

# **Sluggers, Steroids, & Sponsors – Oh My!**

An ethical analysis of Milwaukee Brewer Ryan Braun's  
steroid scandal and effects on corporate sponsors.

By Sarah Podella

## Introduction

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As the advertising industry transitions into new media and internet marketing, several new platforms have become relevant, and sometimes more effective than traditional marketing media. One of these tactics is a twist on a classic advertising ploy: celebrity endorsement. Today, the new modern practice ties professional sports teams and their star athletes to brands.

Sport culture is taken extremely seriously in the western society. It can evoke a sense of pride, bring communities together, all while entertaining the masses. Because of this, professional sporting events have taken over primetime television, and then some. It is no surprise advertisers have taken full advantage of this unique relationship and started sponsoring the players. This practice is an extremely useful technique in establishing an engaging relationship with a specific target market. Athletes on these teams are respected as role models in the community and held to a high standard of moral integrity.

Many ethical dilemmas can arise when selecting an athlete to sponsor. These players, their behavior both on and off field, and their personalities, essentially become the face of the brand. This makes creating an athlete endorsement a tremendously long, difficult process. Million dollar campaigns can quickly become offensive, deceitful, and ultimately be ruined by an athlete's actions over night. The case of Major League Baseball superstar Ryan Braun, his performance enhancing drug suspension, and his actions following provide a great example of the Milwaukee Brewer Baseball Club's marketing/public relations department and sponsors working through an expensive aftermath.

## Case Narrative

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Milwaukee Brewers' outfielder Ryan Braun tested positive for performance enhancing drugs in 2011 (Nightengale, 2013). Instead of coming clean, Braun lied and denied the steroid use allegations. He blamed the test administrator and the Major League Baseball's drug testing program. The MLB investigated Braun's defense; the organization found proof that his test was mishandled and fired the individual responsible. His teammates, sponsors, media, and fans started to believe Braun's name was cleared. With his reputation in-tact, Ryan Braun signed a \$130 million dollar contract extension through the year 2020 with the Milwaukee Brewers (Nightengale, 2013).

One and a half years later, Braun produced another positive PED test. With no one else to blame, he finally admitted he was using lozenge and topical cream steroids. In July 2013, the MLB suspended Ryan Braun, and several other players, for 65 games (Rovell, 2013). His contract with the Milwaukee Brewers is still being honored, but he forfeited \$3.1 million dollars for the games he was suspended (Haudricourt, 2013).

Since the start of his suspension, Braun has been vigilantly working to earn back the city of Milwaukee's trust. In an attempt to minimize harm to his reputation, Braun requested season ticketholder contact information and spent days making phone calls to personally apologize to his biggest fans. He also wrote a letter of apology to the Milwaukee community published on the Brewers' website (Haudricourt, 2013).

The Milwaukee Brewers have launched their own 'Fans First' promotion campaign in attempt to keep fans coming to Miller Park. Brewers' Chief Operating

Officer Rick Schlesinger said, “We just wanted to do something to acknowledge this has been a very difficult year for fans and also everybody in the front office (Haudricourt, 2013).”

Aside from his athletic disposition, Braun is also being punished by his sponsors. SURG Restaurant Group, partners of his two restaurants Ryan Braun’s Graffito and 8-Twelve MVP Bar & Grill, severed its relationship with him at the end of this year’s season (Rovell, 2013). Kwik Trip, a Wisconsin based gas station, also ended its television and radio campaign with Braun (CNN Staff, 2013). Lastly, Nike dropped Braun’s annual \$2 million endorsement deal (Passikoff, 2013).

## **Ethical Dilemma**

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Should Ryan Braun’s sponsors terminate his contract after he publicly admitted to lying about using performance enhancing drugs?

## **Facts of the Case**

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- Ryan Braun produced two positive PED tests from 2011 to 2013.
- Braun signed a \$130 million contract extension with the Milwaukee Brewers through 2020.
- Braun was caught lying to the public about using steroids.
- MLB suspended Braun for 65 games.

- Braun PR team began a campaign to rebuild public image – including personal phone calls to suite ticket holders and sponsors to apologize.
- Nike, Kwik Trip, and SURG Restaurant Group dropped Braun sponsorships midseason.

## **Importance**

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Historically, sports marketing has been studied and practiced as a unique industry. However, the modern advertising community has blurred those lines and adopted several of its techniques. It is important to have a clear understanding of the relationship between the human athlete and the inanimate brand he or she brings to life, as well as the ethical choices behind choosing such an athlete, and how to run effective damage control if things should go south.

Ryan Braun cheated at baseball; Tiger Woods cheated on his wife. Both athletes had a very public breakdown and issued an emotional apology. Nike dropped Ryan Braun, but still sponsors Tiger Woods, so where exactly was that line drawn? Analyzing the Ryan Braun PED scandal opens up a discussion about athlete's behavior and the relationship to the brands that sponsor them. Not only does this situation teach advertisers the importance of matching an athlete to a brand, it also allows for an examination of one's own personal ethical standards.

## Values & Principles

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Before making the decision to axe Braun, sponsors must consider several ethical values and principles.

Non-moral values to consider in this situation are the protecting brand's reputation, maximizing revenue & brand awareness, and matching brand-endorsement personalities. Moral values to consider are truth, justice, humaneness, freedom, and stewardship.

Truth is ethically questioned when considering being affiliated with a dishonest athlete. Advertisers in this situation were faced with the question of whether or not Ryan Braun's steroid use discredited the initial work he had done for their brand. In this case, most sponsors decided it did because Braun had an opportunity to come clean, and instead decided to blame others.

Justice needs to be examined when determining any ramifications of sponsoring an athlete's potentially illegal conduct – such as Braun's steroid use. Sponsors want to stay clear of lawsuits.

Humaneness in this situation can be evaluated two ways. The first is looking at the relationship sponsors have with Ryan Braun, not as a business asset, but as a person. There is a relationship there that goes beyond business and walking out on him will effectively end that. The second is the decision to keep Ryan Braun on his sponsored pedestal. Keeping the Braun sponsorship shows the public that a company backs him and his bad decisions. Parading around an athlete that lied and cheated as

not only a role model, but an ambassador to a brand could be viewed deceitful and immoral.

Freedom is challenged when looking at the specifics of Ryan Braun's contract. Braun lives with a degree of free choice off the field, and can act accordingly. Sponsors need to establish how much of his behavior they will hold him liable for.

Stewardship is relevant when using private and public information about the Ryan Braun scandal to make a profitable decision as his sponsor. Major sponsors of Ryan Braun had direct communication with their athlete, and also had access to information the general public did not. Personal conversations between Ryan Braun and SURG, Nike, and Kwik Trip about his sponsorships probably had a significant impact on the direction of their campaigns.

Acting as one of Ryan Braun's sponsors, I would rank these values justice, truth, stewardship, freedom, humaneness. I would hold justice highest to protect myself and my company, and ultimately avoid any lawsuits. Truth would come second, as I would want to have a serious conversation about how Ryan Braun's dishonesty would affect my brand. Stewardship would be third. I would appreciate a personal explanation or apology (which Braun did in this case) and believe that would help make a decision. Freedom would be ranked lower because I feel that professional athletes, such as Ryan Braun, have an obligation to society, not just my brand, to behave with integrity. Braun was a leader on and off the field, which just comes with his career choice. Lastly, I don't believe humaneness would have much of an impact on my decision. Athletes' choices have major consequences. Ryan Braun knew this, which is likely why he lied about using performance enhancing drugs in the first place. He was ashamed and fearful of

what would happen to his career. He was acting in the best interest of himself, just as I would for my brand – by terminating his sponsorship.

Under the libertarianism theory, freedom becomes the highest ranked principle when evaluating Ryan Braun. Athletes would be held only responsible for their actions on the field, or while they were working. This significantly changes the way his case would be handled. Braun would still be in trouble for using performance enhancing drugs, but sponsors would completely disregard the fact that he was publicly lying about it; they would have no right to evaluate him on his personal behavior. Terminating his sponsorship would still be the best option, however it would be a much more difficult conversation to have.

Using the social responsibility theory, the humaneness principle becomes the most relevant in decision making. As I said earlier, this principle has two components in this case; first being dealing with Ryan Braun as a human, mistakes and all. This would closely tie in the stewardship principle and listening to the private details of Braun's story. Sponsors would have several meetings with Braun and his agents to work together to come to an agreement moving forward. Under this idea, Braun would likely keep his sponsors.

The second part of the humaneness principle I analyzed was the responsibility to the public. Advertisers would be accountable for the material and products they integrate into society. This would create almost the opposite situation above; sponsors would terminate Braun immediately, likely without listening to his side of the story at all.



## **Literature Review**

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### ***International Journal of Sports Marketing & Sponsorship***

I read an article called “The importance of winning: an analysis of the relationship between an athlete’s performance and sponsor exposure during televised sports events” by Jonathan A. Jensen. This piece examined the idea that companies sponsor the best athletes in their sport to maximize exposure time. The sport analyzed in this experiment was golf – which allows for athletes to wear sponsored apparel. The golfers with the best scores not only had more face time during their tournaments, but they also were in more interviews, press conferences, highlights, etc. – which leads to more brand exposure.

Although MLB regulations are much different than professional golf, Ryan Braun was sponsored by Nike. He wore Nike baseball glasses, cleats, and gloves during games. Braun would often be found doing post-game interviews dressed head-to-toe in Nike apparel. This article adds a different point to the Ryan Braun case. It raises the question of when exactly did Nike find out Ryan Braun was using PEDs; did they know and say nothing when he produced his first test?

### ***USA Today***

I also read an article called “Braun speaks, but is anybody listening?” by Bob Nightengale. This critique focused specifically on the effects of Ryan Braun lying in my case. Contrary to Braun’s explanation of using steroids for his lingering hamstring injury, Nightengale believes Braun was using PEDs to live up to his very expensive contract extension, and ultimately stay on the field.

The article also dives into opinions of victims of Braun's lying. Some have said they can forgive him, and others believe he can never be trusted again.

### ***International SportMed Journal***

The third article I read was called "Social Drugs" and Sports Performance: Alcohol, Caffeine, and Nicotine." By Martin P. Schwellnus and Wayne A. Derman. This essay analyzed the use of legal drugs being used and promoted by athletes while playing. I found it interesting and relevant to baseball, because the players are notorious for using chewing tobacco while playing. Although the drugs have different physiological effects, Braun's steroids looked nearly identical. One can raise the argument that professional athletes shouldn't be under the influence of any drug while playing. Statistically more harmful drugs are making their way into the mainstream. Sponsors and fans need to be aware of things like this, steroid use is becoming easier to use and harder to detect.

### ***Entertainment Weekly***

I read an article about Michael Phelps, another professional athlete caught using an illegal substance, called "Michael Phelps took a hit. His future as a celebrity pitchman probably won't" by Chris Nashawaty and Whitney Pastorek. Michael Phelps is an US Olympic swimmer who is sponsored by Speedo, PowerBar, Visa Inc. and AT&T. Phelps lost his sponsorship deal with Kellogg's after a photo of him smoking marijuana out of a bong during his off season surfaced.

I found this article compelling because it has several opposite examples paralleled to the Ryan Braun case. Unlike Braun, Phelps accepted responsibility and issued an immediate public apology. The article says because it wasn't steroids and he was in his off-season, that the picture will eventually go away. The only sponsor to drop Phelps was the kid-friendly cereal brand Kellogg's.

### ***USA Today***

The last article I read was called "Tiger's ties to Nike run deeper" by Steve DiMeglio. This piece talks about the moral claimants in athlete sponsorship. After Tiger Woods had his very public affair and divorce with his wife in 2010, people started to wonder if he would ever be the same. The only one that seemed to stand by his side was Nike with his \$100 million sponsorship that started back in 1996.

Now that his scandal has subsided, Tiger is back on top of the golf world with several sponsors knocking on his door. Woods' contract with Nike was set to expire at the end of 2013, but he has already announced he is planning on re-signing. This is a great example how brands and athletes are essentially independent from each other, but Nike's humanity towards Tiger during his personal struggle will pay off for them.

### **Loyalties & Moral Claimants**

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This situation has several stakeholder loyalties owed to the general public – including the Milwaukee community, Brewers fans, MLB fans across the league, as well as current and potential Ryan Braun sponsors, advertisers' careers, and Ryan Braun. The relationship with the stakeholders is as follows:

- **The Public:** Sponsors and the public have an asymmetrical dependence. The sponsors are dependent on society buying into its brands. The people however, are not dependent on any particular brand. They have the luxury of a capitalist market and the freedom to choose who they do business with.
- **The Brand:** Sponsors have a symmetrical relationship with their brand, as it is their livelihood. The internal organization behind a brand is dependent on the brand's success, and the brand's success is based off the choices of its internal staff.
- **The Advertisers:** The advertisers have an asymmetrical relationship with the sponsors. The advertising firms responsible for creating, implementing, and documenting a campaign are dependent on its success. However, the brand is not dependent on the advertisers; sponsors can decide to cut campaigns and chose different agencies to work with.
- **The Athlete (Ryan Braun):** Ryan Braun has an independent relationship with the sponsors. Braun is not dependent on the success of the brand he is sponsoring, and the brand is not entirely dependent on his success. Sponsors can pull campaigns and create a new one if the sponsorship doesn't work out.

## **Case Resolution**

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The sponsors, Nike, SURG, and Kwik Trip, had the biggest ethical decision in the case of Ryan Braun, and did the right thing by pulling out of their sponsorships. These companies organized their claimants from strongest to weakest relationships. The

strongest and most important claims are the brand and the public. The sponsors are dependent on society to buy into their brand, so they must act in their best interest.

The two weak claims in this case are advertising agencies, which have an asymmetrical relationship to the brand, and Ryan Braun. The advertising agencies are dependent on their clients, in this case the sponsors, and must follow their demands. Ryan Braun and the sponsors are independent, so sponsors have little reason to act in his benefit in this situation, which is the reason all of his sponsors dropped him.

## **Interview**

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I interviewed Grace Hatcher, an Account Coordinator at Marketing Werks (Chicago office). Grace works on a national campaign for Verizon's NFL sponsorship and NFL Mobile App. Each of the 32 NFL teams has up to three sponsored players that appear in TV commercials, radio and print advertisements, event signage, billboards, social media, etc. Grace knows first-hand about the process of sponsoring an athlete, and the importance of choosing the right one.

Contact Information: [GHatcher@marketingwerks.com](mailto:GHatcher@marketingwerks.com)

### **What experience do you have related to athlete sponsorship?**

My work is currently focused on Verizon's sponsorship of the NFL. Each NFL team I am involved with has at least 1 Verizon-sponsored athlete.

**In your opinion, how important/relevant is athlete sponsorship in the advertising industry today? What value/incentive does it bring to a campaign?**

Athlete sponsorship is very relevant in today's advertising industry. Millions of people rate professional sports as their number 1 interest/hobby and spend hours a day doing activities that relate to their favorite sport, whether it is watching, reading or talking about sports and the noteworthy athletes. People look to athletes for inspiration - how to act, what products to use, what clothes to wear. Securing an athlete significant to pop culture puts a campaign at a huge advantage as so many Americans are guided by the behaviors of professional athletes.

**When choosing an athlete to sponsor, what would go into your consideration before signing him or her?**

In signing a professional athlete, I would consider their current performance and behavior as well as their life outside of the sports arena.

**In your opinion, what personality or physical characteristics are ideal for a successful sponsorship?**

An athlete who demonstrates leadership on and off the field is likely to succeed at persuading sports fans to use a certain product or buy a certain brand. Someone who takes their job as a professional athlete seriously would be a great asset and could be trusted to be the star of a campaign and do it well. Charisma is another important characteristic - you want someone that everyone looks up to. Peak physical fitness is an

important aspect for someone who will be featured in an ad campaign - they serve as an inspiration.

**How much effect does an athlete's off field behavior have on your decision?**

Off-field behavior is a big part of an athlete's persona. I would choose a role model rather than a rockstar-type.

**How much effect does an athlete's on field performance have on your decision?**

On-field performance is just as important. I would not choose a 2nd string athlete. You want to be represented by the best of the best.

**Would you sponsor Ryan Braun? Why or why not?**

I would not choose to sponsor someone who was known to use performance enhancing drugs. That is cheating!

**If you already had a contract with Ryan Braun, would you terminate it? Why or why not?**

I would terminate the contract. I would not want someone who is known to use performance enhancing drugs to be associated with my brand and representing my business.

**In the future, would you consider sponsoring Ryan Braun?**

I would not.

**Nike dropped Ryan Braun's sponsorship after he lied about using performance enhancing drugs to the public. However, Nike kept Tiger Woods' sponsorship after he had a very public affair and divorce with his wife. The rationale behind the decision was that Tiger lied to his wife, but Braun lied to his fans, which was much more devastating. Do you agree? Why or why not?**

I think Tiger should have been dropped as well. His behavior was disgusting and I would be embarrassed to have his name associated with my brand. I am not interested in promoting infidelity. If he was capable of such horrible behavior, you can only imagine what else he is capable of.

## **Conclusion**

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This steroid scandal is still fresh and Ryan Braun has quite a bit of work left to revive his relationship with the city of Milwaukee. Unfortunately, most of that work must be done during his next career baseball season - after his suspension is lifted. The possibilities in the direction his reputation will go are too much of a risk to make any kind of endorsement deal.

That is not to say he will never have an endorsement deal again. Scenarios such as this have played out in the industry several times, with examples like Tiger Woods, Michael Phelps, and Lance Armstrong. Until recently, Ryan Braun was a well-respected, stand up Milwaukee citizen, spending a majority of his off season attending charity benefits. In one of his public apologies, Ryan Braun said, "I kept the truth from everyone. Those who put their necks out for me have been embarrassed by my



behavior. I don't have the words to express how sorry I am for that (USA Today, 2013)."

It will be interesting to follow the business opportunities that may arise for Braun during his next seven seasons with the Milwaukee Brewers.

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