whole) lack of efficiency and rampant corruption at the management level, that were noted by many observers (Pei, 1994; White, 1993). Specifically, the new market socialism model helped to transform the SOEs from the traditional state socialism model (state-owned and controlled) into a market-oriented economic system (Wu, 1994); however, the decision of partially privatizing the SOE sector was forced to be delayed by the ruling CPC until the late 1997 during its 15<sup>th</sup> National Congress (Jiang, 1997). Since then, thousands of loss-making SOEs have been shut down or re-sold. Private and foreign investors were then allowed into the Chinese market (Broadman, 1999). In Chinese Communist thinking, the "Chinese characteristic" explains the Chinese government's flexible economic policies to develop into an industrialized nation (Gregor, 1999). Accordingly, this new concept aims to balance centralized government control with a free market.

### **Sport Sponsorship in China**

China is no exception to the trend that sport sponsorship has developed into a major industry in the global market place (IEG, 2004; Yang, Sparks, & Li, 2008). Yang et al. (2008)

claim that sport sponsorship in China helps “to build not only brand equity, but also relationships, networks, and alliances... relationship is utterly the most important element in business dealings within China” (Yang et al., 2008, p. 64). China provides a very different market for sport sponsorship with its own unique history and cultural background. Nonetheless, there has been only a few attempts to examine how sport sponsorship works in the context of Chinese culture and economics (Geng, Burton, & Blakemore, 2002; Soderman & Dolles, 2008) while addressing the uniqueness and identifying the ways in which international and domestic corporations perceive and act on the opportunities for sponsorship investment in China (Soderman & Dolles, 2010).

According to BBC Monitoring Media (2006), China is the third-largest advertising market in the world after the USA and Japan. While foreign ventures have continued to enter and advertise in China, local Chinese enterprises have driven a significant portion of the expansion in advertising expenditures, and local brands comprised the entire top ten lists of advertisers (Kahn, 2003). Moreover, Soderman and Dolles (2010) show that large state-owned Chinese companies recently raised their interest and investment to increase international brand awareness. Research also points out that due to cultural differences, international well-known brands should be careful in bringing their advertising concepts straight to consumers in mainland China (Tai, 2007).

Most contributions to international sports marketing have been from developed economies and less is known from an emerging marketing perspective (Goldman & John, 2009). Goldman and Johns (2009) stated that the business of sports is “a significant economic sector at the individual, organizational, and national levels and is an important contributor to economic activity and wealth creation” (p. 125). Realizing the potential economic benefit, both governments around the world and large corporations invest heavily and put international

marketing efforts that focus on professional sport in developed countries (Ratten & Ratten, 2011). As a result, sport events have been one of the most prosperous developing industries in China. The value of sports-related industries reached 222 billion Chinese Yuan (0.55% of China's Gross Domestic Product (GDP)) and the increase of sport industry (13.44%) is higher than the increase of China's GDP (10.3%) in 2010 (The Central People's Government of the People's Republic of China, 2011). Sports are growing in popularity in China. Over the last ten years, especially after China obtained the right to host the Olympic Games, these events have emerged as one of China's most rapidly growing industries. China's hosting of an increasing number of major sporting events adds to the already significant business potential (Liu et al., 2007).

### **Ambush Marketing Research in China**

Although both databases were established at the end of 1990s and are comparatively new to Western research databases, China National Knowledge Infrastructure (CNKI) and Wanfang Data collect the most complete Chinese research articles and are most popular among Chinese researchers (Huang, 2006). Ambush marketing is a new topic of inquiry in China. According to the data from these two Chinese databases, the earliest Chinese scholarly article that focuses on ambush marketing was published in the *Journal of Yunnan University of Finance and Economics* by Sun in 2004. Since CNKI also includes articles from newspapers and magazines, search results of the existence of the term "ambush marketing" date back to 2002 or earlier.

Sun (2004) focused on the causes of ambush marketing's "prevalence" (p. 84), and raised several methods for organizations and sponsors to prevent being ambushed. He pointed out that the imperfection of law and regulation, the comparative low customer awareness, and the high sponsorship fee charged by the organizing committee are the most significant reasons why ambush marketing arose. However, it is ambiguous whether those reasons are unique in China or

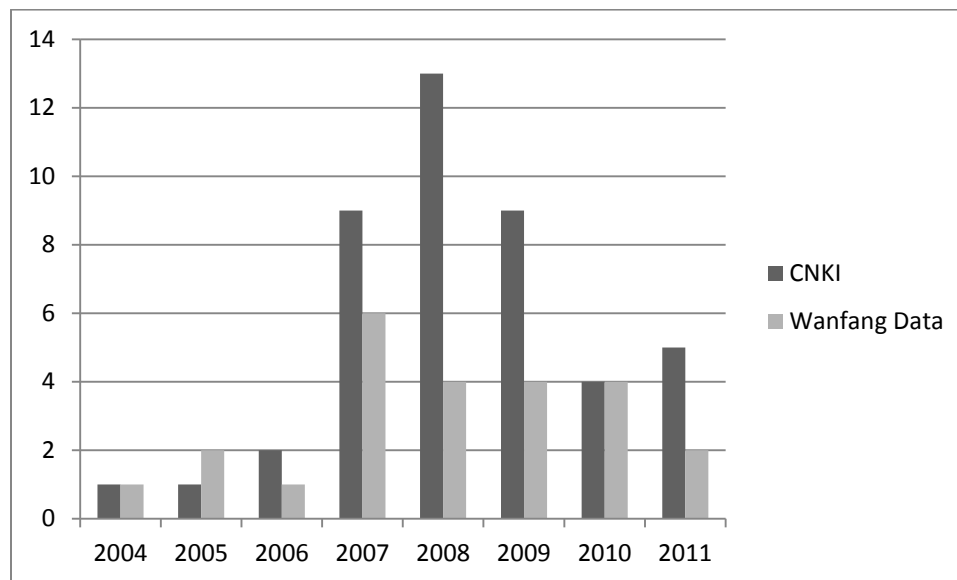
not. Even though Sun (2004) discussed ambush marketing with several examples in China, the remaining part of the article consists of introductions to Western research results. Furthermore, the article's analysis appears untenable due to a lack of information about the methods implemented.

Nevertheless, Research about ambush marketing in China during the past decade is still insufficient. Of the 24 Chinese papers found in the WanFang database, only five of them were published in a national journal and one of them depended on an online-survey as a reliable methodology. The rest were published in college-level journal and mostly summarized previous literature or were a reflective of a student's study. Similarly, the number results from CNKI are 72 including several English articles and non-scholarly news.

Search results show that from 2007 to 2010, significantly more research articles on ambush marketing were published (Figure. 1). One possible interpretation is that Chinese researchers became interested in sports marketing because of the Beijing Olympics along with the difficulties that the NOC found during the organizational work for the 2008 Games. Moreover, a lack of similar previous mega-events organization experience is another reason to explain the inadequate attention being given to ambush marketing research.

Even though Xu and Cheng (2006) are more specialized on the Olympics, most of their articles still focus on the general concepts that are related to ambush marketing. As these articles titles indicate, their research questions include: What is ambush marketing? What are the characteristics of ambush marketing? What approaches do ambushers usually use? And how could organizers prevent ambush marketing? However, along with a lack of introduction to methods and methodologies, most of their discussions seem to be translated from Western articles. For instance, the five methods of ambush marketing mentioned by Wang, Yuan, and

Zhang (2005) and Xu and Cheng (2006) within almost one page are actually translated from Meenaghan (1994). Furthermore, their definitions of ambush marketing are based on Sandler and Shani's (1989) research; therefore, their discussions almost share the same concepts including: (1) ambushers damage the sponsor's benefit intentionally; (2) ambush strategies could confuse customers' recognition; (3) ambush marketing is a strategy that taken advantages by non-sponsors (Lu, 2005; Wang et al, 2005; Xu & Cheng, 2006; Yi, 2011).



*Figure 1.* Number of Chinese scholarly article in CNKI and Wanfang Data

The other two articles addressed the legal issue of ambush marketing. Liu (2009) focuses on anti-unfair-competition law regulation to help prevent ambush marketing. Xu (2007) examines the legal regulatory system against ambush marketing in 2008 Olympics and furthers the discussion on the shortcomings of current Chinese law.

Conclusions can be deduced according to these articles. First, ambush marketing is rarely researched in China (Xu & Cheng, 2006). Not only does the number of articles pertaining to this subject in both databases reflect this but, researchers who focus on this field also realized the situation. Second, even though there is research related to this topic, these articles deal with more

the general marketing around the world rather than to specialize in the Chinese sport industry. Aside from Zhao and Li (2009) and Xu (2007) who refer to the Chinese sport market during the 2008 Olympics, among these 11 articles, other research simply mention one or two examples in China and does not discuss them in detail. Finally, paralleling with the peak of publications around 2007-08, the content of these articles also reflect that the Chinese people are becoming more concerned about ambush marketing with the 2008 Olympic Games' organization. Additionally, the promulgation of the *Beijing Municipality, Protection of Olympic Intellectual Property Rights Provisions* and the *Regulations on the Protection of Olympic Symbols* attracted Chinese researchers to concentrate on ambush marketing which these regulations attempt to prevent and protect.

Nonetheless, Xu and Cheng (2006) published their article in "Sport Science" which is one of the 16 core sports science journals in China (Appendix 2). The other articles were published in non-scholarly magazines and college academic journals. This suggests that the weaknesses of these articles, especially those related to methodology, may have affected the reliability of the results.

Firstly, researchers in China disagree over the translation of "ambush marketing" as there are more than four or five translations of the term. The earliest article, written by Sun (2004), expressed the term as "寄生 (Jisheng)", the characters literally meaning parasitic; however, this translation is argued by other Chinese authors as over-negative and with bias. The word "埋伏 (Maifu)" which means ambushing is more commonly used (Lu, 2005; Wang et al, 2005; Zhao & Li, 2009; Zheng, 2010). Other words such as "隐性 (Yingxing)" or "伏击 (Fuji)" are also used by researchers. Although these authors recognize that there exists disunity over the translation (Liu, 2009; Yi, 2011), they continue to use different terms.

Secondly, these articles lack an introduction about the methods and methodologies in structure. Researchers play the role of translator by targeting Western articles and translating the results into the Chinese market. Undeniably, the translation and analysis help the theory of ambush marketing spread out in the Chinese sport research field; however, the most widely used article, *Ambush Marketing becomes Olympic Events* by David M. Hiestand (1987) in *Adweek*, cannot be found on the Internet or the library database at the University of Ottawa. Moreover, possibly due to the qualitative research perspective, since theory is based on Western philosophy, Chinese research in the sport field lack training of qualitative research (Guo, 2005; Zhang, 2002).

Thirdly, researchers should reconsider several conclusions. One of the most popular determinative-sentences made by these researchers is “ambush marketing is the inevitable result of the sports sponsorship marketing development” but without any expounding and proving (Meng & Liu, 2008; Wang et al., 2005, p. 45). Another methodological problem is that, people concentrate more on previously published data rather than their own empirical studies. For example, both Liu (2009) and Xu (2007) mentioned that the government disseminated several laws to help protect sport sponsorship and prevent ambush marketing during the Olympic Games. Nevertheless, lacking real observations and by only examining this law’s application, they prematurely described the current situation of ambush marketing in China.

Generally, articles prove that before the 2008 Olympic Games, there was a trend in using ambush marketing (Pitt et al., 2010; Preuss et al., 2008). Pitt et al. (2010) found the Li Ning affair as ambush marketing and provided seven “lessons” (p. 285) for sponsors to learn from. Research demonstrates that Li Ning was the clear brand winner of the 2008 Olympics in the footwear category (Pitt et al., 2010) through customer recognition (Liu, 2009). To study consumers in China around 2008 Olympic Games, Liu (2009) did an empirical study where he

did a customer questionnaire in the ten biggest Chinese cities to study the ambush marketing's implementation and its impact. Results showed that there was no significant difference for the milk company Mengniu and footwear company Li Ning in sponsor recognition with the official sponsors Yi Li and Adidas. Moreover, people could not differentiate the official Olympic sponsors based on sponsorship level. Nevertheless, the results showed that when companies were able to make a connection with the Olympics, consumers' willingness to purchase products increased (Liu, 2009).

Xiao and Mao (2008) proposed that other companies such as, Xifei, Mengniu, and some bank and beverage companies did ambush marketing before the 2008 Olympic Games. Similar to Xiao and Mao (2008), articles published before the 2008 Olympic Games demonstrated that ambush marketing would be popular during the 2008 Olympic Games (Preuss et al., 2008; Xiao & Yuan, 2008; Xie, 2007). Therefore, some researchers proposed protective strategies to deal with this issue. Some general strategies mentioned by McKelvey and Grady (2008) include: the pre-event education, the refinement of the sponsorship package, and the enactment and enforcement of special trademark protection legislation. Researchers highlight that the law restriction and the implementation of the law in China should be taken seriously for the country's globalizing development (Xie, 2007; Xiao & Yuan, 2008). Furthermore, Preuss et al. (2008) concluded that "the poor jurisdiction in particular to laws that need interpretation" (p. 260) may be one of the main reasons for the popularity of ambush marketing in China.

Xie (2007) prefers to view ambush marketing as a legal issue; she considered some actions of sponsor teams and individual athletes as ambush marketing. Compared with regulations from other countries, including the U.S., Switzerland, South Africa, Australia, and the U.K, legislation with regards to sports marketing in China is poor (Xie, 2007). She suggested

a fine in order to successfully limit ambush marketing during the Olympic times. Additionally, Xie (2007) supports the punishing measure to Mengniu InterCitys television show, which was accused of ambush marketing and had been called off by the government. Pointing out the ambush marketing by Anta to Li Ning during the 2000 Sydney Olympic Games, Xie (2007) also found that on Anta's website, it still clearly showed that the Anta cooperation consider that as a successfully marketing campaign; thus demonstrating a low awareness by companies in ambush marketing.

Previous studies indicate that China is a country that is keen to use ambush marketing and poor in preventing it (Preuss et al., 2008). However, there is a lack of research that analyzes the cause for this situation. Secondly, most researchers only discuss ambush marketing that occurs in Western countries which shares the free-market concept; the study of China, a socialist country, which changed its controlled market 30 years ago, may not arrive at the same conclusions of previous Western studies. Since the realization of ambush marketing and the illegality of this concept have only appeared in China for the last 10 years, sport sponsorship experts' opinions held towards ambush marketing could demonstrate a change of the trend of using ambush strategies and whether there are any different attitudes and opinions towards ambush marketing compared to Western countries and other developed countries. Furthermore, Pitt et al. (2010) and Liu (2009) all point out the success of the Li Ning affair during the 2008 Olympic Games. However, will these lessons still be applicable since the Olympic Games left the country five years ago? Questions like "do the Olympics change China or does China change the Olympics" should be proposed again. In addition, according to Seguin et al. (2005), it is necessary to develop specific strategies to combat ambush marketing country by country, since customer reaction to ambush marketing vary due to cultural differences. All of this proves that, it

is necessary to research the ambush marketing issue inside China again. A study on the insiders would provide precious results to help people better understand how the cultural and political environment could affect the marketing strategy of sports sponsorship in this Asian country. Perhaps cultural or political differences are the main cause of this issue.

### **Methodology**

To further investigate the issues and questions raised within the existing research base, and especially to address a Chinese view towards ambush marketing, a three-stage data collection and analysis including experts interviews, content analysis of documents and archive materials, and thematic analysis were undertaken (Figure 2).

#### **Semi-structured interview**

The first phase of research consists of a series of semi-structured interviews with Chinese sports sponsorship experts, exploring their knowledge and opinions of sports sponsorship. Focus was made on the conception ambush marketing and their opinion of its place in marketing in China was sought after. Respondents were selected based on work experience. We defined the expert for this study as a top manager involved in sport sponsorship and coming from one of the following industries: (1) the government, (2) a sports organization, (3) a company enrolled in sports sponsorship, (4) media, and (5) academic researchers in China (Figure 3). They experience either directly or indirectly ambush marketing at both the strategic and tactical levels; across a variety of sports, or through past research on the subject. These senior experts provide valuable insights to help understand ambush marketing in China. The interviews used a grounded approach aimed at generating insight into the practitioner's perspective of ambushing.

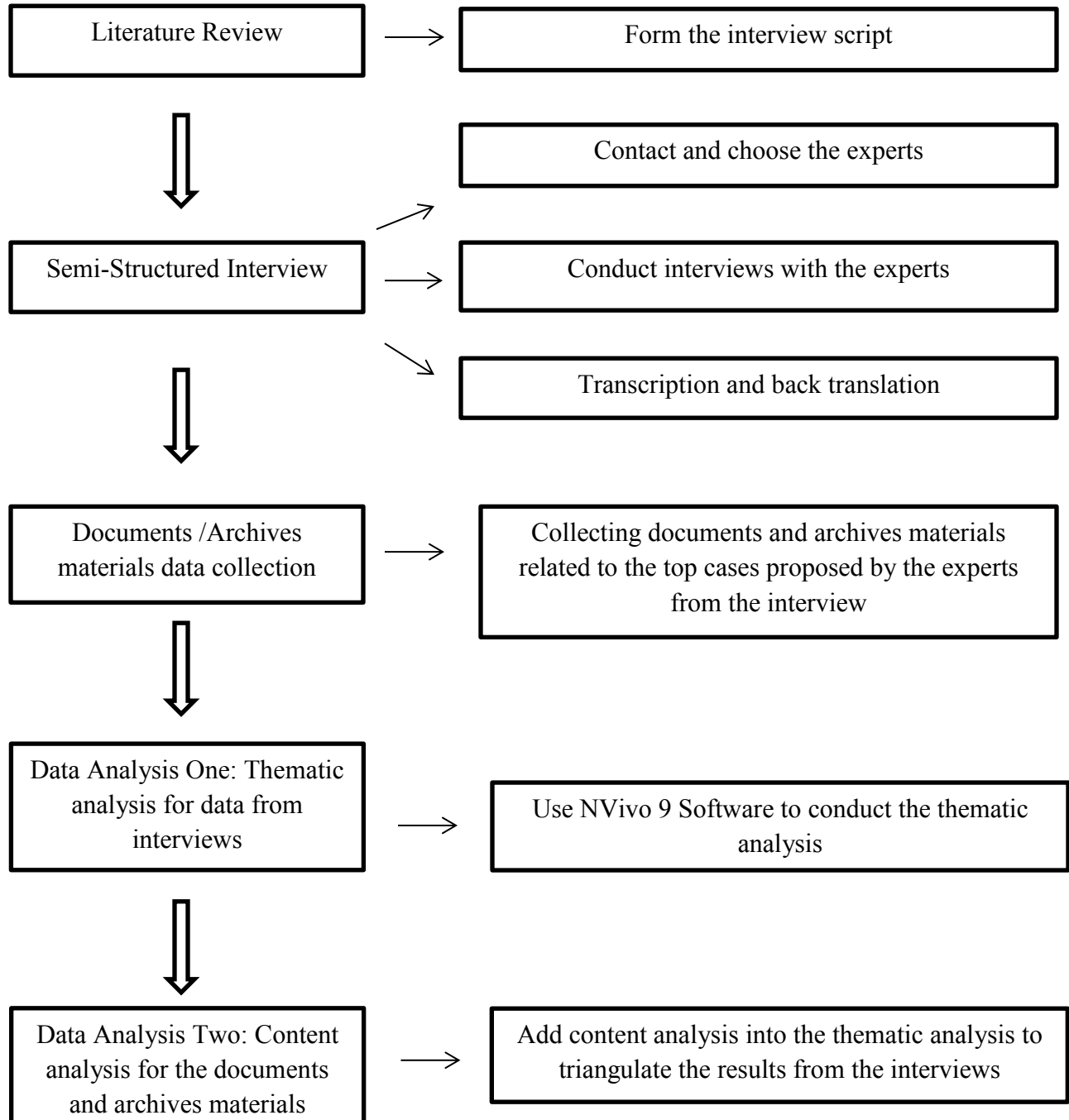


Figure 2. Steps for this qualitative research

Fontana and Frey (2005) mentioned that interviews can be used for the “understanding of an individual or a group’s perspective” (p. 698). According to Fontana and Frey (2005), semi-structured interviews can provide greater breadth while still controlling the pace of the interview

and following a straightforward manner at the same time. Compared to a traditional structured interview, a semi-structured interview is open allowing new ideas to be brought up during the interview as a result of what the interviewee says (Fontana & Frey, 2005). Therefore, interview scripts were designed to encourage interviewees to openly talk, but was limited to the research topic of ambush marketing (see Appendix 1). Based on a previous study, ambush marketing brought into China during the time before the Olympic Games (Xu, 2007). Considering that there is potential that experts in China may not be familiar with ambush marketing as a professional manager in Western countries would be, the semi-structured interviews were designed with an interview script based on the framework of previous Western studies. This could allow the researchers to examine the issue followed in a standardized manner, while providing participants with an opportunity to raise points they see as being relevant to the topic (Fontana & Frey, 2005). Questions were mostly based on the key themes, such as the nature of ambush marketing, the parallels between marketing and law present in ambush practices, and issues surrounding its legitimacy and the authority of the sponsors. The questions guided the interviews and provided a useful platform to further analyze the case database created. Some questions varied depending on the background of the interviewees.

In total, 11 respondents completed interviews, in which they detailed their experience of sponsorship and ambush marketing. Interviewees gave their own opinions to different cases of ambush marketing; why they thought these cases happened, and explained in detail the methods, tactics, and strategies used by ambushers, sponsors, and events rights holders in relation to ambush marketing. Eight interviews were conducted face-to-face when the author was in China from December 2012 to January 2013; two of them were conducted through “QQ chat” (a Chinese video chatting software); and, one was conducted by telephone. The latter three were

data-gathered when the author was in Canada. While the interview guide was prepared in both Mandarin and English, all the interviewees chose Mandarin as the preferred language for the interview.

Responses were recorded when permitted, and subsequently transcribed, allowing each to be coded and analyzed, adding further detail to the study. The names of the interviewees were kept anonymous as required by the University of Ottawa Ethics Review. Furthermore, participants were provided with a copy of their transcript for verification, personal record, and feedback purposes.

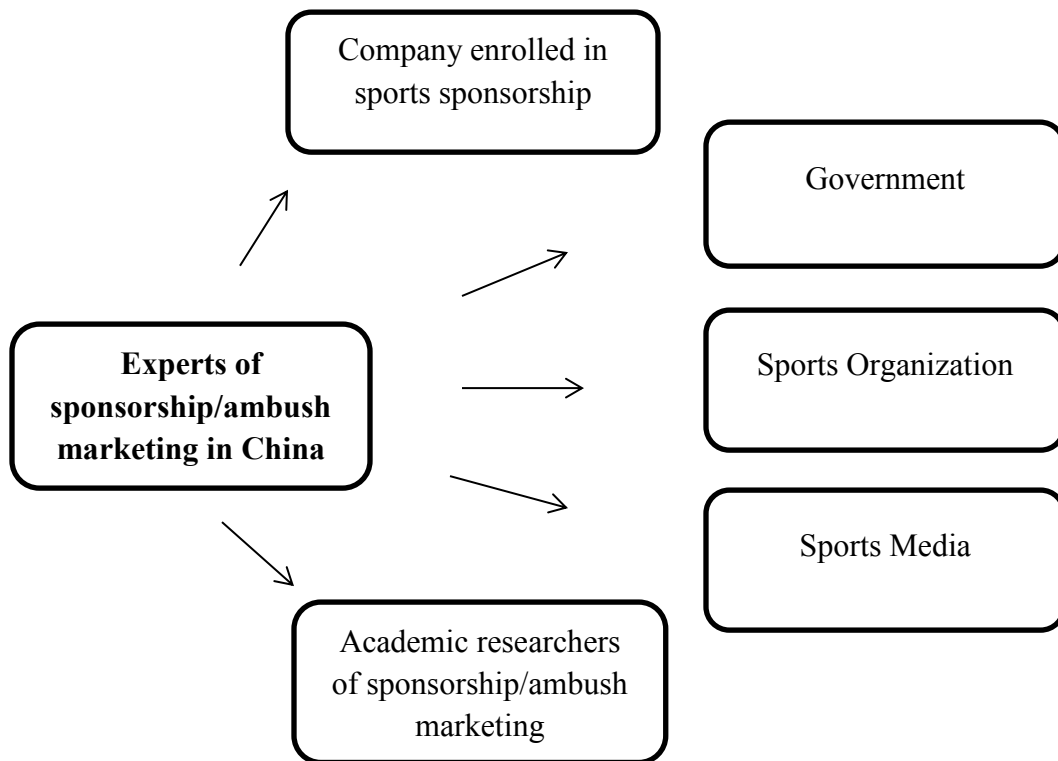


Figure 3. The Experts of Sports Sponsorship in China

**Content analysis of Documents /Archive materials**

The second phase is a content analysis of the documents around the main themes of ambush marketing which experts during the interviews. The purpose of content analysis is a method of triangulation to expand some cases mentioned by the experts during the interviews.

Content Analysis (CA) is a research technique for making interpretations and conclusions by objectively and systematically identifying specified characteristics of writing context (Holsti, 1969; Krippendorff, 1980). Similar to the semi-structured interview, CA is also a convenient and established method of social research by qualitative analysis: the former one is based on conversation while the later collects and analyzes data from written material (Bauer, 2000). According to Bauer (2000), while conducting the CA, there are three problems of sampling that researchers should notice while selecting materials: the data's representativeness, the sample's size, and the unit of sampling and coding. Consequently, choosing appropriate written documents for the CA is the first step of this research.

Rather than providing a detailed review and analysis of the content of the collected pieces, the aim of the content analysis phase was to fill up the framework of research thematic analysis and triangulate with the semi-structured interview. Five of the interviewees provided copies of their sponsorship information, which included several events and companies' sponsorship details. Other documents included books and documents obtained from the Olympic and Sports book reservation lab at the Beijing Sport University, print media, web-based news sources, legal documentation, and collected ambush marketing visual materials.

Documents from the Olympic and Sports book reservation lab were on China's sport history, its efforts in the Olympic movement, and recent cases in the developing sport industry. It also included relevant political documents around marketing in sport, ambush marketing, and

sport sponsorship. The sources used were Chinese based, which eliminates the bias of previous research. The website and documents were searched for mandates of each OC, reference to their key partners, and any joint initiatives. All of this information was coded and put into the framework for further thematic analysis.

According to Bauer (2000), coding and classifying the sampled materials are constructive tasks which combine the theory with the research material. The coding and classifying works are not achieved immediately as the researcher needs to allow sufficient time for piloting, amendments, and coder training (Bauer, 2000). Constructing a coding frame is an iterative process, and, if several coders are involved, a collective process, that at some point must be closed (Bauer, 2000).

CA is a convenient data collection and provides pre-work in helping to design other methods (Bauer, 2000). It is a very general approach and the range of data has widened over the years to embrace nearly any culturally related issues (Gerbner, Hoslsti, Krippendorff, Paisley, & Stone, 1969). Moreover, other strengths of CA are that it is organized and public. Secondly, the systematic approach and the use of computers allow researchers to deal with large amounts of material. Moreover, it uses relics of past activities, such as interviews, experiments, observation and surveys, that are bound to the present. Last, it offers a set of mature and well-documented procedures (Bauer, 2000). Regardless of the lengthy process, since this research required large amount information to make the framework more complete, CA was very suitable.

### **Thematic Data Analysis**

Nine of the semi-structured interviews were fully tape recorded, while two of them were noted down during the interview because one interview was conducted by international phone call, and the device was unable to record while calling. Another one was a face-to-face interview

in the experts' office while the researcher was in China; however, the interviewee refused for the interview to be recorded. Since notes were taken during interviewing, there could be some missing details. Hence, the researcher recorded her own reflections of the interviews and re-organized the notes immediately after. All the interviews and the self-reflective record were then transcribed in Mandarin with complete content using NVivo 9. Once organized, all the transcripts and data were subjected to qualitative analysis for commonly recurring themes.

According to Braun and Clarke (2006), thematic analysis involves “the searching across a data set –be that a number of interviews or focus groups, or a range of texts –to find repeated patterns of meaning” (p.86). It is used when there are rich details about data in order to help minimally organize and describe the data.

The first step of analysis is familiarizing oneself with the data. The investigator listened to the data while it was being conducted and transcribed the interview. Since the transcript would be presented to a Chinese professor to help confirm the analysis, the researcher also edited the transcripts in Mandarin. Initial ideas about the data were also noted down while reading. After that, the researcher started coding the transcript using an inductive approach. According to Braun and Clarke (2006), inductive thematic analysis is a data-driven way to code the data, which in my case means that one would read and re-read the data for any themes related to ambush marketing, and “code diversely, without paying attention to the themes that previous research on the topic might have identified” (p. 83). Therefore, in this analysis, the investigator coded all the themes that gave considerable attention, and all the interesting “draft themes” that emerged. For example, one of the interviewees claimed that “the government is the biggest sponsor” (CEO of an agency company), which attracted the researcher's attention, and was coded as “government”. Further on, another expert mentioned that “the government encouragement will include a

privilege policy for tax and future cooperation” (general manager of an international sport event in China). Therefore, this claim was also coded as “government”. This process was kept until the end of all the transcripts when all the initial codes were generated.

The coded data was extracted as following:

	Data extract	coded as
1	the government is the biggest sponsor	government
2	the government encouragement will include a privilege policy for tax and future cooperation	government
3	sponsorship is still naïve in China, and organizers lack organizing experience compared to western countries	experience of organizing
	.....	.....

After the first inductive thematic analysis, the code of “government” appeared 49 times and the code of “experience of organizing” appeared 37 times. According to Braun and Clarke (2006), as a qualitative analysis, there is no hard answer as to what size of a theme could be, only if the theme is considerably important enough. The majority of the experts mentioned the relationship with the government while organizing a sport event in China. Therefore, government becomes one of the themes. Even the discussion about “experience of organizing” emerged comparatively less in quantity; however, most experts highlight the topic. Additionally, considering the length of the topic, it should also be counted as a theme.

One thing that needs to be emphasized here is about the design of the questionnaire. Braun and Clarke (2006) stated that the design of the questionnaire could affect both the interviewee’s feedback and the investigator analysis since the questions may be aimed and

purposed. Undeniably, this could also affect the research analysis; however, what is also interesting is that most experts mentioned media long before the question about media was asked. Additionally, media became one of the most attractive discussions on which participants expanded. In all, five themes and concepts embedded in the interviews emerged and were considered representative of the whole data set (see Results/Discussion).

The transcription and translation of the themes and quotes were sent to a Chinese professor whose native language is Mandarin to help confirm the back translation process. She got the transcription and analysis in Chinese, along with the translation of the analysis results and quotes from the interviews. Five themes were finally confirmed.

Once the five themes emerged, content analysis was added into the thematic analysis. Content relevant to the five themes were gathered and analysed parallel for subthemes. To go deeper into the data, a theoretical thematic analysis (Braun & Clarke, 2006) was undertaken where the researcher went through the entire data again in order to find subthemes or some details that were neglected the first time. The software NVivo 9 allowed all of this data (including the interview transcripts and the content analysis) to be organized for coding. Hence, codes and sub-codes were classified into major themes. Subthemes were coded and analyzed. Supplemental content analysis helped to triangulate and validate the interview data. If the content description is done based on the interview, the content will be rechecked to possibly broaden the themes. The themes and subthemes, including the transcripts, were sent to a Chinese professor working in the same program at the University of Ottawa to revise. Furthermore, the analysis of the results were translated back to English and sent to the professor to confirm the translation. All data were encrypted and stored on a hard drive for security purposes.

### **Results/Discussions**

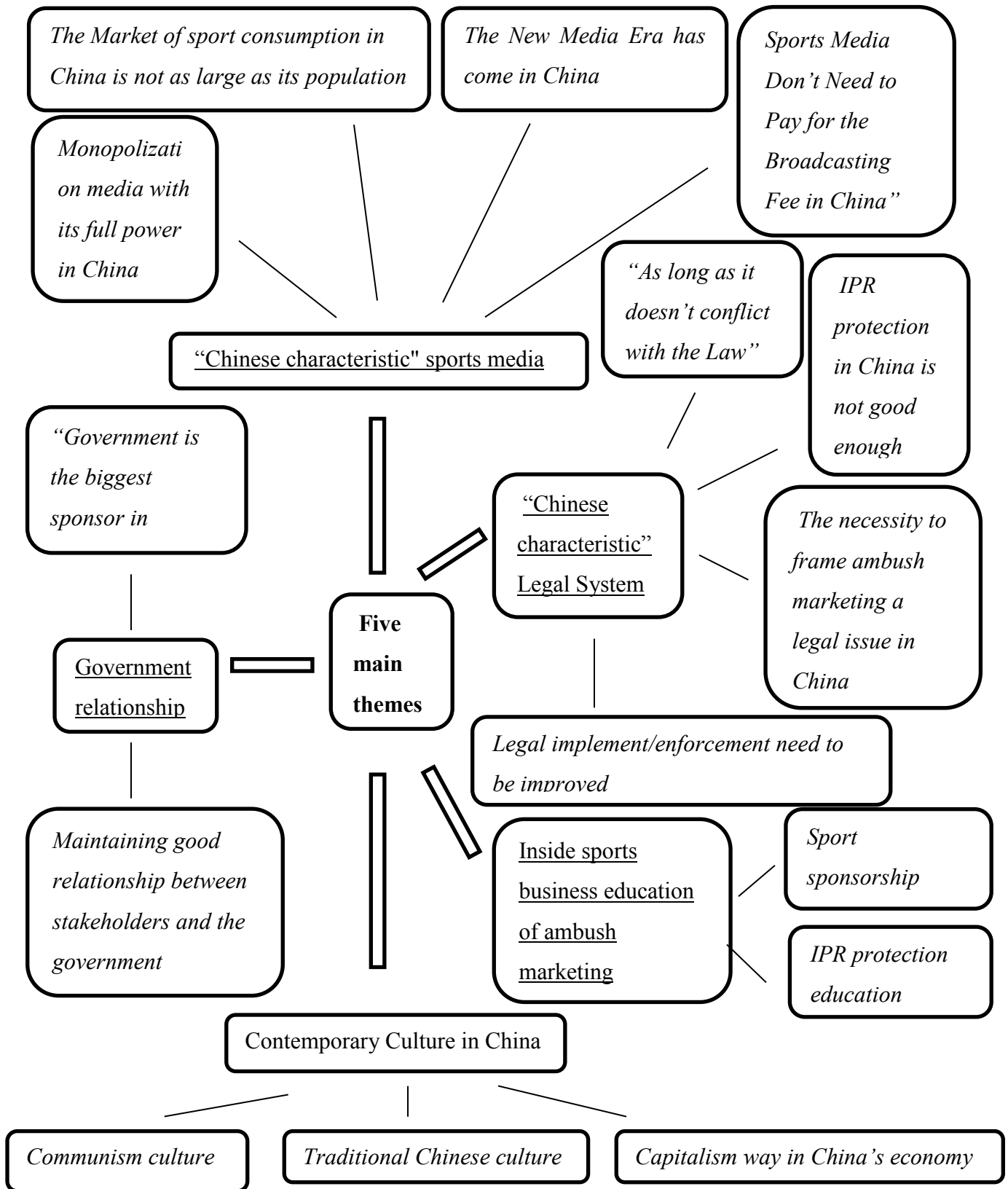


Figure 4. Five themes and sub-themes of the results

Following the analysis of the data, five themes and several sub-themes emerged (see Figure 4). These five themes are: (1) “Chinese characteristic” media; (2) “Chinese characteristic” legal system; (3) government relationship; (4) inside sports business education of ambush marketing; (5) Contemporary Culture in China. In this section, each theme is presented along with sub-issues that emerged and help explain the themes. Then, the results are discussed in relation to the current literature on ambush marketing providing further insights into some uniqueness aspects between China and the results of previous research from Western countries.

The experts have reached a consensus that --although the ambush marketing is still prevalent in China, it is not as serious as prior to the 2008 Olympic Games. As a milestone of Chinese sports, the 2008 Olympic Games had successfully helped increase awareness of what ambush marketing was as well as stimulate the reinforcement of Intellectual Property Rights (IPR) protection and the governmental actions on defending ambush marketing activities in China. According to the interviews, some ambush-marketing-like strategies had existed in China’s primary sports marketing campaign; however, it was not until the 2008 Olympic Games that it became an attraction to the Government. Ambush marketing only became a common term in China due to the country’s successful bidding for the Olympics Games. Once the concept was understood, the Chinese media and researchers put their interests into cases which can be defined as ambushing activities. Concerning the cases of Mengniu and Li Ning before the Olympic Games, they were exposed to the public and studied by scholarly researchers as well as emphasized by the IOC. Consequently, the Chinese government promised to take steps into the anti-ambush marketing fight.

Most interviewees claimed that they had heard about ambush marketing before and knew what it was. A minority of interviewees, who seemed unfamiliar with the concept at first,

quickly admitted they had experienced ambush marketing previously once the concept was explained by the investigator. In fact, experts in China preferred using a table tennis terminology, “edge ball”, to describe ambush marketing, and argued that it was impossible to fight against this problem effectively. The interviewees’ attitudes toward ambush marketing varied depending on their job background. Most privately owned business entrepreneurs thought that ambush marketing was a wise strategy, and are were more tolerant with the cases that were presented by the investigator. Moreover, some experts were even proud of the ambush marketing strategies they had designed, planned, and organized. However, interviewees with a governmental or nation-run enterprise background, had views that were more negative and had a stronger desire to fight against ambush marketing. Despite their different views, all of the experts believed that ambush marketing in China was mostly unconscious behaviours without special purpose and, until recently, was treated as an alternative to formal association through the purchase of legitimate sponsorship rights.

Based on the data, the Chinese experts had not yet agreed on how to judge ambush marketing. Most experts held the view that ambush marketing is a “wise” strategy if it does not come in conflict with the law. However, some experts expressed their hope for more specific legislation on ambush marketing related issues and better education for businessmen regarding the ambush marketing phenomenon. In particular, one expert noted that in terms of long-term benefits, companies could be viewed as contemptible participants if they chose ambush marketing. The expert further interpreted companies, belonging to the same categories as the official sponsors that choose ambush marketing in order to associate with an event as “unethical behavior”. As a marketing strategy designer for companies, he thought ambush marketing may lead to severe long-term consequences such as diminishing the firm’s brand value. To quote him,

“ambush marketing may not be advised if the company is looking for a high quality long-term relationship with customers (Expert #8)”.

In conclusion, based on the interviews and content analysis of the documents, ambush marketing is a popular but controversial phenomenon in China. The analyzed data identified China as a country with socialist policies, but pursuing its economic development purpose in a capitalistic way, and sharing the “Chinese characteristic” in the five underlying themes:

### **Theme one: “Chinese Characteristic” Sports Media**

#### **Monopolization? Centralization? or Commercialization?**

Similarly, since the establishment of the PRC in 1949 until the 1980s, almost all media enterprises were state-run. Independent media only began to emerge from the onset of economic reforms, whereas state-run media such as Xinhua, CCTV, and People's Daily continue to hold a significant market share (Zhao, 1998). Note that the Chinese law does not allow direct foreign investment in Chinese television (Brownell, 2007). According to Huang (2007), the media industry was a special SOE sector that followed a stricter market socialism model when compared to non-media SOEs. Therefore, one of the opinions about the media industry is that while it is becoming increasingly commercialized, it remains firmly a state monopoly in terms of ownership (Huang, 2007).

Nevertheless, the monopolistic situation can be adjusted in order to comply with international standards when dealing with mighty organizations such as the IOC (Brownell, 2007). To illustrate, in the case of the 2008 Olympic Games, central approval was given to form a foreign-Chinese joint enterprise to broadcast the international feed; thus, the Beijing Olympic Broadcasting Company (BOB) appeared to hold the broadcasting rights and the official Olympic channel, CCTV-5. This could be regarded as a compromise between the Chinese government

and the IOC. Furthermore, at the 2008 Olympic Games, among the Executive Management, the Department Heads, and the Board of the Directors of the BOB, there were 10 IOC personnel and 12 Chinese personnel, giving numerical dominance to Chinese people (Brownell, 2007). This is understandable because of China's belief that central government control is necessary. The centralization was also present in the censorship of Chinese media. It was commonly known that censorship of the Chinese media by the government limited the content of TV on air. In 2010, China was ranked 168 out of 178 nations in the annual release of the Press Freedom Index by Reporters Without Borders. The organization consistently ranks China poorly on media freedom and criticizes several behaviors of the Chinese government in repression of the Internet. The government is heavily involved in the PRC media, and the largest media organizations such as CCTV, the People's Daily, and Xinhua, are agencies of the Party-State.

According to Brownell (2007), the debate goes to whether or not the media is the government's mouthpiece. Evidence supporting the "mouthpiece" view is seen in the president of CCTV Hu Zhanfan's statement: "The first social responsibility and professional ethic of media staff should understand their role clearly and be a good mouthpiece. Journalists who think of themselves as professionals, instead of as propaganda workers, are making a fundamental mistake about identity" (Jacobs, 2012).

Some experts mentioned that in terms of ambush marketing, censorship could bring both pros and cons. On one hand, the centralization may be good in a way that in China the media environment is not as cluttered as in western countries (Brownell, 2007); thus, when ambush marketing happens, censorship can be used and actions can be taken quickly. The Chinese government aims to create a clean and civilized media environment during the mega-event time;

however, the disadvantage is that the actions are based on the degree of attention that the government pays to ambush marketing.

Nevertheless, according to Bennett (2013), in spite of heavy government monitoring, Chinese media has become increasingly commercialized with growing competition, investigative reporting, and diversified content. Areas such as sports, finance, and an increasingly lucrative entertainment industry face little regulation from the government (Bennett, 2013).

### **“Sport Media Don’t Need to Pay for the Broadcasting Fee in China”**

Sport events are capable of transmitting promotional messages to a large audience via television or other forms of media (Horne & Manzenreiter, 2006). According to BBC Monitoring Media (2006), China is the third-largest advertising market in the world after the USA and Japan. Total advertising expenses in 2005 amounted to US \$30.5 billion and further growth in recent years due to the GDP growth and the holding of the Olympic Games (Soderman & Dolles, 2008). Meanwhile, the media is also where ambush marketing tends to occur. According to Meenaghan (1998), the common ambush marketing strategies including “sponsor media coverage of the event” (p.310) and “engage in advertising that coincides with the sponsored event” (p.311) are related to mass media, especially the official broadcasting channel.

Chinese experts agree that ambush marketing mostly occurs on TV channels. Additionally, experts who enrolled into sport sponsorship all believe that the issue surrounding broadcasting rights in China is a huge problem. The majority of experts pointed out that the big difference between Chinese and Western sports media is that it is impossible for the media in China to pay Western broadcasting fees. Some experts even mentioned that when holding events in China, the Organization Committee (OC) has to pay technical fees to the media rather than the media paying for the TV broadcasting rights. For example, the China Open database shows a

value 3.3 billion RMB from international broadcasting fees; however, this value is only based on domestic television news and ads within mainland China (IMG, 2012). The experts confirmed that broadcast television in China does not need to pay anything for the right of broadcasting fee to the China Open.

One of the reasons for why the media is waived from the broadcasting fee is stated by several experts. As mentioned before, media in China is monopolized, which is the same as Huang's (2007) conclusion. Experts illustrated that "the only sports channel that use broadcasting through satellite is CCTV-5." CCTV-5 is a sports channel that belongs to the state-run CCTV Cooperation, and is seen as the official and authorized channel in China. Certainly, several developed provinces have their own sports channels, but they "can only be viewed locally" (Expert #6), whereas CCTV-5 is a national channel to which everyone has access. As the earliest sports TV channel, CCTV-5 not only gained a loyal audience, but has also kept receiving redundant funding from the Chinese government. Lacking such advantages, provincial sports TV channels, which were mostly established in the late 1990s, are not as competitive as CCTV-5 in China's sport media field. "There is no competition for sport media in China because there is already a winner" (Expert #4). Thus, events held inside China have limited choices and have difficulty getting broadcasting rights funds from the media.

As a result, CCTV-5 is the leader of China's sports media and far ahead of all potential competitors. Moreover, even event organizers believe that it is difficult to sell the broadcasting rights of a sport event to local sports channels. Compared with commercial TV channel in Western countries, Chinese TV channels are mostly social channels; this means that they "do not charge money from their audiences" (Expert #6). Usually, the sports channels belonging to the public generate revenue by receiving fixed funding from the local governments and do not have

extra transfer income that are charged from the viewership. Therefore, in order to maintain its revenue, Chinese media have to charge for the events, in this case, the sports events.

Without a doubt, most of the popular TV channels in China are controlled and administrated by the government either at a central or provincial level. Compared to the great impact of the government for more than half a century, sport events have only existed for a short period of time in China. Thus, an expert indicated that the organizers of sport events or sponsors are comparatively less powerful compared to the media. In this case, it is the event organizers who wish to attract a high attention in front of the public, which is another reason why event organizations in China, in turn, pay media companies in order to attract more attention of public.

### **Consumer Sports: Is China a Market as Large as its Population?**

Although the government lifted its long-time ban on foreign investment in television and film production companies in 2004, which meant “foreign companies will be able to hold minority stakes in Chinese companies” (People’s Daily, 2004), “conducting pure commercial sports channel in China remained a difficulty” (Expert #6). A case mentioned by the expert was about “a company which failed to execute commercial TV broadcasting channel in China with a loss of US\$ 60 million”. This sport channel he referred to is TianSheng which bought the broadcasting rights from the Premier League and was allowed to sell within mainland China. TianSheng’s businesses included an independent TV shopping channel, along with a program sold to some local sports TV channels. Existing for only three years and with huge operating losses, TianSheng’s attempt of creating a commercial TV channel increased the tension to other similar investments in China simultaneously. Quoted by expert, “because the lack of an effective management and understanding of China’s current situation, it is rare for a TV channel to be competitive with CCTV-5 in the Chinese sports market”.

Some experts indicated that the 2008 Olympic Games was a milestone for China as a beginning for its “consumption of sports”. Still, experts thought that the current sports market may not be as large as China’s population. There are three possible explanations for this. Firstly, some experts pointed out that, sports consumption is not yet a necessity for most of the Chinese population. “In fact, it used to be a luxury for people in China” (Expert #5). During the “juguo” period, sport in China was a “communist sports machine” (Hoberman, 1992). Elite sport rather than mass sport development was the focus of the sports industry. Secondly, based on previous research, Chinese people have low intention in participating in sports activities (Yan & McCullagh, 2004; Yang, 2011). Thirdly, for a long time during the planned economic period, sport facilities were free resources provided by workers unions. With the economic reform, those facilities were usually bought by private people first, and then charged user fees. Most people are not yet used to the change, and thus may not add sports consumption to their budget; therefore, people in China comparatively do not have the habit to set aside part of their income for recreational activities. Indeed, the most important reason is that Marx’ economic base determines the superstructure, making a living is still the top priority for Chinese society. In fact, China has only been out of mass poverty for a few decades but plans to get the ‘xiaokang’ a Confucian term describing a society composed of a functional middle-class, before 2020. Moreover, due to the large population, the real GDP precipitate is much lower than Western developed countries; despite China’s high GDP increases. Therefore, regarding recreation activities and public sports, the market is comparatively small in proportion to its large population.

According to Xiong (2007), Chinese sports participants have significantly increased. Also, Li (2012) pointed out that the sports market in China brings the success of international sport-related companies; however, the view from the experts is that the sport market in China is only

potentially big with the true number of people who would be interested to pay for sport is still comparatively small. One expert claimed that “according to 2005 AC Nelson data, only 5% of Chinese people in big cities interested in sports and will choose to watch a sports channel during their spare time”. Therefore, the experts suspect the real effect of sport media is not as big as imagined. Additionally, the consumers’ purchase intentions are related to, but may not become purchase behaviour.

### **Media: with its Full Power**

The majority of the experts noted that the broadcasting channel has the full rights to sell its screen advertising and the board advertising inside the broadcasting studio. An expert from the media stated, “...the media usually provide some preferential policies to the event sponsors, which include a price discount on purchasing commercial time (expert #6). He also mentioned that his channel will avoid selling commercials to firms who are in the same categories as the sponsors during the event broadcast. However, some experts with an event organizing background argued that, it may not be strict enough regarding the avoidance of firm in the same categories. “It depends,” the expert stated, “All these resources have no relationship with the event; it all belongs to the media” since in China, “media always have more rights than the event organizations or sponsors”. This is in accordance with Chadwick and Burton (2011), who stated that it was worthless nothing for sport broadcasters to increase their work with sponsors to protect the latter’s investment from ambushing by rivals’ advertising space purchases.

### **The New Media Era**

In terms of media for sports marketing, there is a recent challenge to the TV; the world has turned its page to the new media era, as noted by some experts. They mentioned that in recent years, sports marketing began to take interest in a variety of new media, within which the

online media and communal LCD TVs are the most popular methods in China. To be more specific, online media includes video-sharing and social media. For some reason, mainland China cannot get access to popular websites such as Youtube, Twitter, or Facebook; however, China has its replacement websites – Youku, Weibo, and Renren, respectively –which provide similar services to their 1.3 billion citizens. Furthermore, the communal LCD TV is also an effective tool for sports marketing. TV is broadcasted in locations where people are likely to watch when they want to kill time, such as riding public transportation, or at waiting areas of a bank or restaurant. To illustrate, the experts mentioned that this is what they called “time-killing marketing”, which means that people are passively obtaining the commercial information when they are in a public place and do not have a specific thing to do. It is extremely suitable for Chinese cities, since most big cities have problems with traffic jams. New media is not only an evolution of sports marketing, but as mentioned by the experts), the internet with its wider access and lesser censorship, makes it a better place for ambush marketing to occur. As Chadwick and Burton (2011) mentions, “...despite the advancement and continued progression of counter-ambush marketing measures, the growth of ambush marketing as a communication tool has only accelerated. Thanks in part to the growth of the new media, the remarkable growth of the sport marketplace, and the sophistication of sport sponsorship” (p. 714). Therefore, how to control ambush marketing in the new media world is a new question that people should consider.

### **Theme two: “Chinese Characteristic” Legal System**

#### **How does IPR Protection Affect Ambush Marketing in China?**

As discussed earlier, ambush marketing is now a problem of dimensions broader than the range of IPR (Chadwick & Burton, 2011; Ellis et al, 2011). Nevertheless, anti-ambush marketing laws are still mostly grounded in an acceptance of conventional property rights and trademark

protection (Ettorre, 1993; Xu, 2007). Moreover, some researchers even proposed that ambush marketing could be framed as a specific legal issue (Bhattacharjee & Rao, 2006; Ellis et al., 2011; Hoek & Gendall, 2002; Moorman & Greenwell, 2005; Scassa, 2008). For most governments in a contemporary situation, they enacted anti-ambush marketing laws because they were under the pressure of bidding requirements from the mega-events (Ellis et al., 2011). For instance, legislation against ambush marketing is presently a condition imposed by the IOC for any successful Olympic bid (House of Commons Standing Committee D, 2005). Moreover, some researchers now attempt to frame ambush marketing as a legal issue. Xiao (2007), for example, proposed that an ambush marketing law should be implemented for the 2008 Beijing Olympic Games; however, there are no laws that would cover the ambush campaigns for other sports events. For most sports events, the legal recourse which is currently available to protect sponsors under already existing policies is still limited to laws, such as contract law, trademark and copyright protection (Bean, 1995; Crow & Hoek, 2003; McKelvey, 2003; McKelvey & Grady, 2008). According to O'Sullivan and Murphy (1998), the discussion between IPR and trademark protection with ambush marketing can still be problematic if a major sports event of popular cultural significance is involved.

Many researchers mentioned that China's IPR is poor in comparison to other countries (Alford, 1995; Brownell, 2007; Hesse, 2002; Preuss et al., 2008). Even the director of the Chinese Culture Promotion Society Wang Shi admitted that: "in China, piracy is very popular" (Preuss et al., 2008, p. 252). According to Alford (1995), unauthorized copying of work from approved authors and artists were not only tolerated, but encouraged in China. Brownell (2007) also noted that in China fake imitation of famous brands has been a big problem for domestic as well as for foreign brands. The low IPR could definitely explain the prevalence of ambush

marketing strategies since it demonstrated a low awareness of protecting sports property rights (Preuss et al., 2008). Hesse (2002) argued that it may be difficult to enforce protection for IPR in the PRC because IPR is an idea that can be owned as “a child of European Enlightenment” (p. 30). Hence, it can be argued that, historically, has been too much of a foreign custom to Chinese culture (Preuss et al., 2008).

It is often claimed that there is a growing interest in protecting IPR over the past 20 years because the PRC faces increasing problems. Due to the “opening” reform, the country is required to do more trade with Western society. Experts during the interviews expressed that globalization activities such as joining the WTO, and holding the World Expo and the Olympic Games, played an important role in creating awareness for IPR protection in China. This view is in accordance with Brownell’s (2007), who noted that the IOC was generally satisfied with the efforts and changes made by China in protecting Olympic marketing rights. Protecting the sponsors’ rights is essential for the purpose of financing the Olympic Movement. Considering the importance of the development of China’s economy as well as its international relations, the protection of the Olympic marks was deemed successful during the 2008 Olympic Games (Pitt et al., 2010; Brownell, 2007). Additionally, pressure from joining the WTO also helped to emphasise the need for China to improve its IPR. According to a report from Reuters (2007), the Office of the United States Trade Representative placed China on its "priority watch list" for IPR violations, and brought a WTO case against China, in which it was ruled that China must change its operating standards to comply with WTO laws (Nebehay, 2009). Montgomery and Fitzgerald (2006) claimed that China has reformed domestic laws and practices in order to satisfy obligations included in documents such as the Agreement on Trade Related Aspects of Intellectual Property (TRIPs). Research by Harris (2009) found that the rate at which the legal

implementation has proceeded more closely matches the desires of IPR protection from Chinese businesses and other bastions of capital.

Despite the improvement of the IPR protection in China, however, cases that infringe this law still exist. Despite the growing number of cases for traders of counterfeited goods and the rise in the number of lawsuits brought against companies that use counterfeited technology, codes, or logos, the level of government response does not quite match the degree to which counterfeiting is happening in China (Papageorgiou, 2011). Brownell (2007) also stated that large-scale production of knock-off merchandise took place, but they were dealt with only when exposed. “However, pirated CDs, for example, were still available everywhere” (Brownell, 2007, p. 5). Montgomery and Fitzgerald (2006) reminded Chinese policymakers not to forget the way in which some products had been shared and incorporated as cultural practice in the absence of strict intellectual property laws in the past. However, the conflict is that “opening” information, which is the principle of economic reform, has “become an important aspect of IPR systems in the West” (Montgomery & Fitzgerald, 2006, p.408).

In sports, experts pointed that “the copyright consciousness in China is especially poor in sport business” (Expert #7) and “people that work in the sports field have a lower realization of IPR protection” (Expert #10). This could be another explanation of the prevalence of ambush marketing in China; therefore, China may have much to gain by incorporating its own scholarly tradition and historical experiences within the intellectual property system in sports rights (Preuss et al., 2008).

#### **“As Long as it doesn’t Conflict with the Law”**

The majority of experts suggested that the law defines the bottom line of a marketing strategy. Any marketing that conflicts with the law can be considered as an unwise strategy. If a

strategy does not conflict with the law and can help boost sales, it is a “wise” and “smart” strategy. However, previous research shows that ambush marketing strategies are not the only ones that directly break the laws (Chadwick & Burton, 2011; Ellis et al., 2011; Preuss et al., 2008). Trademark law has long been relied upon by brand owners to protect the goodwill that are associated with specific brands, whether they are names, slogans, designs, or a combination of these. Trademark owners are protected against the use of their property by others, as well as against the use of confusing marks (Morcom, Roughton, Graham, & Malynicz, 2005; Scassa, 2010). The laws that protect registered trademarks, however, are generally not helpful in ambush marketing cases, as the ambush marketer generally avoids the use of the trademarks of either the sponsoring competitor or the event organizers (Chardwick & Burton, 2010; Preuss et al., 2008). Rather, in the five types of ambush marketing mentioned by Preuss et al. (2008, p.254), only type 1 conflicts with the law; type 2 to type 5 are those violating either IOC Charter or other elements in sponsorship packages. Therefore, associating with the event is created by more oblique references or juxtapositions (Scassa, 2011).

Feedback from the experts demonstrates a low awareness from employees of both ambush marketing and IPR; this confirms the aforementioned view that IPR is a foreign concept to China. More specifically, the majority of experts thought that it was completely acceptable for ambush marketing activities that do not conflict with the law to exist. One expert said “this kind of ambush marketing is a ‘good’ rather than ‘bad’ ambushing” (Expert #1) based on his categorization of ambush marketing. Another expert mentioned “if ambush marketing strategies utilized within the law, it could in a portion help promotion the event rather than diminish it” (Expert #2). They suggested that most managers wish to “spend less and earn more” (Expert #11). Only Expert #8 stated that those strategies which disobey morality are harmful for long-

term consideration in marketing. The possible reasons for the varying perspectives from the experts could be both a difference of perspectives by different stakeholders (O'Sullivan & Murphy, 1998), since China is playing an "open" role in its marketing to the globalized world (Montgomery & Fitzgerald, 2006) and an inadequate education of sport sponsorship, especially ambush marketing, and also current culture influence their perceptions. These facets will be discussed in the next few themes.

### **Legal Implement/Enforcement**

Experts pointed out that there are several advantages of Chinese law in preventing ambush marketing. "For example, the advertisement law of PRC indicates it is illegal for a company to advertise its products by comparing them to other companies' products in commercials (Expert #9)". On the other hand, they also pointed out that the interpretations in Chinese law are ambiguous and the enforcement of the law is not strong enough.

First, they mentioned that there is no specific law for ambush marketing. The only law that they concerns ambush marketing is the one for trademark protection at the 2008 Olympic, namely the *2002 Olympic Symbol Protection Law*. Nevertheless, the lack of anti-ambush specific laws is not unique for China. According to Ellis et al., (2011), other Olympic host countries' governments are now all being asked to play an active role in protecting the commercial interests of the IOC by passing event-specific legislation since the 2000 Games in Australia. The content in each act is slightly different, but the aim is still to get rid of any potential association (Hartland & William-Burnett, 2012). The experts' attitudes towards such Olympic Acts are various; they agree with some parts of it, but also think the Acts are too strict in other parts. As previously stated, they all think association is understandable so long as companies do not use their trademark, name or brand logo. For example, the IOC's rules for the 2012 London Olympics

were “too strict” or “not understandable” for them because they believed that words related to sports or the host city name should always be allowed whether it is the Olympic period or not. However, the Chinese experts did not specify particular approach to implementing ambush marketing law. Rather, they believed that the current implementation of trademark protection, IPR and contract law in China should be solved first. Despite this regulation existing at a legislative capacity, the ability to enforce these laws varies according to the differing interpretations that exist among local governmental authorities in China (Brownell, 2007). Additionally, as mentioned by Preuss et al. (2008), local protectionism may dilute the strength of central legislation or the power of law enforcement, which makes the implementation of the law the biggest issue in China that has to be resolved.

As mentioned above, “the court system for the protection of IPR has only been established for 20 years in China; lawyers and judges need more time to gain experience and expertise” (Expert #4). Therefore, uniformity of judicial decisions may be undermined in the process of dispute settlements. Qu (2002) summarized that it has also been widely observed that one reason for the failure to deal with copyright issues in court is a serious shortage of judges familiar with copyright theory and its application. This is recognized by the experts that sports marketing rights in China should be more specific and properly interpreted.

### **Is it a priority to Classify Ambush Marketing as a Legal Issue in China?**

Based on the results, experts in China did not completely agree with the IOC’s limitations in protecting the property’s rights. Descriptions, such as “it is overly restricted” (Expert #1) or “it is kind of monopoly” (Expert #3), demonstrated their discontented towards some of the IOC considerations; however, they claim that ambush marketing is accepted as long as it does not conflict with the law. Consequently, experts highlighted the necessity to limit the commercial

activities since those Olympic Acts were already enforced. This reflects a certain amount of respect towards the laws from these Chinese experts, as a result of the government's so-called "legalisation" legal reform in the 1990s.

Similarly, addressing the issue of ambush marketing merely from the perspective of event property's rights is therefore challenged, since ambush marketing may also "limit or otherwise weaken the rights of others, or to subvert order and the interests of the community at large" (O'Sullivan & Murphy, 1998, p.360). This proves that different stakeholders may have varying opinions about this issue. Previous researchers noted that a key concern with addressing ambush marketing in legislation lies in the difficulty of identifying with precision the objectionable conduct (Ellis et al., 2011). The term ambush marketing is often used to embrace a wide range of activities (Meenaghan, 1994; Payne, 1998; Sandler & Shani, 1989) and there could be somewhat of a 'grey zone' causing confusion among all marketing stakeholders in the sports community (Ellis et al., 2011; Grady et al., 2010; McKelvey & Grady, 2008). While there is not a universally accepted definition of ambush marketing in the literature, one common thread seems to be the idea of an attempted, direct or indirect, legitimate or illegitimate 'association' being made by non-sponsors with events (Ellis et al., 2011). The most consistent claims to the necessity of anti-ambush marketing legislation relate to the need to protect the value of the Olympic sponsorships (Canada House of Commons Debates, 2007; Payne, 1998, 2006). As proposed by Xie (2007), the Beijing government should implement a specific law in protecting ambush marketing in order to cooperate with the Olympic Games, and most experts think that China would love to cooperate with international organizations for special events. It is also necessary to consider whether it is useful to implement a law in the country. Such a law would be taken into account about the

ways to deal with the ambush marketing inside the country, and simultaneously, encourage people to enroll in business activities for its economic development.

Yet if the decrease of the value of Olympic sponsorships is to be put forth as the public policy justification for the legislation, the link between ambush marketing and a decline in sponsorship values should be anecdotal evidence (Ellis et al., 2011). China plans on bidding for the Winter Olympic Games; therefore, ambush marketing legislation could be considered then. Nevertheless, some claim that “China has its own current situation” (Expert #7) so, not everything in Western countries should be identical in China. All in all, the other problem is how to balance globalism and the country’s own culture and policy purpose.

### **Theme Three: “Chinese Characteristic” Government Relationship**

#### **“The government is the biggest sponsor in China”**

The majority of experts mentioned that during pre-Games time, the firms that enrolled in sponsorships were only “for the government’s faces (sake)” (Expert #2, Expert #3 & Expert #5). One reason is that the sport market and the benefits of sponsoring then was not as profitable as it is now; the other reason is that most firms in China were still focusing on traditional marketing strategies and did not yet realize the benefit they could obtain from sport sponsorship and sports marketing. Rather than positively taking advantage of the event resources in order to obtain their sales objective in improving public relationship and consumer communication, most of the managers mentioned that “they only put it (sponsorship) as a social activity” (Expert #5) in order to maintain a better relationship with the local government and build a socially responsible image in the public’s eyes. In the case of helping the government, these companies would obtain some tax refund or other advantageous policies from the relevant administrative offices which could even affect the sponsors’ future business.

Nevertheless, this “for the government’s face” model, based on some experts, did not stimulate the enthusiasm of Chinese enterprises in enrolling in sports events. Therefore, in most cases, the Chinese government still needed to provide most of the funds to hold these competitions. As one expert said, “I believe the biggest sponsor in China is the government. And the essence role that the government played is a sponsor, since many events in China are actually the government funded to operating” (Expert #11). Furthermore, several experts stated that, in the current situation of political and economic development, the Chinese government has to participate in organizing sports events in China. Even though, foreign and private capital has been allowed to invest into the sports industry in China, the government still insists on its “juguo” policy (Huang, 2007). A possible reason could be a centralized political stance that has touched upon sports development in China. In reality, sports in China were developed from the Soviet Model, which is to use the nation’s limited sports resources to develop competitive sport and train elite athletes (Fan, Fan & Lu, 2010). As aforementioned, this model “juguo” has to aim to (1) prove China’s political and diplomacy stances, (2) to change the old Chinese image of the “sick men of East Asia”, and (3) ensure that China would become a leading sports power (Fan, Fan, & Lu, 2010). According to Rong (1987), the international success of Chinese athletes would, in return, bring pride and hope to the nation, which were badly needed in the new era of its transformation.

According to the government, holding sports events could not only allow athletes to gain competition experience, but also encourage more people to take part in sports activities in order to develop potential sport stars. Some government officers are also be listed as a committee member to prove their contributions. Furthermore, it could create a positive image of the local government to Chinese citizens. Most significantly, employees for the sports events are also

partially controlled by the government: “most managers are insiders... they would find those people who they are familiar with” (Expert #4), this suggests China is more centrally controlled.

The last important thing mentioned by experts is that “big events, especially when there are a lot of people involved, means the necessary intervention of the government” (Expert #2). Due to the central control of the government, the government pay attention to the activities that involve a large audience. Interpreted by the experts, normal sports activities may not have sufficient participants to warrant the attention of the government; however, “when China holds big events, the government will step in and it would be under its control” (Expert #2).

Back to the Li Ning affair, an expert pointed out that many of the current sports federation officers used to be colleagues or classmates of the athlete. “They trained and worked together, or they may have obtained the gold medal during the same Olympic Games” (Expert #4). Since social activities are chosen individually (Tangney, Stuewig, & Mashek, 2007), it is possible that relationships among people could affect their decisions. Moreover, experts mentioned that since “the Li Ning Company used to contribute to the Chinese sports industry, more or less, there will be a tendency for them.” Even if censorship has a negative impact in commercial competition, the current situation proves the importance of social networks and relationships within the sports industry in China. According to Zhang (2009), “even the IOC learnt the Chinese words ‘Tongrong (通融)’ which means ‘compromise’” (p. 52), implying that there was some special sponsorship cases in China. For example, there were three beverage sponsors for the Beijing Olympic Games and, the IOC allowed local firms to mix the Olympic logo into their commercial activities.

In terms of ambush marketing, according to some experts, a good central control of the government could generate a positive impact on making the market more orderly. Nonetheless,

Chadwick and Burton (2011) noted that the government control could also limit sponsorship resources and stimulate ambush marketing activities. For example, the emergence of ambush marketing emanates from the centrally controlled sale of a small number of rights packages by bodies such as the IOC and FIFA.

### **The Government Resources**

Most events are able to get support from the government. In terms of event organizations, the government not only provides funding and preferential policies, but also cooperation with related offices to coordinate the event. In fact, one of the experts mentioned the different types of sport counselling companies in China that could prove the above conclusion. According to the expert, sport counselling companies in China can be classified into three categories (1) government resource based, (2) international sport event resource based, and (3) counselling experience based. Further, most counsellors described the first group as originating from the government, sport federations, or other state-owned sports institutions. Thus, these employees could use their previous network inside the government and have a higher chance to get the resources from the government, such as the sports venues and facilities, a social network with government leaders, professional sports team resources (which are managed by the State General Administration of Sports), and the sports stars. This is unique in China, since the training and living of national team training and accommodation involving sports stars are mostly uniformly regulated by the State Sports General Administration. Since previous sports events were organized by the government and “the core resources are still held by the government” (Expert #1), the relationship with the government should be highlighted. According to what the experts said, “Anyone who wants to take part in the organization needs to have connections with the government to win the bidding” (Expert #3). The second type of counselling companies refers to

foreign counselling companies which possess European or North American events resources. These companies have experience in organizing one-off special sporting events, thus, these companies have an advantage when organizing similar events in China or bringing the Western sports organizational knowhow into mainland China. The third type is the normal counselling agency which rarely accesses events resources, but does provide counselling, research, and data in event organizing strategies.

The above classification shows that in China, it is easier to access associated institutions and departments with connections in the government. As one expert from an international sport event stated: “The Beijing government, besides helping us in upgrading the tournament level, provides us a huge funding and tremendous support... It (the Beijing government) permits us to use the Olympic stadium and also build a new stadium for our tournament’s usage” (Expert #2). Furthermore, with a central government, a better relationship with the government for sport event organizers means it is easier to obtain the public resources and social networks. An event manager noted that, “since we cooperate with the Beijing Sport Federation, some previous sponsorship contracts remains on our sponsors’ list” (Expert #1).

Aside from funds and resources, government can sometimes use its power to limit other companies’ behaviours, such as media companies and companies, including both the sponsor and non-sponsors. For instance, in the media part, we discussed that the media has full influence in China; however, once the government intervenes, the power could switch to the government. As mentioned by one expert, CCTV-5 used to hold the rights in determining its own commercial arrangement, but during the Olympics, “CCTV-5 cooperated with IOC in media and promotion because it is a national project, so the government will supervise the channel”. One expert stated, “It is difficult for sports events in China to become commercialized. It is true that all of the non-

commercial sports events are funded by the government, including those named as commercial events are now relying on the government support of several resources” (Expert #9).

### **How the Stakeholders Maintain their Government Relationships?**

Nowadays, even experts from foreign companies realize the importance of having a good relationship with the Chinese government. Reports showed that, GE, Adidas, and other companies have put more effort in building a good relationship with the Chinese government (Zhang, 2009). To better cooperate with the government, the event organizers are provided with a multitude of resources.

First, the Organizing Committee (OC) provides free tickets to the government and cooperates with other government activities. The event organizer demonstrated that there are a number of tickets reserved for the government in terms of public relationships because “it is an important way to maintain a good relationship” (Expert #2).

Second, as mentioned before, the government needs to be shown on an OC list in order to gain their political achievements by recognizing their contribution to certain sport events. “In China, we have to have an organization committee, which includes a mayor, deputy mayor, and committee members who play different leadership roles in the government. Why? That’s because the event organizers need their support in each step” (Expert #2). In other words, the Chinese government officers have to be members of the committee list even though most of them are not actually in charge of the execution of the event. Maintaining a good relationship sometimes influences how the government addresses with the ambush marketing cases. After all, a good relationship with the government could stimulate the government to take ambush marketing cases around the event more seriously. In a country with a large population, it is sometimes what you need to attract enough attention for the rulers.

**Theme four: Inside Sports Business Education of Ambush Marketing**

Today, China has become the world's biggest sporting goods factory as well as one of the world's largest sporting goods markets (Fan et al., 2013). Experts mentioned the success of the sports industry in China thanks to the large population and its "open" reformation; however, the knowledge of sports management and sports marketing are not yet being widely taught. It is not only because customers do not know what ambush marketing is, but also a lot of employees working for sport events have an incoherent idea about ambush marketing. Even the experts that I interviewed gave an ambiguous definition of what ambush marketing is. Indeed, as claimed by the experts, there are a lot of events still that does not add specific anti-ambush marketing rules in their sponsorship package.

Even though some sponsors realized that their benefits do get diminished more or less with ambush marketing, "they not yet put too much effort in dealing with it" (Expert #5). It may be caused by people who have not yet put enough attention to ambush marketing. Still, some experts think that it is not necessary to put a lot attention in dealing with the ambush marketing while not yet knowing how to take advantage of sponsorship rights. One expert, a marketing manager of a sponsor firm, thought it was "a waste of time to put lots of time for it" (Expert #4) and another expert thought "they prefer to put more time to do their own promotional work" (Expert #3). Previously, articles have shown that low education of ambush marketing could lead to a higher risk of ambush marketing taken places, which could result in a clutter for the market especially during the events time (McKelvey & Grady, 2008; Seguin & O'Reilly, 2008).

In fact, China does not have much experience in organizing "commercial sport event" (comparatively, the country is mostly experienced in organizing political or social sport events which area mainly funded by the government). All the experts agreed that "sport sponsorship is

still at its primary stage in China” (Expert #11). Around ambush marketing, the lack of sports event knowledge will relate to two subthemes: a lack of sport sponsorship education and a lack of IPR protection education, which will be specifically described as following.

### **Sport sponsorship education**

The conclusion that sport sponsorship education is inadequate in China’s sport professional field is not only being stated by some experts, but also can be found in the interviews. Expert #6 even concluded that “media is not enrolled into sponsorship” which may be a way to avoid sensitive questions while showing a low realization of stakeholder responsibility and role in sport sponsorship. However, research does point out the important role that the media plays, including targeted promotions and the creation of rival tournament properties (Chadwick & Burton, 2011). Similarly, experts also mentioned local sponsors’ serious lack of experience in sponsorship. “They ask for anything they think is free. This is compared with some international companies that have previous sponsorship experience in western countries and that has a clearer idea which resources they are looking for and which resources is unnecessary in”( Expert #2).

Additionally, experts in China hold different ideas regarding ambush marketing. While ambush marketing is often asserted as a threat to sponsorship value, it is not clear that the value of Olympic sponsorships has indeed been declining (Ellis et al., 2011). Since the threat of ambush marketing was mentioned by many researchers (Chadwick & Burton, 2011; Ellis et al., 2011), one expert suggested that “ambush marketing could also be a good thing in promoting sport events” (Expert #2). They have not yet realized that the illegal association is actually an infringement on property rights. Moreover, according to Seguin and O’Reilly (2008), suggestions of ambush marketing’s role as a factor in --and contributor to --marketing clutter,

has raised greater concern over the impact of ambushing on sponsorship, and the proliferation of marketing and sponsorship opportunities surrounding major sporting events. However, the clutter that ambush marketing could raise also is not yet being recognized by these experts, or mentioned by other lower-managers.

### **IPR protection education**

As previously stated, IPR education is lacking in China (Preuss et al., 2008). According to Brownell (2007), it was generally felt that at a minimum the Olympic Games had impressed upon the central government the importance of intellectual property protection after years of seemingly ambivalent commitments to it. During the Olympic Games, IPR protection had improved as the government stated that China also sees this as an opportunity to educate people about intellectual property rights (Brownell, 2007). The experts admitted and said “the Olympic Games could be the first step to help people who work for sports events to realize the importance of IPR” (Expert #4). According to Preuss et al., (2008), without an education strategy on IPR, it is difficult to raise awareness in the PRC that infringement is illegal. For example, the fact that the official Olympic broadcaster CCTV was illegally using the Olympic Rings in TV commercials illustrates that the protection of official sponsors was less important than promoting the Olympic engagement of the TV channel. However, the effect was limited because people understood that the Olympic mark could not be freely used and by fall of 2007 the government crackdowns had mostly eliminated the counterfeit T-shirts and Olympic mascots that were being sold on the streets. The contract terms give access to a property rights which belong to the event owners and corporate sponsors, while ambush marketers making frequent and explicit reference to the rights in which they do not legally have privy to pay for it.

Moreover, there are several parts in the sport field that need to improve the IPR realization and improving education; as well as the relationship of IPR and ambush marketing. One of them is the boundary of ambush marketing and the law. Even though it could be argued that there is a viable marketing or economic rationale for such measures and the specific practical business repercussions of anti-ambush marketing legislation, Grady et al. (2010) demonstrates that some legislation should balance to meet the mandate of governments to protect commercial freedoms and ensure a fair marketplace in their country. Among other things they contend that the creation of a “right of association” tips the balance towards protecting the rights of the IOC over those of other stakeholder (Grady et al., 2010). Whereas, based on the Chinese experts, the law defined whether the kind of ambush marketing is tolerated or not. Therefore, a more clear definition of what ambush marketing is, and different categories should be refined.

#### **Theme five: The Culture Affect**

##### **Traditional Chinese Culture Affect**

According to Preuss et al. (2008), one of the reasons that lead to China’s low IPR and its trend of ambush marketing activities is its Confucian tradition. However, the results from the interviews of Chinese experts hold a different opinion: first, the interviewed experts were ambivalent about the prevalence. They admitted that there are lots of ambush-marketing-cases in China; however, they do not agree that ambush-marketing-cases in China are more prevalent than in western countries. Several experts insisted that ambush marketing in western countries is more tactical, with a higher emphasis in planning and implementation. Therefore, in their views, there are more invisible and covert ambush marketing cases in western countries than in China. One of the reasons is that Chinese traditional culture rules participants’ behaviours in morality, which is in conflict with according to the conclusion by Alford (1995) that “the intellectual

sharing is an integral part of their culture" (cited at Preuss et al., 2008, P. 245). The differences may be due to a different Confucian understanding from people who are inside and outside the society of the tradition. The experts further explained that Confucius has many more theories leading to "rule in intellectual" rather than break it. For example, Confucius said that, self-regulating is one necessary to his definition to be a human in the world. He also emphasized the "Li (礼), which means rule and order. In fact, the experts refer to that as the critical reason why ambush marketing is more prevalent in China's contemporary culture. At least in this aspect, modern Chinese culture is not based on traditional Confucius teachings.

According to Armstrong (1996), there is an interactive relationship between culture environment and ethics perception. In terms of the ethics, the experts pointed out few differences between China and the western countries on the ambush marketing issues. According to O'Sullivan and Murphy's (1998) discussions on ambush marketing related theories, "utilitarianism" of the western countries and "virtue ethics" (p.359) which comes from Aristotle are in the same way as Laozi's Chinese "Dao 道" philosophy.

Generally, the Chinese Dao and Confucius are two traditional philosophies which affect the nation the most. The Dao highlight the "balance" while Confucius emphasized the "rules" that according to the experts, discusses regulations and moral limitations. Moreover, one of the experts pointed out that in Chinese history, people who steal the other teacher's (people's) knowledge will be punished and be treated as a villain (Tang, 2009). In China's history, morality plays a much more important role than legislation. Even though there was no specific law restrict IPR protection during ancient China, the realization of protecting IPR was educated well. According to the experts, it is because current Chinese culture has lost some of this essence since

the traditional culture was attacked during the Culture Revolution and newer generations are not learning as much about traditional culture like before.

The above results from the Chinese experts' perspective are not totally in accordance with what Preuss et al (2008); which mentioned that traditional Chinese culture encourages wise strategies used such as ambush marketing. Additionally, according Xie (2007), ambush marketing could be interpreted with Sun Tzu's *The Art of War*. , However, how Chinese businessmen judge such ideas as either smart or shameless depends on one's perspective. There is a wish expressed among the experts that a range of possible actions should be created for more ethical commercial sponsorships. Ambush marketing definitely is not treated as a virtue strategy in China. Since it is not yet identified and only briefly evaluated, thus people may still think it is a smart strategy in obtaining their goals.

### **Communism Ideals' Affection**

As aforementioned, sport events in China are combined with its culture and have turned into a "Chinese characteristic" in the process of internationalization. However the essential policy of official ideology of the CPC is still based upon the scientific socialism (Gregor, 1999; He, 2001). Emphasizing the public priority and public property, communism ideals refer to a social structure in which classes are abolished and property is commonly controlled, as well as a political philosophy and social movement that advocates and aims to create such a society (Bukharin, 1920). To be more specific, the Marxism ideal is to establish a communist society in which private property and ownership is abolished over time and the means of production and subsistence belong to the community (Marx, Engels & Gasper, 2005). When Deng Xiaoping proposed the "Chinese Characteristic", he emphasized the Chinese's economic development is

different from the Western countries since China's capitalism development is only a method for developing an economy rooted in a socialism policy.

Therefore, the experts observe that the belief of public ownership in communism ideals sometimes has been misunderstood that as private possessions could be shared. In fact, noted by Marx et al. (2005), private property and ownership, in this context, means ownerships of the means of production, not private possessions. According to Qu (2002), the Communist Party of China's approach to intellectual property after 1949 emphasizes society's need to access material rather than an author's right to profit from his creations. According to Montgomery (2004), "a number of scholarly authors... have also argued that the absence of copyright law in China means that there has been little opportunity for consciousness of intellectual property issues or rights to develop (P.13).

### **Capitalism Way in China's Economic Development**

The experts pointed that in the government's view, organizing sport events is to create an opportunity for investment and positive feedback of the host city's image. Therefore, as the government takes advantage of holding more events for stimulating economic and political development, western culture at the same time steps into China and affects people's values, especially for young generations. Moreover, when Chinese organizations cooperate with international companies or event organizers, they affect each other in order to reach a consensus. Thus, the organizational culture of these Chinese companies has been influenced by the western capitalism. For a country with a large population and a mosaic culture, the effects of capitalism should be considered while discussing the current culture in China. In terms of ambush marketing, Chinese experts believe that the 2008 Olympic Games is a turning point: most people

realized the problem of ambush marketing, and the phenomenon has been controlled. This is capitalism economic development forces the market more standardized and globalism.

### **Current Triangulated Culture in China**

According to abovementioned arguments, the culture in China currently is not only defined as traditional Confucian, Communistic, or Capitalistic. The discussion about culture affection of ambush marketing in China by Preuss et al. (2008) could be reconsidered since traditional culture in China has been changed by communism and capitalism, and the interpretation of the contemporary cultures explained by the experts need to be examined first. Since both communism and capitalism are derived from western culture, they conflict with Chinese traditional culture; also, since 1979, China's policy of communism but economic capitalism brought more conflicts into society. Therefore, all these cultures now conflict and mix together in China. This could be a better reason to explain why PR protection is not good in China and why organizing sport event have lots differences by different organizations.

On one side, the government wants to develop the economy as soon as possible to become a world power; On the other side, the triangulated culture requires it to take more time to get a conclusion and the evolution of sport sponsorship may not progress as quickly as western countries. Moreover, whether ambush marketing is a problem that necessary to be solved is still debated in China. For some experts they think, even when there are lots of ambush marketing cases happening in China, most of them are harmless. For other experts believe the benefit for each side is the same, so solving ambush marketing problem in China is urgent. Due to the fact that sporting events and sports sponsorship has only really existed in China within the last 20 years, and combined with the large population of China, resolving the ambush marketing

problem could take longer in China than in western countries. For it will take time to adequately educate the sports organizers.

### **Conclusions**

The empirical finding of this study, which profiled experts of sport marketing in China, provides the following results:

(1) Although the 2008 Olympic Games helped control the phenomenon of ambush marketing, it is still widespread in China. Discussion revealed that the current situation of ambush marketing in China is shaped by five factors including: (1) media, (2) legal system, (3) government relationship, (4) event organizers experience, and (5) Chinese culture. Figure 5 shows relationships among each theme, the theme at the start of the arrow influence the theme at the end of the arrow. The study concludes that "Chinese characteristics" existed in the country's sport sponsorship, because China has a socialist political background in the period of its capitalistic economic development.

All the Chinese experts that the investigator interviewed have experienced or heard about ambush marketing before. Some of them even perform ambush marketing in their work, and they insist that ambush marketing is not a "wrong" thing if the strategy doesn't conflict with the law. Furthermore, when their interests are endangered by other people's ambush marketing strategies, they use measures to protect their own rights. However, those who are being ambushed all believe that focusing on sponsor's own right is much more important than taking too much time dealing with the ambusher.

(2) During the past 30 years, economic reforms mean that the media industry is increasingly commercializing. However, it remains firmly a state monopoly and centralized in management. Without a competitive commercial sports channel and with its full power, the

“Chinese Characteristic” represented in the sports media do not pay for the broadcasting fee in China. Moreover, the censorship of the Chinese media helped in ruling commercial activities around sport events and preventing ambush marketing. Nevertheless, whether the media rarely cares about ambush marketing depends on the scale of events and the relationship with the government.

(3) Since there is no law legislated currently that cover the ambush campaigns for other sports events, most sports event properties must rely on the only legal recourse currently available to protect sponsors under already existing policies, such as contract law, trademark and copyright protection. IPR and trademark protection in China still can be problematic in affecting ambush marketing while a major sports event of popular cultural significance is concerned. Most experts believe that as long as the ambush marketing does not conflict with the law, it is tolerated. Moreover, the current situation is that the definition in Chinese law is the ambiguous and the enforcement of the law is comparatively not strong enough.

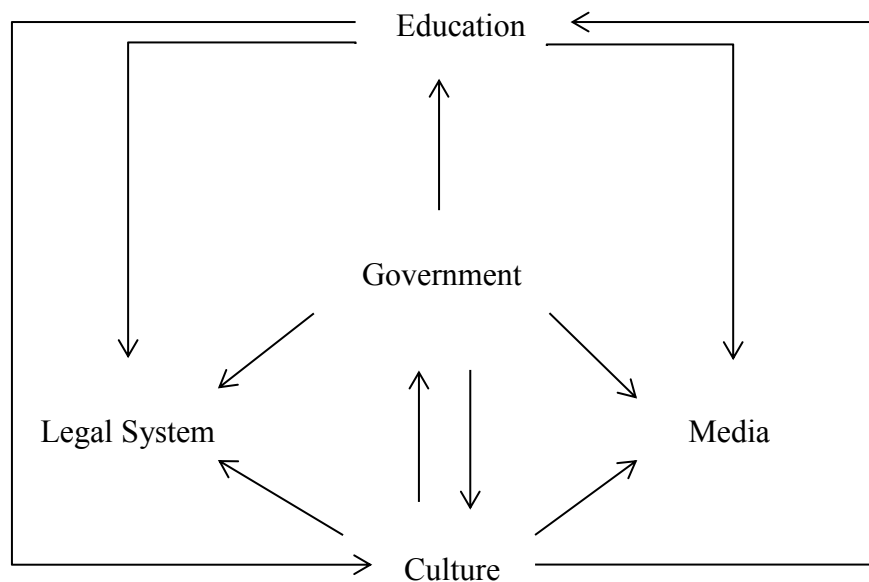


Figure 5. The relationship among the main themes of ambush marketing in China

(4) Experts claimed that the essence role that the government played is a sponsor, usually the biggest sponsor, since many events in China are actually the government funded to operating. Therefore, maintaining a good relationship with the government benefits event organizations in preventing ambush marketing. A good relationship could influence how the government treat the ambush marketing issues and stimulate the government to take ambush marketing cases more seriously. After all, for China with a large population it is sometimes you need to attract enough attention for the rulers.

(5) China does not have much experience in organizing a "commercial sport event" (since China is mostly organized in political or social sport events funded by the government, named as "non-commercial sport event" in China). "The sport sponsorship is still at its primary stage in China," and should be educated to more employees. In order to improve the prevention of ambush marketing, sports event knowledge is suggested to be improved in the related two subthemes: lack of sport sponsorship education and IPR protection education.

(6) Triangulated culture in China which includes traditional Confucius and Tao, the communism ideals and the capitalism culture from western countries influence its current situation all together which shaped the new generations' thoughts. It reflected in "Chinese characteristics" in all the following aspects: laws, media, and the government relationship.

Although the mega-events and some international sport events are mostly headed by western culture, the effect on China especially after the 2008 Olympic Games cannot be neglected. As what Brownell (2007) mentioned, the 2008 Olympics actually brought an interrelation effect that required both China and the west to balance each other rather than try to influence each other. The most important thing is that we cannot neglect China's influence to the world. Actually, the fact that Chinese event organizers wish to learn from the western countries

to improve its sport development can be observed. Also, the capitalism way of developing economic and sport management has already stimulated more experiences to Chinese sports managers. Since the sport market is now open to the world, companies which wish to participate in should not forget the differences between China and the western countries (Table 1&2).

<b>Main discussions around ambush marketing</b>	<b>Western countries</b>	<b>China</b>
Is ambush marketing prevailing?	Yes.	Yes.
Do experts think ambush marketing is a threat to sponsorship?	Yes.	Not too much.
Who plays the most important role in preventing ambush marketing?	Event organizations.	Local government.
Who pays for the media broadcasting?	Media.	Event organizers.
Is ambush marketing OK if it is not in conflict with the law?	generally no	Mostly tolerated
Does traditional culture tolerate ambush marketing and copying?	No	No
Is protecting intellectual rights and ambush marketing a concept of its original culture?	Yes	No
The degree that education plays in preventing ambush marketing	Better than China	Poor

*Table 1.* The similarities and differences of the attitude towards ambush marketing between China and Western countries

<b>Main opinions towards ambush marketing in China</b>	<b>Western research results</b>	<b>Chinese experts opinions</b>
Is IPR protection conducted well in China?	No.	No.
Is ambush marketing prevailing in China?	Yes, and there are more ambush marketing cases in China than in western countries. (Preuss et al., 2008)	Yes, but not too much differences from western countries.
Is the prevention work of ambush marketing conducted well in China?	No. "Don't rely on the government or the legal system to look after you" (Pitt et al., 2010, p.286).	Generally, ambush marketing is better controlled than western countries.
The problem of the legal system in China.	poor jurisdiction, in particular to laws that need interpretation exists (Preuss et al., 2008, p.260)	There is no specific law aim at ambush marketing; Bad enforcement of law
Is the government reliable?	No. "Don't rely on the government or the legal system to look after you" (Pitt et al., 2010, p.286).	Yes. Having a good relationship with the government helps in protecting the sponsor's rights.
What is the Confucius culture influence on IPR and ambush marketing?	Confucius encourage people to copy, it is their traditional culture that copy does not matter	Confucius not encourage people to copy but to learn because of respect
Education regarding ambush marketing	Not good in China (Preuss et al, 2008)	Not good in China

*Table 2.* The different of western research and experts' opinions towards ambush marketing in China

Further explained in the table, there are several similarities and differences between the results from the interviews of the Chinese experts and the research conclusions from the western

researchers. For example, both the western countries and China believe that the ambush marketing is prevailing in China (Preuss et al., 2008; Pitt et al., 2010; Brownell, 2008). However, experts in China do not treat ambush marketing a big issue that weight the same importance as in the western countries. Moreover, as mentioned by many researchers, events organizations such as IOC, FIFA et al., the most important role in preventing ambush marketing, since it is related to their benefits for maintaining their future sponsorship (Meenaghan, 1994; McKelvey and Grady, 2008). The Chinese government rather than the organizations in China treat ambush marketing more seriously.

Another important finding is that although according to Pitt et al., (2010) the conduction of anti-ambush marketing were not good enough in China, both the marketing report from the IOC and Chinese experts hold the view that China has success to prevent ambush marketing during the 2008 Olympic Games, which indicate a different requirement of the marketing environment during the mage-events between China's experts and people from the western countries. Also, how traditional Chinese culture influence the ambush marketing especially during its evolution being explained different depend on the experts background. Nevertheless, the stakeholders in China wish a better and orderly market and better way to deal with the ambush marketing. Expecting a more mature market, the sports industry is now development with tremendous speed in China.

### **Limitations and Further Research**

Due to the limitation of time and budget, this research only focused on 11 experts in China. Moreover, eight of them are working in Beijing, which may bias the results. Nevertheless they are the leaders in China's sports industry and hence are representative of opinion in the country's sports, future research could cover a larger population to future prove the reliability of

this study. In order to broaden the knowledge about ambush marketing in China, opinions from other stakeholders should also be investigated, such as the customers and foreign investing companies. This research only focuses on the voices that inside China; one sided opinions could lead to a conclusion with bias and limitation similar to research only from western countries. More research is required to combine the ideas from both the eastern and western to summary a completed understanding of ambush marketing. Also, the study attempted to generalize the market of the whole country of China. However, conclusions cannot reflect all of the people's attitudes towards ambush marketing: since the large population in China, there must be various opinions due to different cities and regions.

Limited to current articles, the design of the questionnaire was based on previous western research whose questions may not touch the core of the topic in China. Also, according to conclusions by previous research in western countries, ambush marketing is more popular in China could affect the way investigator asked and bring bias towards experts' attitudes. Lastly, due to the time limitation, the interviews were conducted from December 2012 to May 2013, including several phone interviews. As mentioned by the experts themselves, there is a rapid rate in sport development in China, their opinions may have changed and developed too.

Finally, future research questions could be more specific into one theme, such as media, law and culture, in order to better understand the details and their relationships of ambush marketing in China. Additionally, some basic research questions regarding sponsorship are left for future research: How to prevent ambush marketing in a different culture? What is the most effective way to create awareness of the fact that you are the sponsors among clutter? How to balance the culture in order to win the market in a long-term period? As mentioned by the experts, the education of sport sponsorship in China is much stronger than pre-Olympic times,

thus the sports events held in China will become more professional. How could better education being conducted in China? Also, how to diminish the neglect of ambush marketing situation after the Olympic Times? Therefore, will ambush marketing change in China as it improves sponsorship practices, and will event organizers acknowledge this fact? While the current study provides some insights on sponsorship and ambush marketing as well as guidelines for decision-making, much more research is required in this fast-growing area of China. Equally important, to better understand the topic future research should consider about ambush marketing in other culture, such as Africa. Also, researchers could take a look at the possible evolutions of ambush marketing during the new media era that the internet now instead of televisions being more widely used.

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**Appendix 1: Interview Guideline**Government---政府

1. Could you talk about your own experience in sports sponsorship? 能否请您谈谈您在体育赞助方面有过怎样的经历?

2. What do you think about the sports sponsorship in China? 您对中国的体育赞助有怎样的看法?

3. Do you know what ambush marketing is? How you define ambush marketing? 不知道什么是潜伏营销? 怎么定义。

4. Have you experienced ambush marketing during your work? If yes, can you talk about what experience you have? 有没有经历过潜伏营销? 如果有, 谈谈你当时的经历。

5. Do you think ambush marketing is a big problem? What's your attitude to ambush marketing? 认为潜伏营销是不是问题? 你对其持以怎样的态度?

If the answer is: Yes, it is a problem. Go to the Q4, 5. 如果他们认为是一个问题, 请回答问题 6 &7.

If the answer is: No, it is not a problem. Go to the Q6. 如果他们认为是不是问题, 回答问题 8

6. Do you think ambush marketing need be prevented? What strategy do you think we can use to prevent ambush marketing? 需不需要解决? 怎样解决?

7. If ambush marketing is not prevented, what could be the result? 不解决会不会有严重的后果。

8. Why do you think it is not a problem? Do you think there may be negative consequences if we don't prevent ambush marketing? 为什么认为不是个问题呢？不解决会不会有严重的后果？

9. Compared to other countries, do you think ambush marketing in China has any differences with in other countries? 对比起国外，觉得在这方面中国有没有什么不同？

10. What about when foreign brands are competing with domestic brands, is brand bias necessary? Do you only consider only about commercial benefit, or will you consider other factors? 那么国家品牌和国外品牌同时竞争的时候，认不认为需要有所偏颇？纯经济利益考虑，还是综合其他因素考虑？

#### Sports Organization –赛事组织者

Q1-8 is the same of the government.

9. When your sponsor has been ambushed, do they ask you to take some protective measures? 在遇到自己的赞助商被潜伏的时候，有没有遇到赞助商对潜伏商的谴责，或者要求你们采取措施？

10. What strategy do you use to help protect sponsorship? 你都采用怎样的措施？

#### Media---媒体

Q1-8 is the same of the government.

9. As media, what role do you think you play in sponsorship? What role do you think you play in ambush marketing? Do you consider the sponsor for media may conflict against the sponsor for the sport organization? 作为媒体，认为自己在其中的作用是什么？在招商过程中，会不会单独考虑到赞助商和组委会赞助商冲突的问题？

10. If conflict appears, what do you think how can do to solve the problem? 如果出现冲突，怎么解决？

Activate firm—赞助活跃活跃的企业

Q1-8 is the same of the government.

9. Have you done ambush marketing strategy before? Has your company been ambushed by other company? What do you think of this experience? 有没有潜伏过别人？有没有被潜伏？怎么看待这些事情？

Researcher/sports Consultant Company—研究者/赛事资讯公司

Q1-8 is the same of the government.

9. Have you done ambush marketing strategy before? Has your company been ambushed by other company? what you think of this experience? 己有没有潜伏过别人？有没有被潜伏对比起国外，觉得在这方面中国有没有什么不同？

Manager for athletes/ athletes –体育运动员或运动员经理人

Q1-8 is the same as the government.

9. When a company comes to sponsor you, would you consider if the company is the sponsor for the sports event or not? 当有公司赞助你的时候，你是否会考虑他是比赛的赞助商？

10. Will you insist on wearing your personal sponsor if that is not the sponsor for a big event? 如果你的赞助商不是比赛的官方赞助商，你是否会坚持穿自己的赞助商的衣服

**Appendix 2: The 16 Chinese Core Journals**

Found in General Chinese Core Journal List (2008 edition), at the library of Beijing University, the ranking of core sport -related Journals is mentioned as following paragraph.

G8 Sports

1. China Sport Science
2. China Sport Science and Technology
3. Journal of Sports and Science
4. Journal of Beijing Sport University
5. Journal of Physical Education
6. Journal of Chengdu Sport University
7. Journal of Shanghai University of Sport
8. Sport Culture Guide
9. Journal of Wuhan Institute of Physical Education
10. Journal of Tianjin Institute of Physical Education
11. Journal of Xi'an Physical Education University
12. Journal of Guangzhou Sport University
13. Journal of Shandong Institute of Physical Education
14. Journal of Capital Institute of Physical Education
15. Journal of Shenyang Sport University
16. Journal of Nanjing Institute of Physical Education (Social Science)

**Appendix 3: Information of Interviewees**

<b>Expert No.</b>	<b>Position Descriptions</b>
Expert #1	CEO and General Manager of a sports agency
Expert #2	General Manager of an international tournament in China
Expert #3	Sport Marketing Senior Manager of an electronic company
Expert #4	CEO of a Chinese sports consultant company
Expert #5	CEO and General Manager of a nutrition company
Expert #6	Deputy Director of a Sports channel.
Expert #7	Research Director of the Chinese Sports Social Research Institution
Expert #8	Marketing Manager of a worldwide sports management company
Expert #9	Marketing Manager of a Chinese national sports management centre
Expert #10	CEO of a Chinese national communication carrier
Expert #11	Director of a sports bureau of a southeast city in China

**Appendix 4: Main ideas for each of the interviewees**

The main ideas of each interview showed a brief summary of what experts in China considered about sport sponsorship and ambush marketing.

**Expert #1: CEO and General Manager of a Sports Agency**

**The business of his company is now transferring from the sponsorship and event organizing counselling to the investment and financing projects in sports.**

“Actually, I do not think that the way the IOC determines its sponsors for 2008 Olympic Games is fair. Therefore, Adidas should not be surprised when the ‘LiNing affair’ happened. In my opinion, if Adidas used a strategy to win the competition for sponsorship rights, why cannot other companies retaliate through other marketing strategies such as ambush marketing? It is bias to conclude that ambush marketing is not OK. Also, the claim that ‘if ambush marketing is not prevented it would bring some problems to the sports industry’ should be reconsidered. In my opinion, there are two types of ambush marketing: the benign one and the vicious one. To be more specific, only the vicious ambushing conflicts with the laws and irritates the sponsors by damaging their rights. Whereas, a benign ambushing covers the leak of the market which the official sponsors are not engaged in. If the sponsors do not plan to take advantage of some resources, I think other companies have the right to utilize them. Moreover, there are some benefits of the benign ambushers’ activities: for instance, they can help to promote the event, and benign ambush marketing stimulates the development of the sports industry in China, benign ambush marketing stimulates its development. It is as what Mr. Deng Xiaoping stated, ‘It does not matter whether a cat is white or black, as long as it catches mice.’ In fact, my team has designed several ambushing activities for an electric company during the Olympic Games. We

suggested the company to sponsor a Chinese national team and put efforts to amplify the influence of the association during the 2008 Olympic period. However, we were not ambushing, or you can say we were using the benign ambushing. If we did not do those activities which the official sponsor abandoned, that single sport would not have been promoted so well during the Olympics. Chinese people are very wise; they know how to take advantages of resources.

“Of course I would like to remind you that the Chinese culture is different from western countries. More specifically, China is a nepotistic society which based on relationships, and so is the sport sponsorship in China. Therefore, for those who do not have the relationship, the benign ambush marketing can be considered. Of course, companies need to understand the ‘boundary’ between the benign and the vicious during their planning. For instance, for the League of Chinese basketball association (CBA) during the 2012-2013 season, the official sponsor LiNing set a rule to prohibit athletes wear other brands of shoes. That is very unfair to those athletes! The host cannot only consider their own benefits and neglect those athletes who already signed the contracts with other companies to wear the shoes during the CBA. All in all, I believe there are still lots of parts that need to be improved and solved in China’s sponsorship.”

**Experts #2: General Manager of an International Tournament in China**

**The annual tournament has held for 9 years and got fund from the government.**

“The most important thing is that foreign sports companies cannot adapt to China’s situation. Foreign sports company and event organizers cannot understand the Chinese culture and the Chinese policy. Thus, their efforts usually end with deficits. Furthermore, the relationship of the government is quite important for hosting a sports event in China. If the government supports you, they will not only provide funds but also privilege policy. Nonetheless,

to keep a good relationship with the government, the organizer should provide a rate for tickets, and sometimes compromise with its recommendations in choosing media broadcasting and sponsorship. As for my event, the income from broadcasting is mostly from outside China. We don't have any income from the broadcasting inside China.

“In terms of ambush marketing, our team has several strategies to deal with it. To better protect the sponsor's right, there are three basic rules we will consider: exceptional, laws, and sponsorship contract. These all have great feedbacks. However, I think ambush marketing is a good and wise strategy. To be honest, I don't mind when some companies try to associate themselves with my event, but only if they have not violated my sponsors' rights. Obviously, all their works are helping my event promotion. At last, one thing I have to point out is that the IPR in China is really bad, especially in the sports field.”

**Expert #3: Sports Marketing Senior Manager of an Electronic Company**

**The company was not an official sponsor which did several ambush marketing activities during the 2008 Olympic Games.**

“The impact of the Olympic Games for China and its sports development cannot be neglected. I believe the 2008 Olympics was the most meaningful year for China's 'commercial sports' or 'sports consumption'. Indeed, after the Olympics, people in China began to realize the necessity to invest part of their money in sports and health. Before that time, most people treated sports as a free or public activity. But now they began to care about what they wore for work out and which gym they went. I am enrolled in sports sponsorship in China for more than 12 years, in my opinion, the real sports sponsorship existed after the 2008 Olympics. You know, after the Games companies like us started to realize the importance to initiative looking for sports events that help us communicate with the customers.

“In terms of ambush marketing during the 2008 Olympics, many electronic companies including our company did ambush marketing. I can put many cases here. Media is the most useful tool for ambush marketing. Moreover, more marketers now tend to consider new-media, the internet and smartphones. It is a trend, you know, how internet can influence the youth. Young Chinese people have a strong buying ability. As for the media, I want to add something. Chinese events cannot sell their broadcasting rights because of the existing monopoly. Each province can only have one channel using the satellites. That’s why for sports events, it looks like CCTV-5 is the only choice. That’s also why nowadays the internet can be a trend. Since people from anywhere in China can access the internet.

“In the past, most of the sports events in China were controlled by the government. The government cared about their benefits and rights, and definitely won’t consider put the sponsors’ rights first. However, the good thing is, if the government wants to take action, it will be stopped very quickly. For example, during the Asian Games, we found that another company did ambush marketing through the newspaper. Since the government attach importance to the Asian Games, they contact the newspaper very quickly and stopped their behaviour in just minutes. For me, ambush marketing is an embarrassing topic. Chinese people appreciated our witticism, we all believe that it is smart to ‘spend less and earn more’. Moreover, the protection of IPR is not good enough in China; and the ethics cannot restrict commercial activity at all. For example, we did send a lawyer’s letter to some ambushers before; however, we all know that it is just a facade rather than a punishment. Chinese culture taught us to ‘turn big problems in to small ones and small problems into no problems at all’.

“All in all, in my point of view, ambush marketing cannot be solved. Never! It can only be balanced. Once a company gets the official opportunity, its competitor cannot just sit there

and do nothing, waiting for you to win. The results for the future are that all the stakeholders become more experienced, and companies can use the marketing strategies more sophisticatedly.”

**Expert #4: CEO of a Chinese sports consultant company**

**He has a manager background for both national sports apparel firms and an international ROI agency company.**

“In my view, ambush marketing is a question rather than a problem. If the ambushers not mean to destroy the sponsor’s right and they associate with the events just because they care of the events, I don’t think it will have any harm. However, there do have some problems in sports sponsorship in China that could affect the ambush marketing.

“The first one is the law. Actually, the laws in China itself doesn’t have problems compared to the laws in western countries, and in some part, Chinese laws may be better in restrict ambush marketing. For instant, the “advertisement law” which declaims that it is forbidden a comparison to other brand can exist in advertisement. As far as I know, in western countries the comparison behaviour is allowed. Nonetheless, in terms of rights especially the profile rights and the IPR, Chinese laws are poor. To be honest, I don’t think China is a country under the rule of law. There are lots of aspects that laws may not cover. With my observation, during the 2008 Olympic Games, our government did a great job in preventing ambush marketing and protecting brand rights, however, after that it regressed to before.

“Secondly, there is a gap for our current culture which is not a kept for traditional culture but also not western capitalism. We are now caught in between. Based on my understanding, traditional culture such as Confucius’ concept requires limitation and rules. The western capitalism has its own rules in sports events. However, the clutter for China is just due to a lack of education in traditional culture as well as not yet well-developed its capitalism economic.

After 1979 the opening of its economy, the Chinese government proposed that “development is the most important thing”. Therefore, people became caring only about the GDP increase and the benefits growth, while neglecting the problems in this fast development. We need ethical rules and we need a better law system to build in order to restrict people’s behaviour in economic development. I think ambush marketing does have a relationship with Chinese culture, but not the traditional culture.

“Furthermore, until now, most of the events are owned by the government. The management of events do not yet totally transfer to a sport management company. Even though, we can see a trend that China into a free market. However, the government still control in a large portion.

“It is normal to have conflict during economic competitions. The sponsor should fully utilize their sponsor rights. If they don’t, there is no reason to blame the ambusher for using the resources that sponsor did not cover. Luckily, even the rate is still extremely low, more and more companies and events organizations have realized how to do sponsorship and how to prevent ambush marketing.”

**Expert #5: CEO and top manager of a nutrition company.**

**Having good relationship with the government, this company gain the opportunity to sponsor lots of sports event.**

“My company has a lot of experience in sponsoring sport event. From 2010, we sponsored the SportAccord Combat Games, and the Beijing Marathon Games. These are two big events that we sponsored. Then we also sponsored the CCTV martial arts competition and other sports events. After all these sponsorships, I am satisfied with the cooperation, however, the

Marathon Games in Beijing may bring more bad effects than positive ones, because of the traffic jams and the bad air quality.

“It is not surprising that we sponsor sports since parts of our products are designed for athletes. Therefore, we have a good relationship with those people, such as the national team and the sport federations who are in charge of the teams. These federations are also in charge of sports events organization thus we definitely easy to bid for the sponsor. Therefore, my company may not be as formal or business like to sponsor a game like some western companies. We prefer use it to maintain good relationships with our customers and sport federations. We may have a trend to do sport sponsorship rather than a purpose.

“To be honest, I never heard about ambush marketing before. But if you said about the competitions of firms during the time of sport events, this situation is quite common in China. We experience a lot. The competitions around the sites of the competitions are more often than any other way. Personally, I tolerant these behaviours, we think it is much more important to keep the contacts goes even they cannot make the competitions environment clear. As you know, in Chinese traditional culture, the relationship is the most important thing to make a thing happen. Moreover, we think it is more important to consider a long-term benefit of sponsorship rather than short term. I have to admit that the level and experience of sport sponsorship in China has to be improved. The economic environment is not ruled sometimes. Only when international events comes, it will temporary be better.

“I am satisfied with the media when I sponsored, they provide us some good kits during the game. The only thing I want to ask more is about the interaction between the sponsor and the audiences, since most of the time we only have the chance to present commercials. But we do want to have some activities that to stimulated audiences to participant in.

“In terms of ambush marketing, I don’t think it is a problem in China. It is prevailing, but of course not a problem. Even admitted it is a problem, at this moment, there will be no one to help solve the problem. You know Chinese government still participants in lots of aspects of commercial activities, which is different from western countries.

“Another thing I want to highlight is Chinese people do not like competitions. They prefer long living and healthy activities. Thus, the concept of competition is not rooted in most people’s mind. And there are not as many competitions as in western countries. I think besides the government, this is another reason for a slow development of sport events in China. Requirements of different events vary, for those international events the requirements are ruled by western people, we just adapt to them. For national events, we only want to maintain relationship for all the stakeholders. The last thing is the law, there is no specific law for ambush marketing, I think it may be not too much problems of these related activities.”

**Expert #6: Deputy Director of a Sports channel**

“Ambush marketing can be understood in two ways: on the bad side, it is cheating, getting the rights that belong to the sponsor. However, its existence means that the sport industry is developing and anyway it is a way of marketing, we should consider dealing with it in different layers. If there is a sponsor, it is not permitted; but if those firms want to spend the money but cannot find a way, we should work together to make the money work. To promote the firms and let the customers know them. If they don’t plan to diminish the sponsor’s rights, why don’t we find a way to work with that?

“Of course in a legal way, it is not allowed. If it is permitted, no one wants to sponsor the games. As media, we will help the events organizations to cut those ambushers in the field during broadcasting, we have censorship before broadcasting, and thus it is technically allowed.

“We have several rules for the commercials during the sport events: first is the privilege of sponsor, which means the sponsor can choose to buy the commercial time first. If they give up, the second rule is that their competitors cannot buy the commercial time. Since sport events have a directivity, which is the title sponsor, thus when we put commercials in we should consider that. We cannot let the competitors come and make consumers confused and make our broadcasting clutter. If they want to have commercials we will put to another show such as sport news or sport talk show. However, we will try our best to make the competitors not be in one program.

“For the broadcasting rights, we charge money from the events. We are a public channel and we have lots of programs that want to be broadcasted. Thus, we charge money for the events.

“In terms of sport events and its development, I think after 2008 people began to consume sports. Before, the citizens do not have that money and their first consideration is to make a living. However, even today people who consume sport not much, but potentially increase after. The last thing I want to add is China is different in sport sponsorship. There is no comparatively loyal sponsor yet. They shift very fast, which brings clutter to the market. Also, the government don't step in too much in sport events in foreign countries, which is totally different in China. When the big events come it is a government project. The government funds lots of money to support the events to pursuit their aims no matter if it is to increase the image of the government or to encourage citizens to participate in sports.

“But anyway, in terms of ambush marketing, I think it is better to figure out a way to help these companies to promote themselves rather than limit the market. However, how to deal with it is a new question that need to be considered. If there is a rule, even if it is not fair, we have to obey. If not, as a marketer you'd better be wise and move fast.”

**Expert #7: Research Director of Governmental Sports Social Research Institution**

“There are many sport sponsorship researcher in China. Inside China, masters and PhD students in business school and sport universities did related research. Personally, from 1999 I started to research about sport sponsorship, I also took part in the business contracts of CBA. I can say in both practical and research field, I have lots of experience in sport sponsorship in China.

“For a better sponsorship development, there are two things need to be consider: first, it is the development of sport. This means sport events in China need to be well organized and managed that attracts enough audiences; therefore, sponsors want to put their money in it, for example, to combine with some performance or interactive activities. Once these activities come, it makes the firms and the events works together. They will prefer to invest money into the events because they also take part in it. The second part is the development of the economy, the development of the firms. Those Chinese firms have enough money and have the needs to promote themselves. Due to the fact that most of the firms in China are manufactories or original equipment manufacturers (OEM) factories, they don't produce their own products; they are helping other brand rather than have their own brand.

“The thing is, in China is most of the sport events are not commercial events, which have some characteristics. The characteristic is the local government plays a very important role in the management and organizing. Generally, the mayor, and other officials would utilize the impact to encourage local companies to sponsor the events. Even though it is not a requirement, they will encourage them to take part in sport events. For some commercials events, I think there are not too many differences between the western countries.

“Most of ambush marketing that happened in China is not conscience, they will organize their employees to watch a game at the meanwhile wear their own clothes and made a banner

said the name of the company will support the game. However, once the Olympic Games came, some companies learnt from western countries like Nike to do ambush marketing. I think it is not serious of ambush marketing in China, most of the stakeholders realized this issue. I think China is good.

“During the Olympic Games period, the government settle several laws and the COCOG’s enforcement helps to educate people of ambush marketing. All in all, there is almost no ambush marketing in China. The other thing is the sponsor changed every year for most of events in China which helps ambush marketing existence.”

**Expert #8: Marketing Manager of a worldwide sports management company**

“In terms of sport sponsorship in China, most of the national companies, as far as I know, have a poor view in utilizing sponsorship to activate their market. In their mind, it is very poor in organizing marketing activities. They mostly do not analyze the market data and plan their activities. Most of the activities are based on relationship rather than the needs. Other private companies even though they have an international view and some of them did a success job; however most of them have not yet found a good method. In all, the sport industry and sport sponsorship is still young in China.

“I think ambush marketing is very common in China. People in China may comparatively have a higher motivation to break the rule. And the exclusive of the sponsor didn’t do well in China, even in the Olympic Games; there are three beverage companies to be a sponsor in different level. I think the rule in the market need to be better managed. Of course, it cannot be done in one or two days. The market needs its self-regulation and the governmental supervise and then it could be improved.

“Ambush marketing in any mature sport market should be prevented. The threats have been recognized for a long time and it can be good for a long-term benefit for both sponsor and the organizations. The ambushers’ risk to break the rule which is not a top strategy for branding since in ethics it cannot be treated as a moral behaviour.

“We experienced ambush marketing before, and we negotiated with the ambushers but it did not work well. Since they do not use our brand and register name, there is no law to limit ambush marketing, it is only an association. On the other hand, it still debate on ethic of ambush marketing. We never did ambush marketing before, but it does not mean ambush marketing is a bad strategy. Whether it is a good marketing strategy or not need the market to examine and evaluate it. But personally, I think it is not a good strategy in both ethics and for long-term benefit of a company. You cannot deny that ambush marketing is a wise strategy, it avoids the law and it does pursuit its sales and promotion purpose. It usually works in China.”

**Expert #9: Marketing Manager of a Chinese national sports management centre**

“Lots of ambush marketing activities happened in China especially before and during the Olympic Games. I have to say the BCOCG did a great job in preventing them, and the punishment measures are very strict. Before 2008, there were lots of firms trying to link themselves with the Olympic Games, and even use the name of the Olympic. The low awareness of the IPR and trademark law is the most important reason.

“There are some non-sponsors, with the absence of knowledge of Olympic licenses and authorizations in the case, used the Olympics logo and other brand assets to the community. These behaviours mislead the public to think they are Olympic sponsors, which seriously infringed sponsorship business interests, reducing the Olympics and Beijing Olympics brand value. In fact, these activities brought a negative influence and interference to the Olympic

Games. When facing infringement, The Beijing Olympic Organizing Committee (BOOC) took an immediate measure and engage in communicating with companies that use ambush marketing in order to prevent its infringement continue. If the communications were not effective, the BOOC will cooperate with relevant departments to take the necessary administrative measures to solve this problem. We thought the approach is still very effective, BOOC and other organizing committees should continue to make efforts in this regard. I have to highlight that during the 2008 Olympic period, once non-sponsored enterprises engaged in ambush marketing, the BOOC took immediate measures.”

**Expert #10: CEO of a Chinese national communication carrier**

**The company sponsored Shenzhen Universiade as an official global partner, with lots of experience in sponsoring sports and entertainments events.**

“From the beginning of the project sponsor Shenzhen Universiade, our company was bided as the "integrated information services global partners". With a great opportunity for marketing, the sponsorship also means we have to face the competitors which do not become sponsors but launch a large-scale ambush marketing campaigns. These non-sponsors of Shenzhen Universiade diminished our commercial interests.

“Such unauthorized firms utilize the intangible resources of Universiad which are not belonging to them to do commercial promotions, which can be defined as ambush marketing activities. Since these companies do not pay the sponsorship fees to the Shenzhen Universiade, they are more flexibility to invest in a variety of ambush marketing activities. The ambush marketing if not promptly exposure could result clutter and in the mass media and misleading customers who the real Shenzhen Universiade sponsor is, which weaken the sponsorship value and official sponsors' interests.

“As a Shenzhen Universiade global partner, we concentrate on preventing ambushers’ marketing activity. We attached the great importance that anti-ambush marketing during the Universiade. The Guangdong branch of our company established a special anti-ambush marketing team guiding the follow-up work against the marketing activities which infringe our sponsorship rights. In addition, consider the heavy workload we may face during anti-ambush marketing campaign, our company asked the consulting company, which provide feedback testing and reports, to help us design an anti-ambush marketing strategies as policy guidance.

“Our company strive to achieve the following objectives: (1) a comprehensive monitoring and timely detection of all types of infringement and ambush marketing activities during the Universiade. (2) Minimize the impact of the event. (3) Timely follow up of progress implicit marketing event processing until its impact completely eliminated.”

**Expert #11: Director of a sports bureau from a southeast city of China**

**He used to work as a city government official then worked for the city’s sport bureau in charge of sport industry development for that city.**

“The government has its duty to lead the sport market in a ruled and benign direction. As local government, we usually cooperate with the event organizers and provide some policy to help the sports events success. However, preventing marketing clutter such as ambush marketing is really a challenging work, especially for a country like China with a large population.

“Although the commercial sport events have been fast developed in recent years, it is still not the most essential task of sport industry in China. We still focus on elite athlete training and sports facilities usage. Therefore, sport sponsorship as only a small part in organizing international sports events not yet gets emphasized. Ambush marketing as only a small part of sport sponsorship need to be emphasized but still take time to be better ruled. The lucky thing is

more and more firms realized the ambush phenomenon and have started to learn what it is. The government now still play an important part in sponsorship: we fund sport events and we help to find the sponsors. China is not a free market, and we need to control. The economic development cannot existed without government participation, so does the sport field. Therefore, the situation now is much better controlled than before.

“I don’t think there is much difference between commercial sport events in China and in the western countries. Of course, sports events in China are learnt from western, but we cannot be exactly the same with them since both our policy and the purpose to organize sport event here are different. The government has its own goal and that why they provide funding and support to promote the event. As more and more sport events being held, the government will pay more attention in controlling the market rule and developing a harmonious market.”