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## FIFA ASSOCIATION AT A CROSSROADS

# FIFA sponsors 'along for the ride'

Corporate brands pushed to act, but in the end, have little influence in Blatter's exit

By **Terry Lefton** & **John Ourand**, Staff Writers

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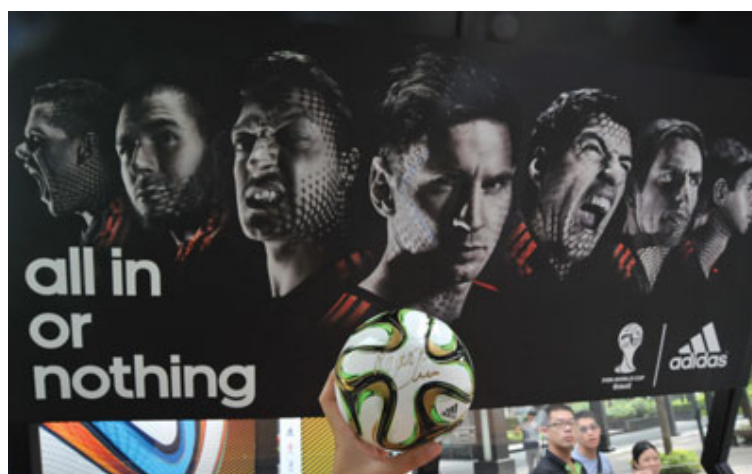
As the FIFA brand staggered under the glare of a global corruption investigation last week, politicians and media pundits made a simple call to sponsors of the embattled soccer organization: Demand change or walk.

But sponsors are finding that real life is not so simple, especially not in the murky world of FIFA. While some suggested that corporate sponsors were a force behind the shocking departure of Sepp Blatter, the reality is that Blatter's resignation is less about following the sponsorship money trail and more about the legal walls closing in on the 79-year-old leader.

Several sponsor and league executives largely dismissed corporate influence as overblown and suggested that such pressure had little, if anything, to do with Blatter's decision to leave the association he has led as president since 1998.

"I don't think we're yet to see the real reasons for him going," said Andrew Woodward, Visa's former vice president and director of public relations, global and U.S. marketing. "What's changed ... is reports that U.S. authorities may come after him. UEFA is also on his case. I think these are the reasons. To date, he hasn't cared about public, media or sponsor reaction. Why would he do so now?"

It's not that sponsors have been quiet. FIFA's main corporate patrons released milquetoast statements



Sponsors like Adidas were put on the spot by the scandal enveloping FIFA execs.

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calling for reform. But most of the sports marketers interviewed for this story say that while sponsors may gripe, their comments generally carry little weight.

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“Most of the people who run sponsorship departments within corporations are pretty incompetent,” said former John Hancock CEO David D’Alessandro, the most vocal sponsor pushing for reform of the International Olympic Committee after the 2002 Olympic Winter Games bid scandal. “They don’t have any juice inside the company. ... They’re not in the boardroom and generally don’t report to the CEO.”

As such, few expect sponsors to be vocal advocates for additional reforms.

“The sponsors’ role isn’t to manage FIFA, the organization, nor should it be,” said Scott McCune, former Coca-Cola vice president of global partnerships and experiential marketing who is now an independent consultant. “Sponsors are there to leverage football as the world’s passion. ... Still, this is an opportunity, not unlike what the IOC went through around the Salt Lake Games. FIFA has a unique opportunity to reform because there’s a burning mantle.”

The problem sponsors have in wielding influence is that they don’t have much leverage. If Budweiser pulls its FIFA sponsorship, for example, plenty of other brands would line up to take its place, even with a brand under distress like FIFA currently is.

“Any of the sponsors considering stepping out have to weigh carefully the very real possibility that a competitor will take their place,” said Bob Heussner, senior vice president and global Olympic director at Jack Morton Worldwide. “Visa knows it wasn’t that long ago that MasterCard was a FIFA sponsor, so it would be a tough one to give up.”

Still, plenty of industry experts believe that sponsors are in a position to take stronger stands to demand change with FIFA.

“The big question is, What should the role of the corporate sponsor be here?” said Momentum Worldwide CEO Chris Weil. “Corporations need to stand up and say that they will only be associated as sponsors with properties that measure up to their scrutiny. That should be the role of the sponsors now that Blatter is gone.”

The New York-based agency GlideSlope did some early work with Johnson & Johnson on its recent FIFA sponsorship. Dave Mingey, GlideSlope’s co-founder and president, called Blatter’s resignation “a huge relief.”

“But as a sponsor, you are not in the driver’s seat; you are just along for the ride,” he said. “You have some influence, but the big question is your balance of public and private actions.”

Octagon represented six sponsors in the most recent World Cup, and the agency’s consulting chief John Shea said he has seen no evidence that sponsors’ marketing investments have been damaged.

“What sponsors are paying for is the fan passion. I think fans can disconnect the sport from the organization that runs the sport,” Shea said. “So we have to continue to evaluate whether fans are still attracted by a love of the sport and the ability to support their team. ... The focus right now has not been on sponsors; it’s about the

entity.”

While FIFA’s sponsors have come under a lot of pressure to demand reforms at the organization, Fox Sports, which holds the World Cup’s English-language rights in the United States, has emerged relatively unscathed.

“I don’t really understand it, but the pressure in these kinds of situations is often heaped on the sponsors when the biggest part of the commercial partnership revenue come from media rights holders,” McCune said.

Harvey Schiller, former U.S. Olympic Committee executive director, who also was Turner Sports’ first president, said sponsors get more heat because they are global brands, as opposed to national TV networks like Fox Sports. Plus, he said, sponsors and media companies view controversy differently.

“There’s been a lot of pressure on sponsors to try and extricate themselves,” he said. “In many ways, networks benefit from controversies like this.”

The FIFA controversy reminded D’Alessandro of the 2002 Salt Lake Olympic scandal.

“Most of the corporations were ultimately silent because they don’t define corporate citizenship correctly,” he said. “Really, this is about morality and supporting an organization [FIFA] that is not only corrupt, it is apparently corrupt on a grand scale. ... I don’t think any sponsor will walk away; they’ll wait for the smoke to clear.

“What corporations should do is make this process a lot quicker,” D’Alessandro said. “That’s what we did by keeping our foot on [former IOC President Juan Antonio] Samaranch’s neck. Corporations can expedite a dramatic change in governance and force FIFA to change. ... It’s an opportunity for companies to lend something more than money to sponsorships. They can effect change.”

However, since fans disassociate sports administrators from sports competition, its unlikely many will follow D’Alessandro’s advice.

“I don’t see that tail wagging the dog as far as sponsors forcing Sepp’s decision,” said Tom Shepard, former executive vice president of international marketing, partnerships and sponsorship for Visa. “After Salt Lake, every sponsor did research, and guess what? No consumer really cared about the organization. They care about the competition. ... Over time, this will get cleaned, up. Whether it’s ever completely clean remains in question.”

The good news for FIFA sponsors is that consumers’ passions are with athletes, not administrators. An on-field scandal would have a different impact. Plus, the schedule around the men’s World Cup gives sponsors time to let the process play out and bring about change, said John Kristick, global CEO of WPP’s ESP Properties sports and entertainment group, who once sold FIFA TV and sponsorship rights for ISL and Prisma.

“As soon as the Women’s World Cup starts, and assuming the U.S. team performs as it should and the passion among fans takes hold, you’ll see why it’s difficult for sponsors to walk away,” Kristick said. “The clear understanding is that the fans — and they are who sponsors want — can and do separate FIFA from the competition, and the competition is where sponsors realize the benefits.”

GMR Marketing had four clients in the 2014 Brazil World Cup, and Jan Katzoff, head of global sports and entertainment at the firm, said the calendar may be the best news for FIFA sponsors.

“The fact that there’s three more years until the next tournament is somewhat of a relief for sponsors,” Katzoff said. “While there are people screaming for sponsors’ heads, my advice would be that a lot of different forces have applied pressure and gotten what they wanted, so now they have to let it play out.”

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