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Sports Marketing Ethics in Today's Marketplace

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ETHICS

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Abstract

Sports marketing is a fast-growing business endeavor. However, certain aspects of it have drawn criticisms from several corners (e.g., media, government, coaches, and fans). This paper raises a number of ethical questions about various dimensions of sports marketing. Advice for addressing some of the ethical problems that occur is provided. The paper specifically asks if organizations using professional sports associations as a promotional lever for increasing sales can be hurt by a lack of ethics on the part of the leagues, teams, or players. It also implies that sport organizations, regardless of economic benefits derived or strong player unions, have an obligation to create a positive and sustainable ethical climate and deliver an enforceable ethical code.

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Introduction

A common denominator underlies the growth of marketing associated with sport. It is that leagues, teams, the media, and sponsors realize they can create beneficial associations with the implicit values (e.g., teamwork, toughness, courage, endurance, winning) inherent in various sports. Through such affiliation, sponsors enhance the image and attractiveness of their branded products and services. In this context, it becomes important to examine precisely what are the values inherent in professional sports marketing practice. Moreover, as in all areas of marketing, it becomes critical to evaluate the level of ethics present in this increasingly important economic sector. A literature examining the ethics of other fast-growing marketing endeavors including political marketing, professional service marketing, and fund-raising already exists (see Laczniak & Murphy, 1993). These topics represent controversial areas of marketing, and their analysis has generated suggestions for ethical improvement. A similar examination of sports marketing ethics, excepting a few limited issues such as ambush marketing (Meenaghan, 1996; O'Sullivan & Murphy, 1998), is notably lacking. In fact, one recent book devoted to sports marketing (Schlossberg, 1996) fails to mention ethics in its nearly two hundred pages.

An impetus for more sensitivity to ethics by sports marketers is the prospect for greater governmental oversight or involvement. If the various organizations involved in sports marketing do not address their ethical (and even societal) responsibilities, one result may be more government regulation. This is an outcome few sports marketers would desire. An incident surrounding the 1997 Super Bowl in New Orleans indicates what could occur. Philip Morris was pressured to remove some legally contracted signs for its Marlboro brand in the Superdome before the telecast of the game. These billboards, which might have been briefly seen during the broadcast, were interpreted to technically fall under the United States Cigarette Labeling and Advertising Act of 1965 (effective: Jan. 1, 1971), which prohibits tobacco advertising on U.S. television. Although this incident may be viewed as a somewhat extreme example, the cigarette industry and its historic stonewalling techniques regarding the safety of its products, have likely led to more severe regulation and aggressive enforcement. Therefore, sports marketers should formalize their ethical responsibilities via ethics codes and other mechanisms (discussed later) to raise ethical standards rather than have their creativity and marketing initiatives further constrained by restrictive regulation or challenged by an increasingly sophisticated media.

As an organizing vehicle for the analysis of sports marketing ethics, we have selected a decision-making model (Laczniak & Murphy, 1993) that is often used in ethical analysis. The stages:

1. Is there a problem?
2. What issues can be identified that relate to the problem?
3. What stakeholders are affected by the issue?

4. What organizational mechanisms can assist in solving the problem?
5. What solutions are available to solve the problem?

To start, we turn our attention to the question of whether sport(s) marketing has inherent ethical problems associated with it. Then we examine three areas of the traditional marketing mix — product, pricing, and promotion — and the ethical issues pertaining to each of them.

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Next, we discuss the importance of viewing the various publics served by sports marketing as stakeholders. We then identify several organizational approaches that sports marketers may use in raising the standards of ethics within the firm. Finally, we challenge sports marketers to think creatively about the ethical problems they face and to develop solutions to ongoing concerns that stakeholders may have about them.

Does Sports Marketing Present an Ethical Problem?

If sports marketers do not realize the ethical dimension of their domain, they may fan the flames of public cynicism already directed to certain aspects of professional sport (Barra, 1997). For instance, popular support for Major League Baseball (MLB) rebounded notably during the 1998 historic (and record-setting) homerun race between Mark McGwire and Sammy Sosa. However, this positive fan awareness took place more than 3 years after the bitter and acrimonious 1995 labor contract settlement between baseball's team owners and players. One unfortunate incident, late in the 1996 baseball season, occurred when Baltimore Orioles star Roberto Alomar spat in the face of a major league umpire and then complained about his mild suspension. This behavior, combined with the lingering sentiments created by the strike, confirmed in the minds of many sports fans that too many professional athletes are pampered, overpaid millionaires (Antonen, 1997). This viewpoint was further reinforced in December 1997 when then Golden State Warriors basketball star Latrell Sprewell first choked and then threatened to kill his coach (DuPree, 1997). The fallout from this incident would make headlines for the next 2 years. In England, despite protest from women's groups, the English national team manager refused to rule out soccer superstar Paul Gascoigne of the Glasgow Rangers as a selectee to their 1998 World Cup national team after accusations of spousal abuse ("Morality in Private," 1997).

Possible issues inherent in the practice of sports marketing are legion. If we use some of the traditional marketing-mix variables (e.g., product management, pricing, and promotional strategy), various questions about prevailing practices in sports marketing can be posed. Given the growing prominence of sports marketing as a competitive strategy in so many promotional campaigns, an ethical audit of these practices seems both professionally responsible and appropriate. A failure by sports marketers to conduct such evaluations will risk contributing to several negative outcomes, including

1) An increase in public cynicism about professional or Olympic-caliber sport and a lower credibility for sports-related marketing efforts in general.
2) A reduction in the brand equity of the sport affiliated with the questioned marketing practice. In other words, if a particular sport fails to deal with its enduring problems (e.g., excessive fighting in the National Hockey League, site-selection issues for the International Olympic Committee), it will become significantly less desirable as a mass marketing vehicle.
3) A fueling of the general attitude that all marketers are manipulators, pitchmen, and cheats interested only in bottom-line profitability. This is especially true when marketers are accused of exploiting the popularity of "win-at-all-costs" professional sports.

Although many sports marketers surely avoid or condemn dysfunctional practices, it appears that all professional marketers have the duty to examine their strategies in order to begin the ethical dialogue. Sports marketers need to see how ethical evaluations can provide insight into the underlying rationales of various marketing strategies that shape the reputation of sponsoring organizations. More important, sports marketers must begin asking pointed questions of themselves before the combined effect of dubious practices poisons sports as a promotional component of traditional marketing. In short, the fact that sport properties may be highly visible and exciting does not diminish the need for ethical integrity.

Admittedly, some examples mentioned here raise more questions about *individual* athlete behaviors than about the marketing practices associated with professional sports. Nevertheless, such issues suggest that value questions and moral judgments associated with professional sports affiliation cannot be divorced from ethical analysis merely because some would characterize professional or amateur sports endeavors as "entertainment." Similarly, there should be no release from responsibility because teams, leagues, and sponsors regularly "look the other way" when problems arise with their players or organizing committees. Because sports marketing ethics is only in its infancy, the purpose of this paper is to identify some sports marketing practices that deserve special consideration. In essence, this exercise is intended to raise ethical *questions*. An ethical question does not necessarily imply that, upon reflection, the practice examined is judged to be unethical. Rather, it appears that certain sports-related issues contain a level of ethical controversy that seems to require further assessment. It is hoped that this exercise will stimulate marketing academics and sports marketing practitioners to examine current practices and to provide guidance for justifying, modifying, or eliminating certain tactics in the sports marketing field.

To answer the first question posed in the decision-making model ("Is there a problem?"), the answer appears to be a resounding yes.

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What Marketing-Mix Issues Relate to the Problem?

Product Issues and Sport Marketing Ethics

As a simple illustration, ethical issues related to the sport "product" can stem from the team name and how artifacts associated with the team are positioned in the marketplace as well as the behaviors of professional athletes who serve as product spokespersons. For example, to what extent do sport franchises contribute to social stereotyping by the team names they choose, the team mascot they utilize, and the team logos that they select? In the city of Washington, DC, both major sports franchises (professional football and basketball) had been long criticized because of their team nicknames. The NBA's Washington Bullets used a team name that referenced a violent product, this in a city where the per capita murder rate is often one of the highest in the United States. Ultimately, after great scrutiny, the club finally changed their lethal-sounding name to the Wizards ("Presto," 1997). Meanwhile, the NFL football Washington Redskins, presumably for purposes of tradition, seem intent on retaining their nickname despite long-standing criticism that it employs a derogatory stereotype. In fact, the U.S. Patent and Trademark Office recently denied the team continued trademark protection for its team name and logo (Redskins) because, as that office found, "it is offensive to Native Americans" (Fatsis, 1999, A4).

The continued use of Native American names has been both popular and controversial in American sport (e.g., Atlanta Braves, Cleveland Indians, Chicago Blackhawks, University of Illinois Fighting Illini, Florida State Seminoles). In response to the argument that team names can foster stereotyping, several prominent American universities responded, with Stanford University leading the way in the 1970s by changing its team nickname from the Indians to the Stanford Cardinals. Syracuse University (the Orangemen) followed suit in the early 1980s but did so by dropping their use of an Onondaga warrior and replacing it with an orange (the fruit). In the 1990s, despite an outcry from its alumni, Marquette University recast its team nickname from the Warriors to the Golden Eagles. St. John's University dropped

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the moniker Red Men for Red Storm. Nevertheless, some questionable team nicknames still remain, such as the Alcorn State University Scalping Braves. Professional sports teams in the United States have been much slower to react than universities have reacted. A particularly troubling example involves the baseball Indians whose smiling, red-faced, caricature (Chief Wahoo) embodies a top-selling icon for baseball regalia. Interestingly, other possibly controversial names/mascots have received minimal social criticism over the years. For example, the University of Notre Dame's depiction of its mascot the Fighting Irish as a diminutive, pugnacious, and bellicose leprechaun has been relatively insulated from criticism. Notably, however, that mascot did receive some negative comment in the press in Ireland when the University of Notre Dame football team played a 1996 football game in Dublin. This criticism came not only because of a possible stereotyping of the Irish culture, but also because the "fighting" descriptor was a grim reminder of the centuries-long struggle with the British and among various Irish factions.

Another product ethics-related question involves whether professional athletes hold a special responsibility to serve as role models for their nation's youth. NBA superstar Charles Barkley generated significant notoriety some years ago when he announced in a Nike commercial, "I ain't no role model" and later argued that he had no personal responsibility to provide a positive image or behavioral ideal for young people. His enduring excellence on the hard court, mixed with off-court legal incidents (often involving physical violence), has continued to keep him visible to basketball fans everywhere. A number of younger NBA players resonate with Barkley's view and opine that the expectation of any special aspirational responsibilities concerning their behavior is unrealistic, unfounded, and a waste of their valuable time.

Numerous other prominent professional athletes, however, including baseball superstar Cal Ripken and basketball Hall of Famer Julius Erving have taken issue with Barkley's view. They posit that indeed there are special and obvious responsibilities concerning role modeling that come with the responsibility of working as a high-profile and well-paid professional athlete. Judgmentally, this latter perspective probably holds for the majority of professional athletes, although more players, especially in the NBA, seem to be gravitating to the Barkley position. For example, three superstars of basketball (the recently retired Michael Jordan, Karl Malone, and even Charles Barkley) see trash talking and the lack of team play inhibiting attendance at pro basketball games. "Each of the three have complained vigorously about younger players . . . who have no respect for older stars, for teammates, coaches, opponents and fans" (Gleason, 1997, p. C7). In fact, the NBA and NBC Sports had consciously (during the late 1980s and early to mid-1990s) attempted to personalize NBA games as superstar versus superstar (e.g., The Mailman versus Shaq). But "their larger than life personas made these players [and the league] an even bigger target . . . and a marketing liability if something goes wrong" (Bandyopadhyay & Bottone, 1997, p. 10).

The ethical questions for sports franchises and their sponsors become to what extent should such role-model obligations be specified by league rules and/or individual performance contracts, and to what degree should nonperformance in failing to meet such role-model expectations result in financial fines and/or nonparticipation penalties for the athletes involved? Are "morals clauses" in endorsement contracts desirable? Some would question, based on interpretation, whether such clauses are legally relevant. The resolution of such issues means coming to grips with several other questions. To what measure is a professional athlete a public personage? What public responsibilities are inherent in such a role? Are public obligations contractually enforceable? Do superstars have social duties that go beyond those of a run-of-the-mill player?

Still another product-related ethical question involves the proliferation of changes in team colors, uniforms, and logos. Consider the following. Because of their interest in sport, supporters of professional teams spend significant money to outfit themselves in uniform replicas and other clothing items of their favorite sports franchises. Cialdini et al. (1976, p. 368) called this activity "basking in reflected glory (or BIRGing)" and suggested it influenced consumer behavior relative to sport merchandising and licensed sales. Possibly bearing out the work of Cialdini et al. is the fact that combined team licensing for the 4 major U.S. sports (NFL, NBA, MLB, NHL) is thought to exceed $11 billion (U.S.) in revenues (*Team Licensing Business*, 1997). British soccer club Manchester United, although changing their home and away uniforms annually, increased its merchandising revenue from $3.1 million to $37 million (U.S.) in the past 4 years alone (Clifford, 1996). In recent times, an increasing number of sports franchises have changed the color, logo, or design style of their uniforms, thus pressuring their most avid followers to purchase new versions in order to remain fashionably current. The presumed, but usually unstated, reason for the changes is to add merchandisability potential to these items. In several cases (e.g., The NBA Chicago Bulls, MLB's Milwaukee Brewers), teams have generated *several* versions of home and away uniforms, even further complicating team identification for their most loyal fans. It has been reported that the Arizona Diamondbacks in their short MLB history have had as many uniform variations as the New York Yankees since 1927. Are there ethical questions inherent in such product-apparel proliferation?

Some would say, "Perhaps not," but certainly the frequency of this practice should be examined from the standpoint of the principle of fairness to consumers. These queries may be especially appropriate when they impact very young fans who exert economic pressure by cajoling their parents to buy the latest uniform variations.

Ethical Pricing in Sports

The pricing of professional sports tickets, team-affiliated athletic apparel, and stadium concession items is one of many practices that raise ethical questions in this tactical realm. For example, many journalists have complained that sports tickets have become overpriced. In a recent speech, Commissioner Doug Logan of U.S. Major League Soccer lamented the financial pressures driving the construction of luxury boxes and causing the exorbitant pricing of the best seats. Increasingly, decent seats to some sporting events are available only to the rich or well connected. "Sports and entertainment used to be the great democratizer," said Logan. "Sports is supposed to be where everyone can root for a common purpose or team" (quoted in Truedell, 1997, p. 2C). Of late, regular attendance at certain professional sports matches has possibly become the privilege of the affluent. For example, more than 35% of the attendees at the 1999 Super Bowl in Miami were on corporate expense accounts. Major League Baseball, long having the reputation of being the most affordable of professional sports for its fans, is another case in point. It now costs well over U.S.$100 for a family of four to attend a single baseball game based on a "breadbasket" calculation involving tickets, parking, snacks, a game program, and a small souvenir (Wolfe, in press). Several media observers have raised the following questions:

- Have professional sports teams priced themselves out of the typical lower and middle-class market?
- Are most premium reserved seats serving as (tax-subsidized) giveaways for corporate promotions and entertainment?
- Do most sports teams systematically increase ticket prices after a winning year, regardless of the economic health of the franchise?

Are such pricing practices ethical, especially in such cases where local taxes have been used to subsidize the professional sports franchise (i.e., in helping build a stadium or secure desirable land)?

One of the most insidious manifestations of dubious sports-ticket pricing has come in the form of "seat licenses," which are sold to future fans of certain sport franchises. In these instances, such as when the NFL Rams moved from Los Angeles to St. Louis, a payment of a several thousand-dollar sum was required in order to secure the rights license to even purchase a season ticket. At many U.S. universities, obtaining the best season's tickets for men's basketball and football games is dependent on a substantial donation to the university. At many colleges, this donation *must* be earmarked for the athletic department in order to qualify. The questions here involve whether such pricing strategies are exorbitant and discriminatory.

A related pricing question has to do with the extremely steep prices of ancillary items at sporting events. For example, 1996 Olympic souvenirs, such as ball caps and T-shirts, were priced at much higher levels at event venues than was the Olympic merchandise available at retail stores throughout metropolitan Atlanta and the United States. Similarly, the price of a cup of Coca-Cola at the Atlanta Olympic Stadium (a.k.a. Ted Turner Field) was $4.00 for a 20 oz. container. At some concession stands, this was the only size available. An equivalent amount of cola at a convenience store located within one mile of the stadium would cost a dollar. Was this high price due to the *monopoly* position of the venue and cola vendor? Could such prices be justified by the multimillion-dollar sponsorship fee paid by Coke to become an Olympic sponsor or by higher distribution and promotional costs? Are such pricing practices exploitive?

Perhaps the most controversial pricing practice of all involves the premium pricing of certain brands of sports apparel associated with professional superstar athletes and/or professional sports teams. For example, is it ethical for Nike to charge approximately $180 for a premium pair of basketball shoes (Air Jordans) when one major target market for that item is low-income, inner-city youth? Similarly, Starter jackets, especially those associated with professional football teams, were commonly priced in the $100+ range and partially targeted at a similar market. Disturbingly, there are documented reports that these particular items inspire crime and that all too often youth gangs attack others who are wearing the coveted items. In some instances, Starter jackets (before the company declared bankruptcy in early 1999) were recognized as de facto gang colors for groups of city youth. The problem of youth violence over sports apparel is, unfortunately, a long-standing issue that even generated a *Sports Illustrated* cover story (Telander, 1990).

The above commentary is not meant to suggest that the manufacturers of various sports apparel are morally responsible when their product is the target of, or is used in conjunction with, the commission of a crime. To a certain degree, one could argue that Nike and Starter are no more responsible than a cutlery manufacturer whose scissors or knives are used in a stabbing. In other words, it is not the product per se but how the product is used by individuals that is ethically at question. Nevertheless, if these apparel manufacturers recognize that their products are being improperly utilized by a particular demographic group — one which has been specifically targeted in some of their advertising — then perhaps special marketing responsibility is required or accrues to that organization. When the premium price of a product contributes to its exclusivity, and when it may be a factor in the commission of crimes, perhaps these companies have a responsibility to repatriate a portion of the profits to specifically address this social problem.

Promotional Issues in Sports Marketing

No sector of sports marketing is more rife with ethical issues than the area of promotional strategy. Consider the following as an illustration. Professional sporting events in the United States and worldwide are regularly sponsored by producers of alcoholic beverages, especially brewers. The heavy involvement of beer companies through their television advertising on professional sports raises ethical questions in light of the large number of young viewers who are a part of the audience for sports programming. Simply stated, does such advertising stimulate youngsters to become more accepting of alcoholic beverages or more predisposed to try such beverages before young people are of legal drinking age?

Equally problematic is the sponsorship of sporting events by alcoholic beverage producers when these events appeal to college students. Given the widely publicized health statistics concerning binge-drinking problems on college campuses (Levy, 1994) and knowing the exposure of these advertising messages to vulnerable segments (i.e., college students and other young adolescents), is it appropriate for these companies to engage in such sponsorship? Related to this issue is the commonplace partnership of alcohol marketers and car racing events. Given the large number of alcohol-related deaths on roadways, is it ethical to link alcohol to fast automobile driving even in the context of a sporting event?

Another promotional question has to do with the journalistic integrity exhibited by the television networks that hold broadcast rights to various sporting events — a right for which they often pay a hefty economic tariff. Too frequently, announcers for television events become one-sided shills for the sport that they are assigned to cover. Are they afraid advertising revenues will suffer if their sport receives negative publicity? For example, Dallas Cowboys wide receiver Michael Irvin returned to professional football in 1996 after a multigame suspension involving drug and morals charges, yet he was greeted by network announcers as a greatly missed, conquering hero. Such electronic hero worship is not unique to the United States. A similar reception of adulation greeted French soccer superstar Eric Cantona when he rejoined the game in 1995 after a one-year suspension for entering the stands to attack a heckling fan at a FA Premier League match (World Soccer, 1997, p. 65). One can ask whether these network commentators have a responsibility to condemn a player's deplorable off-field behavior? One wonders why there is little moral outrage among network TV announcers when professional athletes engage in flashy, exhibitionist celebrations or illegal behavior? Why is it that most television coverage only fosters a climate of unexamined celebration for the athletes and sports they cover? Is objective, journalistic commentary suppressed because advertising is paying the bills?

As in other sectors of the economy, sports marketers are sometimes willing to engage in manipulative and deceptive advertising campaigns. One case in point involves the debut of the golf phenomenon, Tiger Woods, who received a $40-million endorsement contract from Nike prior to playing in a single professional golf tournament. Although it quickly became clear that Mr. Woods's golf talent was extraordinary and abundant, the Nike advertising campaign associated with his entry to the professional golf world was somewhat disingenuous. The Nike "Hello, World" advertising campaign implied that Tiger Woods was a unique challenge to the (mostly affluent, suburban) golf establishment because, as an African-American, Mr. Woods had theoretically faced a lifetime of discrimination and a prohibition from playing at various restricted membership golf courses.

Indeed, various journalists checked with Nike headquarters to establish if Mr. Woods had been denied access to any specific golf course. It turned out the references in the ad campaign were to hypothetical discriminations that might have been suffered by other African-American golfers over the years. Interestingly, Mr. Woods is a Stanford-educated, middle-class young man. For those who think racial lineage is important (as Nike apparently does), Mr. Woods's blood lines are at least equally Asian as they are African-American. Misleading advertising? Each individual must make a personal judgment, but we would place this message on the misleading side of the line.

Another promotional practice of professional sports that holds ethical implications is the pervasive use of scantily dressed cheerleaders/dancers at professional sporting events. This trend, likely rooted in the commercial and (figuratively) seductive success of the Dallas Cowboys cheerleaders (or the NBA's Laker Girls), raises some provocative questions. Perhaps these queries are overly prudent and reactionary. Yet, one may reasonably ask: Do these dancers (who often perform erotic or suggestive routines) serve as negative role models for young women? Do they send the message that women should be stadium amusements rather than participants in sports? Just because most large sporting events are targeted toward a male audience, does that mean that decorative women should gyrate on the sidelines? To the extent that such cheerleaders are sometimes viewed as sex objects, does that contribute to a climate where women are more likely to be the target of domestic violence?

The issues examined and questions posed in this section are meant to be illustrative of the range of ethical concerns facing sports marketing. Our position is that asking (and reflecting on) these questions are as important as the ultimate answers. We now turn our attention to an examination of the stakeholders influenced by sports marketing.

What Stakeholders Are Affected by the Issue?

The foregoing discussion suggested several groups — athletes, teams, fans, agents, governing bodies, etc. — are influenced by sports marketing decisions made by sport organizations. O'Sullivan and Murphy (1998) defined and discussed the concept of stakeholder analysis as it relates to one ethical (and highly familiar) issue in sports marketing: ambush marketing. That activity ("a planned effort by an organization to associate itself indirectly with an event in order to gain at least some of the recognition and benefits that are associated with being an official sponsor"; Sandler & Shani, 1989, p. 11) is found frequently in and around major sport events.

Stakeholder analysis occurs when a manager examines the impact of a decision upon a wide range of individuals or groups. The analogy that is often used is that of a poker game. Players have a stake in the game when they participate in it. Similarly, many players (broadly defined) have a stake in the behavior of any corporation or sport organization. A distinction can be made between primary and secondary stakeholders. *Primary stakeholders* are those who have a formal, official, or contractual relationship with a firm, whereas all others are classified as *secondary stakeholders* (Carroll, 1993).

The sponsors of the event, official corporate sponsors, athletes participating in the event, and fans in attendance make up the primary stakeholders. The event owners have a formal relationship with the official sponsors and grant them rights. The athletes either are under contract with their team (in professional sports) or are representatives for their country (in Olympics and World Cup situations) or universities (as in college athletics). The fans in attendance buy tickets, which give them an opportunity to attend the event. The rights of these various constituencies must be taken into account in conducting the stakeholder analysis.

In the case of sponsorship activity, it is useful to define a category of indirect stakeholders who have some of the characteristics of the primary stakeholder group and might be usefully regarded within this group. These indirect stakeholders include the nonsponsoring companies (i.e., ambushers) that do not have a contractual relationship with the event and its sponsor, and yet their actions are usually "well planned" (Sandler & Shani, 1989, p. 11) and ongoing. Thus, they are not secondary stakeholders as defined by Carroll (1993). Furthermore, the fans viewing television (or listening to radio) represent another indirect, but important stakeholder. In fact, it often is this larger group rather than the fans attending the actual event who are the targets of the ambush marketing efforts. Additional indirect stakeholders are sports agents who represent athletes, coaches, or broadcast announcers.

Secondary stakeholders include the media, general public, other companies (nonsponsors and nonambushers), and activist groups. Decision makers need to be aware of these stakeholders and their potential impact on the event. Although the focus should largely be on primary (including indirect) stakeholders, the media and their investigative reporters can influence the general public with negative statements about any international event. Ignoring public sentiment and the views of companies that might be potential sponsors in the future will likely have a long-term detrimental impact. Interestingly, although many sport organizations rely on media coverage to serve as a "free" marketing arm, they are unprepared when those same media investigate disturbing practices. The recent Salt Lake City Olympics controversy represents a prime illustration of the importance of such secondary stakeholders.

An excellent example of a stakeholder analysis that can be applied to a recent situation is the lockout of NBA players by the owners in the 1998–1999 season. Figure 1 depicts the relevant stakeholders as they were described above. This illustrates the situation in which the views of two stakeholder groups

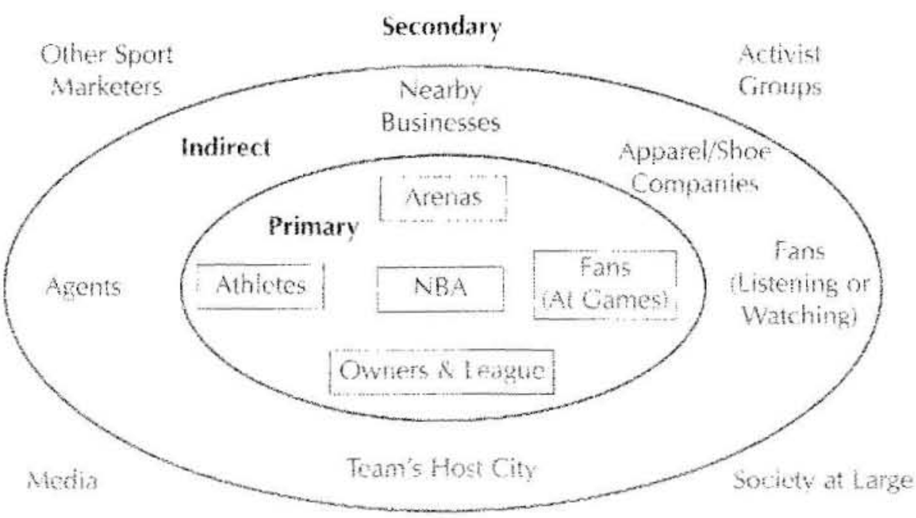

Figure 1. Stakeholder Analysis for NBA Lockout

(owners and players) largely excluded those of other legitimate stakeholders. As Figure 1 shows, the arenas (which employ hundreds of people in ushering, food service, maintenance, security, and a host of other positions) where the NBA teams play were left to scurry for possible replacement events during the 3-month lockout. The socioeconomic levels of the aforementioned venue employees stand in stark contrast to the multimillionaire status of most players and all NBA owners.

Indirect stakeholders harmed by the lockout were the apparel/shoe manufacturers that saw demand for their products literally dry up. Some critics view this predicament as ironic; others see it as "live by the NBA, die by the NBA." Furthermore, the agents for the players were short-term losers (as locked-out players were denied paychecks). Other affected parties were the surrounding businesses (i.e., hotels, restaurants, auto rental groups) in the NBA cities that have grown accustomed to these revenues. Other indirect stakeholders were television networks TNT and NBC which were forced to schedule alternative programming and saw losses in ratings and advertiser satisfaction.

A larger question surrounding this egocentric/economic battle between players and owners is how the secondary stakeholders will react in the longer term. Will society at large view these (self-serving) individuals with ongoing disdain, or will people quickly return to support their favorite teams? (The early returns certainly supported the latter view.)

Several potential ethical questions arise regarding the rights of stakeholders in the NBA lockout (or the Salt Lake City Olympic scandal) that might be generalized to other marketing situations:

- Do the rights of the most powerful primary stakeholders always trump those of indirect or secondary stakeholders?
- How can fans provide a voice in such sports debates?
- Should leagues and governing bodies conduct ongoing stakeholder analysis?

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What Organizational Mechanism Can Help Solve the Problem?

Several proven mechanisms are available for sports organizations to use as templates in their quest for improved ethical standards. The following approaches — ethics statements, ethical audits, and institutionalization of ethics oversight in sport advertising — appear to offer promise.

Ethics statements. Just having a code of ethics or a brief, written ethics policy is not a major concern. Ninety percent of all large U.S.-based corporations, including the major shoe/apparel makers, have an ethics code in place. Many codes have historically been criticized for being too general and serving mostly as a public relations "crutch." Recently, such codes have been increasingly recognized as providing at least minimal guidance in signaling that ethics matter to the firm because of the organizational self-reflection required in their construction. Nike, in particular, has been criticized for not following its code regarding workplace safety and conditions (Murphy, 1998). It has learned, through a flood of negative media coverage, that potential customers care passionately about whether a code has been honored. (See Nike.com for such a response.)

Rather than rely on a code, some companies are now developing a "corporate credo" or values statement. A *credo* is a document several paragraphs long that stipulates the philosophy of the organization. A *values statement* lists those qualities on which a firm places the greatest emphasis. It usually includes both ethical and business/economic values. Sport franchises, especially those that value customer (i.e., fan) orientation, probably already have an *implicit* corporate credo or values statement. If they do not, they may be unprepared for the new millennium.

Ideally, the following criteria should be followed in developing and implementing an explicit ethics statement (Murphy, 1998):

Write It— The management of any organization should write down the guiding philosophy of the firm. The most important reason for doing this is to convey this idea to stakeholders, especially fans.

Tailor It— These statements should deal with issues central to the business (e.g., in sports marketing, these would be different for sports apparel, sports advertising, or professional sport franchises).

Communicate It— Ethics statements should be communicated to both internal and external stakeholders. Making such statements available only to employees diminishes their value to other interested parties.

Promote It— Most companies actively publicize their ethics documents one or more of the following ways: on the World Wide Web, with framed copies in company offices, and through brochure inserts and laminated cards. These activities draw attention to the strong ethical stance of the organization.

Revise It— The best statements are revisited periodically. To remain current, they should reflect changing worldwide conditions, community standards, and evolving organizational policies.

Live It— The litmus test for any ethics document is whether the employers follow it on a daily basis. If the previous five criteria are followed, a strong likelihood exists that the firm will adhere to its principles.

Enforce/Reinforce It— For credos or value statements, reinforcement should be the objective. For longer codes, enforcement is necessary so that it is followed.

To overcome possible ethical transgressions, we advocate that sports marketers set down their ethics principles and disseminate them widely according to the criteria outlined above. For example, major networks and professional sports franchises have an obligation to clearly demonstrate their ethical values and outline their policies. It is not enough for top management to assume that its employees and customers understand the ethical philosophy and guidelines of the organization. For larger sport organizations, *written* ethics documents are absolutely essential.

Ethical audit. Another type of ethics "attitude check" that can be pursued, especially by smaller organizations, is an *ethical audit*. This activity represents an approach that can assist in measuring the impact (albeit in a general way) on affected stakeholders. This effort involves posing a series of ethical questions about the social performance of areas that the organization regularly evaluates. For example, a firm that is in the sporting goods business would likely focus on product quality, accuracy of selling messages, types of retail promotions used, and consumers targeted, as well as pricing strategies. Media syndicates might develop lists of ethics questions to be discussed with its event announcers and network personalities from time to time. A potential ethical audit might range from a list of a few key questions that could be discussed periodically at management retreats or sales meetings to a much longer series of inquiries (Laczniak & Murphy, 1993) that could be analyzed annually by the organization. It is our belief that designing and asking these questions (with regularity) is sometimes more important than receiving the exact answers. The process suggests the organization is committed. Appropriate action reinforces this commitment.

Sports marketing managers are encouraged to consider institutionalizing ethics statements within their organizations. For instance, the coaching profession and the North American Society for Sports Management already have an ethics code/creed (De Sensi & Rosenberg, 1996). Similarly, the International Olympic Committee (IOC) and the World Federation of Sporting Goods Industries have previously collaborated on an agreement that provides ethical guidelines for marketing during the Olympic games. This code includes provisions that define and prohibit ambush marketing as well as elaborate standards for the use of Olympic athletes during the duration of the Games ("IOC," 1997).

Advertising review. The calculated advertising and promotion of sports teams and leagues have led to a financial windfall for many organizations such as in European professional soccer (Echikson, Dawley & Larner,1996). To oversee such business success, several parties must come together to orchestrate a promotional campaign for a sports team or player. As in any campaign, the marketer, advertising agency, and communications medium are all-important collaborators in this process. Our view is that these cooperating groups often tend not to police one another. Therefore, a negative ethical impression of sports advertising sometimes results. Within professional soccer, for instance, the media and the players (and their agents), as well as corporate sponsors, are all-important members of this cooperative advertising process. Yet, somehow, Nike approved its infamous Good vs. Evil TV commercial, a technically excellent ad that featured many of the world's top players, but was perceived by many viewers as glorifying soccer violence (Jensen, 1996).

Our proposal is that each party (sponsor, ad agency, sports team/league, media, organizing committee, etc.) should delineate its specific ethical responsibilities and engage in joint discussion regarding advertising campaigns and promotional events before they occur. Ethical audit questions and other concerns need to be addressed *prior* to launching promotional campaigns or in announcing site or venue selections. For example, one outgrowth of some current sports marketing promotions has been labeled "harmless" puffing (DeSeni & Rosenberg, 1996). With this approach, advertisers such as shoe companies depict their spokespersons like Jerry Stackhouse for FILA or Eric Cantona (former Manchester United star as the hero in the Good vs. Evil ad) for Nike as involved in superhuman feats. The question the marketer needs to ask is whether such puffing and embellishment are misleading. Such queries are especially relevant when targeting vulnerable markets, such as children, who may not always be capable of making rational discernments. Again, perhaps all that exists beneath the bluster of social criticism is transparent "puffery." Still, such questions need to be analyzed more systematically by sports marketers and direct stakeholders.

What Solutions Are Available to Solve the Problem?

We advocate that the sports marketing questions raised earlier in this paper be subjected to detailed ethical evaluation. The process of *ethical reasoning*, in its most rudimentary form, involves identifying an ethical issue, selecting an ethical standard, and applying this standard to the situation (Laczniak & Murphy, 1993). The general topic evaluated here involves whether publicly controversial professional athletes should be used as product spokespeople. The *specific* issue pertains to whether it is ethical to use a player like Dennis Rodman as product spokesperson, given his known pattern of dysfunctional and sometimes violent behavior.

The decision to utilize product spokespeople is a common issue in sports marketing because so often the essence of sports-related promotional campaigns mandates (for authenticity purposes) having a pro athlete serve as a company representative. Ironically, in Reebok's case, the number of times basketball all-star Allen Iverson has been arrested or detained has added to his street credibility and the value of his endorsement for Reebok's teen male target market (Wells, 1997). The psychological rationale for such endorsement connections, once again, is grounded in the idea that characteristics of the athletes and their sport will be transferred to the product at focus. The athlete will cause the advertising (and ultimately the product) to break through the increasing commercial clutter. Unfortunately, some organizations believe "good" athletes are bland and "bad boys" will stand out (Burton, Farrelly, & Quester, in press)

For example, the automotive lubricant Pennzoil has effectively used professional golfer Arnold Palmer because of his longevity and commitment to excellence. These are clearly attributes that the sponsor wants consumers to believe their product also possesses. Similarly, Canon cameras has selected world-class tennis player Andre Agassi as an endorser because of the creativity and free-spiritedness of his game. If Canon cameras are positioned in many consumers' minds as having Agassi's attributes, that becomes a major marketing plus, but do some major advertisers increasingly want their products perceived in the same "attitude set" with negative role models such as Rodman? Apparently so.

How does the utilization of Rodman as product endorser "evaluate" using some basic ethical analysis? One ethical standard is the "professional ethic," which basically asks how would a panel of professional peers (in this case advertising executives) perceive the particular practice? Applying this ethical standard, the use of Rodman or Cantona as a product spokesperson is likely *ethical* because numerous business organizations have seen fit to use them despite (or perhaps because of) their reputations for nontraditional behavior.

Another ethical standard is the *categorical imperative.* There are many similar formulations of this Kantian ethical dictum, but basically it suggests that a particular situation should be treated as one would wish all situations very similar in context to be handled. The question then is: Would it be a good idea to anoint all professional athletes who have a record of sometimes crazy, antisocial behavior as major product representatives? Using this line of reasoning, the answer seems as if it would be *unethical* to generalize the Rodman case and reward those athletes who are behavior problems with lucrative endorsement contracts. Indeed, rewards for Rodman ("let good financial outcomes accrue to persons of poor character") would seem to be a flawed strategy from an ethical standpoint.

Another ethical standard is the TV test. This standard holds that if a manager would be comfortable in truthfully explaining the motivations for his or her actions to a large TV audience, then the action is probably ethical. Would the typical marketing director of the companies that have utilized Rodman (Converse, Carl's Jr., Pizza Hut, and Kodak, to name a few) feel at ease in this context? Would the majority of sponsors (if forced to) probably say something like "We don't condone or approve of many of Dennis Rodman's public actions. He certainly is not the best role model for society's youth. Not even remotely. But his in-your-face, over-the-top style of living, which has generated multimillion-dollar NBA contracts and *Playboy* photospreads are the kind of recognition that many in our society admire–especially those who identify with a rebel. Bottom line: Rodman cuts through the clutter and helps sell our product." Assuming the above *fictional* narrative is somewhat accurate, would these sports marketing executives be comfortable making this quoted explanation? Our guess is that such *verbalized* attitudes would be perceived as cynical, materialistic, crass, *and unethical* by many listeners. Thus, many sports marketing executives would likely be hesitant to publicly voice this as their true campaign motivation. In that light, Rodman ads probably flunk the TV test.

Conclusion

A recent popular movie titled *Jerry Maguire* stars Tom Cruise as an avaricious sports agent who operates in a world where player greed and commercialism are the primary factors driving sports deals. The most memorable and overused line from the film, and one that could serve as a refrain for many sectors of the sports marketing industry, was "Show me the money!" The movie portrayed a sports world in which honesty and ethics have all but disappeared and the financial benefits determine most of what happens in sport (Montville, 1996). As argued in the preceding pages, there is evidence for a growing cynicism among the public about the wholesomeness of professional (and in numerous instances, college and Olympic) sports. Part of that sentiment is artistically captured in *Jerry Maguire,* and some of it is certainly fueled by the sometimes dubious promotional initiatives that sports marketers undertake. Most people recognize that professional sports can embody many of the noble characteristics associated with the "good society" — commitment to excellence, triumph over adversity, sustained effort, and fair play, to name a few. It would be tragic to diminish these ideals because sports marketers fail to take proper ethical inventory of their practices. Perhaps the *decisions-making model* and *questions* raised in this paper can serve as a call to arms in the battle for a more ethical sports marketplace. Given lockouts (the NBA), bribery scandals (the IOC and SLOC), gambling investigations (the NCAA), and various advertisements, such a call might not come a moment too soon.

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