CRISIS IN SPORT: MANAGING THE SPONSOR REACTION

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INTRODUCTION

Crises in sport increasingly relate to athletes that are involved in on- or off-field incidents that are inappropriate and often illegal. Coombs (2002), summarizing various broader literatures, states that a crisis is something that could disrupt organizational operations and could also damage corporate reputation. An athlete's inappropriate behavior has the ability to do both, potentially damaging the reputation of both brand and performance of a team. These incidents may also bring negative repercussions for stakeholders, such as sponsors, as a result of their association with a sporting team, athlete or brand. While authors such as O'Beirne and Ries (1999) have developed theoretical constructs to assist in the preparation, prevention and response to sport crises, limited research exists to understand sponsors' potential reaction to a crisis and the factors that impact upon that response. This study addresses this issue by specifically examining the operations of a selected number of major sporting organizations to a) illustrate a conceptual framework that indicates the factors influencing sponsors reactions to a crisis, b) outline managerial implications for sport practitioners to help mitigate negative sponsor reaction, and c) provide a research framework for further study.

METHODS

A series of seven semi-structured depth interviews were conducted with appropriate senior executives (Marketing Directors and Chief Executives) from selected participants in the elite leagues of the major team sports in Australia: these being Australian football, basketball, rugby, rugby league and soccer. Cricket was also included, but because of its organizational structure, was considered from a national governing perspective. These sports represent the most popular and highest attended team sports in the country. Interviews were analysed and coded for themes in an effort to organise the information into a relevant and usable structure as suggested by various authors, including Huberman & Miles (1994).

RESULTS

An extensive analysis of the data revealed a number of key themes that can be represented in a conceptual model shown at Figure 1. The model summarizes factors related to inappropriate athlete behavior incidents

Figure 1: Factors Influencing Sponsor Response to Inappropriate Behaviors.
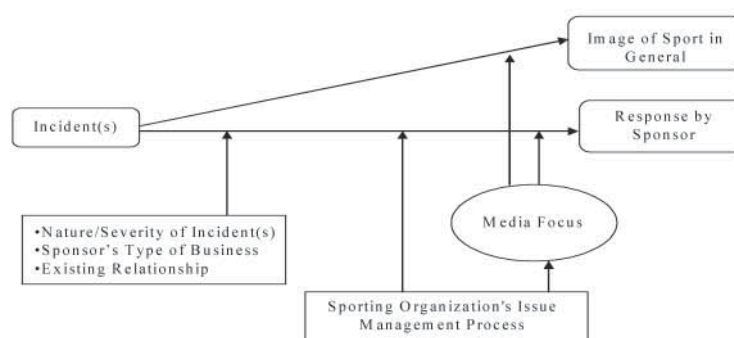
and subsequent sponsor responses, and the posited relationship between them. In general, sport practitioners believe that the reaction by the sponsor to the situation is dependent upon the nature/severity of the incident, the sponsor's type of business and the existing relationship between the parties. In addition, the presence of a process to manage these issues within the sporting organization can influence the sponsor as well as the media's portrayal of events. Finally, the media is considered to be a prominent factor in influencing the sponsor, in addition to affecting the image of sport in general.

DISCUSSION - MANAGERIAL IMPLICATIONS AND FURTHER RESEARCH

The preceding findings suggest a number of implications for sport practitioners. In many respects these align with the ideas developed by Susskind and Field (1996) in the conflict resolution literature. The managerial implications noted here are a) the institution of a prevention program to limit the occurrence of negative behavior in the first instance, b) the importance of identifying and partnering with suitable sponsors, c) the management and understanding of sponsor expectations, d) the establishment of ongoing communication pathways between sponsor and sporting organization, e) appropriate and practical media management processes, including the use of modern technology and f) awareness of a bigger scale in terms of the impact of athlete behaviors and emerging trends and practices.

In terms of further research, the testing of sponsor reactions is a priority. Supplementing the conceptual model in this study with empirically tested constructs such as attribution of blame, and locus of control could provide even more insights. Factors such as relationship strength and relational quality dimensions could then be examined as potential moderators of common inappropriate behavior scenarios. Much can also still be learnt from the psychology literatures on transgressions, relational stages, forgiveness and management of these events. Scenarios of various incidents, much like those that have been conducted in marketing studies (such as Dodge, Edwards & Fullerton, 1996) can be developed in experimental designs. This would offer managers more direction compared with the broader crises plans in existence. We urge researchers to explore this substantive domain more comprehensively. It is quite clear that this is an area in need of more empirical study.

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