

The power of sponsor love

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Staying with a problem athlete is not an easy decision for businesses and many times it proves to be a very costly one. For example, in 2009, when the Tiger Woods cheating on his wife scandal broke out, in just a couple of months, major sponsor companies such as Nike experienced a decline on the stock market in the order of billions, attributable to the scandal, according to the [Wall Street Journal](#). Time has passed and Nike stuck with him, and even helped Tiger create the famous “[apology commercial](#)”. Nike didn’t stay beside Oscar Pistorius after he was arrested or with Marion Jones after the steroid scandal. The brand is still alongside tennis superstar Maria Sharapova, despite the 2-year ban from competition for using meldonium.

Speedo also supported their star athlete Michael Phelps through his marijuana and DUI adventures, only for him to ditch them in 2016 for a new company. What Speedo would have loved to know beforehand is probably Ryan Lochte’s storytelling skills, for the whole robbery saga that was created at the Rio Olympics. The company did drop him, together with his other sponsors, before any official legal charges were made. So where is the difference? What are the criteria used for making the decision whether to continue supporting an athlete?

First, you can easily add the word “star” before the name of every athlete sponsors continued to support even in a moment of crisis. Woods, Sharapova and Phelps are all superstars and champions in their sports and overall.

Second, it is usually about the nature of the offense, how consumers perceive it and the degree of negative attitude it receives. The Jones and Pistorius scandals were unforgivable and unforgettable, something not good for a brand. The Lochte scandal appears to easily go away (he is on Dancing with the stars); however, Speedo wanted to be able to fully take advantage of the positive aspects of the Olympics and not have consumers distracted.

Third, it is also about the length of the relationship, the sentimental connection. Athletes like Tiger Woods and Sharapova have worked since their debut with Nike, making the company a lot of money and also establishing rapport with the organization. It is not easy to let a lifetime of happy and profitable relationship go away, even in business. Unless consumers signal that time has come.

Image source: WVUsports.com, 2017

Maria Petrescu, Ph.D., is an Assistant Professor of Marketing in the H. Wayne Huizenga College of Business and Entrepreneurship, Nova Southeastern University. She can be reached at mpetrescu@nova.edu