

## **Brand Association Conflict: Examining Sponsors' Decisions to Terminate Their Partnerships with LIV Tour Golfers**

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### **Abstract**

One notable benefit of a sponsorship marketing strategy is the brand association that is formed between a sponsor and a property. A conflict emerges for a sponsor when the property engages in behavior that threatens the value of having that brand association. A conflict is often caused by a triggering event. Such a conflict triggering event occurred for the companies that sponsored the golfers who left the PGA Tour and joined the LIV Golf Tour. The conflict stemmed from the LIV Golf Tour being funded by the government of Saudi Arabia. Several sponsors terminated their partnerships with the LIV Tour golfers. This article seeks to demonstrate that understanding the principles of sponsorship and the fundamentals of conflict has value for companies in approaching the decision whether to continue or end a controversial partnership. This article uses the statements by the companies that ended their sponsorships with LIV Tour golfers as the focus of analysis. These sponsors argued that the LIV Tour golfers no longer fit with their values and pointed out that they have other sponsorship options to achieve their business objectives.

### **Introduction**

Sponsorship is a unique marketing strategy that can help a company achieve a variety of brand goals. One notable benefit of sponsorship is the brand association that is formed between a sponsor and a property, defined as any league, team, event, or individual (Dean, 2003; Sandler & Shani, 1989). A sponsor's property selection reflects its brand values and the brand associations that are formed can impact its brand image (Cunningham, Cornwell, & Coote, 2009; Dean, 2002; Grohs & Reisinger, 2005). A conflict emerges for a sponsor when the property engages in behavior that threatens the value of having that brand association.

Wilkin (2013) offers a model to recognize and address conflict. Conflict is based on power and resources. Conflict is often caused by a triggering event. When conflict occurs, decisions need to be made as to if the conflict will be ignored, escalated, or resolved (Wilkin, 2013). The progression for conflict decision-making entails an assessment of the other party's resources and capabilities. A determination is then made as to the consequences of having the conflict continue or it being resolved. Power is attained in this conflict dynamic if one party possesses perceived unattainable qualities or if there are options to allocate resources aside from interacting with that specific party to achieve business objectives (Folger, Poole, & Stutman, 2009; Wilkin, 2013).

The LIV Golf Tour launched its inaugural series of tournaments in 2022, challenging the long-established PGA Tour. Several prominent golfers left the PGA Tour to join LIV Golf, including Phil Mickelson, Dustin Johnson, Brooks Koepka, and Bryson DeChambeau. These golfers joining the LIV Golf Tour was a conflict triggering event for their sponsors. The conflict stemmed from the LIV Golf Tour being funded by the government of Saudi Arabia. Several sponsors ended their partnerships with the LIV Tour golfers.

The study of conflict is advanced by examining how different practical situations are managed, in this case the decision of a sponsor to terminate a partnership. This article seeks to demonstrate that understanding the principles of sponsorship and the fundamentals of conflict has value for companies in approaching the decision whether to continue or end a controversial partnership.

## Literature Review

### Sponsorship

Meenaghan (1991) defines sponsorship as "an investment, in cash or in kind, in an activity, in return for access to the exploitable commercial potential associated with that activity" (p. 36). The main benefit to the property upon entering into a sponsorship agreement is that it adds another major source of revenue to its business. Sponsors receive a multitude of distinct benefits, including unique opportunities for brand exposure, brand recall, product category exclusivity, and creating and communicating a brand association with a property and its audience that can enhance a brand's image (Fortunato, 2013; Walraven Bijmolt, & Konning, 2014).

Brand exposure is often the most vital element to the success of a sponsorship and has to be the initial achieved objective. Other sponsorship goals might not be achieved if the brand is not noticed at that location. Without the brand being noticed, any consumer reaction or behavior toward the brand is due to some other reason than that particular sponsorship.

Sandler and Shani (1989) emphasize the brand association that is created between a sponsor and a property in their definition of sponsorship. They describe a sponsorship agreement as, "the provision of resources (money, people, equipment) by an organization directly to an event or activity in exchange for a direct association to the event or activity. The providing organization can then use this direct association to achieve either their corporate, market, or media objectives" (p. 10).

Sponsorship effectiveness due to a brand association is reliant upon the proper property selection (Connolly & Connolly, 2014; Cunningham et al., 2009; Prendergast, Poon, & West, 2010). Connolly and Connolly (2014) contend that the strategic fit between the sponsor and the property is the most critical factor of a sponsorship's success. Property selection projects a company's values and can be thought of as a way to improve its own brand image (Cunningham et al., 2009; Dean, 2002; Grohs & Reisinger, 2005). Dean (2002) explains that "for the payment of a fee (or other value) to the sponsee, the sponsor receives the right to associate itself with the sponsee or event" (p. 78). He adds that, "by associating itself with the sponsee, the sponsoring firm/brand shares in the image of the sponsee" (p. 78). Grohs and Reisinger (2005) point out that "the aim is to evoke positive feelings and attitudes toward the sponsor, by closely linking the sponsor to an event the recipient values highly" (p. 44). Stipp and Schiavone (1996) claim that the sponsorship objectives assume that the target audience for the sponsorship will transfer its loyalty from the sponsored property or event to the sponsor itself.

A prominent benefit of sponsorship that illuminates a brand association is the characteristic of product category exclusivity. Exclusivity is valuable because it eliminates any competition that a sponsor might receive from a rival with the sponsored property (Miyazaki & Morgan, 2001; Papadimitriou & Apostolopoulou, 2009). Miyazaki and Morgan (2001) note that "the ability to be an exclusive sponsor in one's product category presumably aids in avoiding the competitive interference that typically is experienced in other media contexts" (p. 10).

Papadimitriou and Apostolopoulou (2009) explain that exclusivity also acts as a barrier to competitors that might have tried to acquire that same sponsorship or at least diffuses the promotional attempts of competitors during the time that the company is sponsoring the property.

## **Sports Sponsorship**

One recent estimate puts global sponsorship spending at over \$65 billion annually, with much of that spending occurring with sports properties (Venturoli, 2019). Kaynak, Salman, and Tatoglu (2008) claim that sports properties are desirable because of the brand associations that are formed. They state, “organizations use sport as a medium of creating a distinctive image in the eyes of consumers and may in turn distinguish their brand from those of their competitors” (p. 336). The characteristics of sports fans as passionate and loyal with many emotional needs being satisfied through experiencing sports adds to the appeal for sponsors to partner with these properties (Gantz, 2013; Wann, Royalty, & Roberts, 2000).

A sponsor’s brand association has to be communicated to consumers (Fortunato, 2013; Prendergast et al., 2010; Walraven et al., 2014). Sponsors receive the right to use the property brand logos, trademarks, and footage in their marketing campaigns to help clearly communicate their brand association with a property. Some sports properties have highly recognizable and memorable logos, such as the Olympics rings or the Dallas Cowboys’ star, that can be easily noticed when used on product packaging, retail displays, and in television commercials.

The core sponsorship principles of brand association and product category exclusivity extend to individual endorsers. Till (2001) claims that athlete endorsements influence the way that consumers view the image of the sponsoring brand. Stone, Joseph, and Jones (2003) found that an emotional tie can be created with consumers through the use of an athlete endorser, improving both brand awareness and the image of a company. Koernig and Boyd (2009) comment on the authenticity of athlete endorsers, stating, “athletes present a special case as endorsers because our attitudes and knowledge about them derive not only from seeing them in contrived situations (i.e., movies or events), but also how they behave and perform in spontaneous situations on the field of play” (p. 26).

The valuable brand association with sports properties is built on an opportunity to demonstrate a functional congruence for some sponsors. Functional congruence is when a sponsor’s product has a participatory role in the event or the product is being used by participants of the event (Prendergast et al., 2010). The advantage for the sponsors that feature athletes using their product during competition is that the viewers not only see these athletes endorsing the product in marketing campaigns, they see that athlete using it in a real-life situation, the actual game. For example, when Wilson sponsored Serena Williams, the viewers not only saw Williams in Wilson marketing campaigns, but Williams was using a Wilson tennis racket when playing a match. These sponsors’ products are helping these athletes perform their jobs at the highest level. For the brands that have the advantageous characteristic of functional congruence, consumers have greater brand recall, more easily make the brand association, and may be more likely to eventually purchase the brand (Prendergast et al., 2010).

Other researchers found that partnerships with popular sports properties can result in an increase in purchasing the sponsors products (Dean, 2002; Degaris, West, & Dodds, 2009; Harvey, 2001; Madrigal, 2000; Miyazaki & Morgan, 2001). Harvey (2001) claims that “sponsorship changes the consumer’s perception of a specific sponsor – which can rub off positively on brands that sponsor in terms of willingness to purchase those brands” (p. 64).

## **Conflict**

The value of a sponsorship, particularly on the characteristic of brand association, is threatened when a property engages in actions that result in a conflict for the sponsor. Wilkin (2013) points out that there are two common threads in many conflict situations: power and resources. A conflict occurs when there is a “differential in perceived power, goals, resources, or perspectives” (Wilkin, 2013, p. 1). The parties affected often become aware that there is a conflict through a triggering event. Awareness of the conflict when such a triggering event occurs advances to needed decision-making actions by the parties involved. The parties will have to decide to ignore, escalate, or resolve the conflict (Wilkin, 2013).

Wilkin (2013) explains that the conflict continues, “if the actions are viewed as contentious or contrary to the goals of the other party” (p. 1). The parties are then engaged in a power struggle by which they assess the other’s resources and capabilities. The parties will either attempt to resolve their differences, or there is a destruction of the relationship (Wilkin, 2013). The parties evaluate the consequences of resolving the conflict or having the conflict continue. Resolution may only occur if there are changes in attitudes, goals, or the event’s circumstances (Wilkin, 2013).

The power dynamics are a variable in making decisions that are brought on by the conflict (Wilkin, 2013). Those with power can exert pressure on the other party and potentially manipulate the outcome through their possession and effective use of their resources. Power is achieved when one party’s skills, abilities, and characteristics are valued by the other party (Folger et al., 2009; Wilkin, 2013). Folger et al. (2009) note that power is granted to the party that possesses perceived unattainable qualities. Recognizing if one party has options aside from interacting with the other specific party is implicit in the power dynamic surrounding the conflict (Folger et al., 2009; Wilkin, 2013).

## **Conflict and Sponsorship**

Resolution of conflict in the context of sponsorship might have to come in the form of ending the partnership. The assessment of the resources, capabilities, and objectives of the other party become part of the conflict resolution decision-making process for the sponsor. Sponsors terminating their partnership because the behavior of a property produced a conflict have been documented (Miller & Laczniak, 2011; Smith, 2011). The easiest response for a sponsor might seem to be to terminate its partnership with the property. That decision is not without consequences – after all there were promotional communication and business benefits for the sponsor to initially enter into an agreement with that property.

With product category exclusivity and brand association being major sponsorship benefits, a primary concern with terminating a partnership is that a competitor in that product category might obtain the sponsorship with that property. For example, Tiger Woods was dropped by watch manufacturer Tag Heuer when he was faced with a scandal. Two months later, Woods had a new endorsement contract with Tag Heuer competitor, Rolex (Donegan, 2011). Conversely, Nike continued its relationship with Woods. Perhaps, Nike was concerned that a competitor in its product category would step into that sponsorship role (Donegan, 2011).

It is important to recognize that the nature of the transgression is a variable that will determine how the conflict is perceived (Dutta & Pullig, 2011). Dutta and Pullig (2011) claim

that organizational conflicts can be either performance-related, reducing the brand's ability to deliver its functional benefits, or values-related, involving social or ethical issues confronting the organization rather than directly involving the product itself.

The nature of the transgression was a factor for sponsors of FIFA when that organization's executives were implicated in a bribery and kickbacks scandal (Fortunato, 2017). None of FIFA's sponsors terminated their partnerships with the organization that runs the World Cup. Several sponsors offered tersely worded statements condemning the actions of the executives and encouraged FIFA to make policy and personnel changes. However, the decision to remain a FIFA sponsor was largely because the infraction involved the organization's executives and did not interfere with fans' enjoyment of the game of soccer (Fortunato, 2017).

The conflict dynamics of power and resources as put forth by Wilkin (2013) can also be applied in these sponsors' decisions. Remaining a sponsor could have been driven by a concern that a rival company in the product category would take the role as an official, exclusive sponsor and forming a brand association with a popular international property (Fortunato, 2017). The FIFA sponsors also do not have many other property options to reach a large, global audience.

## **Method**

The launching of the LIV Golf Tour and its problematic relationship with the government of Saudi Arabia offers a compelling case for scholarly analysis in the context of a brand association sponsorship conflict. Examining the companies who did terminate their partnership with the golfers who joined the LIV Golf Tour adds to the study of conflict management and to the study of sponsorship.

This article uses the statements by the companies that ended sponsorships with LIV Tour golfers as the focus of analysis. Sponsor statements were obtained from company web sites, social media, and in some instances in the media coverage of the LIV Golf Tour. Studying the communication emanating from the sponsors themselves allows for learning the rationale for their decisions. Comments that were part of media coverage do provide some sense of how the story was publicly portrayed, although that is not the primary focus of this article.

The findings section begins with a description of the LIV Golf Tour's business operations to better understand why the golfers to join this new league. Some statements by LIV Golf Tour golfers are provided to learn of their perspective. The findings section then offers the sponsors statements. The discussion section analyzes the reasoning presented by these sponsors through an application of the sponsorship principles and conflict fundamentals. A study that focuses on the sponsors decisions using their own statements provides an example of theoretical concepts being executed in a timely, practical conflict situation.

## **Findings**

### **The LIV Golf Tour Business Operations**

The LIV Golf Tour describes its mission, "is to modernize and supercharge the game of professional golf through expanded opportunities for both players and fans alike" ([www.livgolf.com/about](http://www.livgolf.com/about)). The predominant appeal for golfers to join the LIV Golf Tour is its lucrative compensation system. Each LIV Golf tournament has prize money totaling \$25 million. There is \$20 million for golfers' individual performances. LIV Golf has a tournament

format where each of the 48 golfers competing earns guaranteed prize money. The winner of the tournament receives \$4 million, while the 48<sup>th</sup> place finisher receiving \$120,000 ([www.livgolf.com/format](http://www.livgolf.com/format)).

An additional \$30 million is provided for an individual season-long competition. An individual season champion is recognized based on all of a golfer's tournament performances. The top golfer for the LIV Tour season earns \$18 million, with \$8 million for second place, and \$4 million for third place ([www.livgolf.com/format](http://www.livgolf.com/format)).

There is a simultaneous team competition at each LIV Golf tournament. Each team consists of four golfers. The two lowest golfers scores in the first two rounds count for each team. The three lowest golfers scores count for the third round. The lowest team score at the end of the tournament is the winner of the team competition. There is \$5 million for the team portion of the tournament. The first-place team is awarded \$3 million, the second-place team earns \$1.5 million, and third-place team earns \$500,000 ([www.livgolf.com/format](http://www.livgolf.com/format)).

The final tournament of the LIV Golf season is the team championship event. There is \$50 million in prize money for the season-long team competition. All twelve teams are guaranteed prize money. The first-place team earns \$16 million, while the last place team earns \$1 million. Each golfer gets 25 percent of the team's earnings ([www.livgolf.com/format](http://www.livgolf.com/format)).

Golfers also received signing bonuses for joining the LIV Golf Tour. It was reported that Phil Mickelson was paid \$200 million to join the LIV Golf Tour, an amount that he did not confirm or deny (Beaton, 2022c). Bryson DeChambeau was reportedly paid a signing bonus of \$100 million to join the LIV Golf Tour (Baer, 2022).

The financial appeal for joining the LIV Golf Tour is enhanced through the golfers having to play in fewer tournaments. The LIV Golf Tour had eight tournaments in its inaugural season. Five tournaments were played in the United States, along with tournaments in London, Bangkok, and Jeddah. The first tournament was in London from June 9 through June 11. The final tournament of the season occurred from October 27 through October 30 in Miami. Each LIV tournament also consists of only 54 holes and is completed in three rounds ([www.livgolf.com/format](http://www.livgolf.com/format)).

Some of the LIV Golf players commented on the lucrative guaranteed payments and the LIV tournament format. Bryson DeChambeau claimed, "I run and operate my golf as a business" (Beaton, 2022d). Dustin Johnson stated of his decision to join the LIV Golf Tour that, "I thought it was best for me and my family. I don't want to play golf for the rest of my life, which I felt like I was probably going to have to do" (Beaton, 2022b). Brooks Koepka stated when he joined LIV Golf, "what I've had to go through the last two years on my knees, the pain, the rehab, all this stuff. I need a little bit more time off" (Beaton, 2022d).

These appeals for golfers are countered by the LIV Golf Tour being funded by the government of Saudi Arabia (Gay, 2022). The relationship with Saudi Arabia hindered the LIV Golf Tour from attracting the business partnerships of television networks and sponsors that are vital to the economic success of a sports league (Lefton, 2022; Ourand & Karp, 2022). The LIV Golf Tour streamed its tournaments on its own web site, YouTube, and Facebook, but did not have a broadcast rights agreement for television distribution of its tournaments in the United States in 2022 (Ourand & Karp, 2022).

Conversely, the PGA Tour has broadcast partnerships with CBS, NBC, ESPN, and Turner-owned Warner Brothers through its international distribution. The PGA Tour earns \$700 million annually through these media agreements in a contract that runs through 2030 (Ourand & Lombardo, 2020). The PGA Tour also has sponsors in many product categories (for the full

roster of PGA Tour sponsors see: <https://www.pgatour.com/company/omps.html>). The PGA Tour is considered to be appealing to television networks and sponsors because its audience is, “affluent, educated, and serves as business decision makers” (Ourand & Karp, 2022). The audience that watches golf also does not typically watch other sports (Ourand & Karp, 2022).

The LIV Golf Tour player contract includes provisions about what sponsorship brand exposure is permitted by its golfers Beaton (2022e). Golfers are to wear the logos for their respective LIV Golf teams when participating in a LIV Golf tournament. Players can wear the logo of a golf equipment brand on the right side of their cap during a tournament. Any other brand exposure of logos appearing on a golfer’s apparel needs to be approved by LIV Golf Tour executives. The player contract also states that a golfer is to, “refrain from using or otherwise appearing with or using any product (e.g., any hard goods like a coffee mug) containing a logo without approval” (Beaton, 2022e).

There is a provision in the player contract that when LIV Tour golfers are competing in a non-LIV event, they are supposed to wear LIV apparel to promote the golf league’s brand. However, only Patrick Reed had the LIV Golf logo on his hat and the collar of his shirt when he participated in The Open Championship in July 2022 (Beaton, 2022e). When LIV golfers were granted admission into a European Tour event through an arbiter’s court ruling in England, those golfers were asked by the tournament director not to wear any LIV Golf logos on their clothing (Collins & Schlabach, 2022).

The provision that the LIV Tour golfers would wear apparel with that league’s logo was mentioned in a court hearing for three golfers who left the PGA Tour and joined LIV Golf. Talor Gooch, Hudson Swafford, and Matt Jones amassed enough points to qualify for the PGA Tour’s FedEx Cup Playoffs prior to their leaving and petitioned the court for a temporary restraining order that would allow them to compete in those tournaments (Beaton & Radnofsky, 2022). The PGA Tour’s attorney pointed out that there was a contractual obligation for LIV golfers to wear that league’s apparel in non-LIV tournaments. The attorney argued that this would be allowing a PGA Tour competitor to advertise its brand during a PGA Tour event (Beaton, 2022e). Judge Beth Labson Freeman asked the LIV Golf Tour attorney if the three players would wear LIV Golf apparel if they were permitted to play in the PGA Tour’s playoffs, with the response being, “absolutely not.” (Beaton, 2022e). The court rejected the golfers’ motion, ruling that they failed to demonstrate how they would be irreparably harmed by not playing in the PGA Tour’s FedEx Cup Playoffs. Judge Freeman stated, “the LIV contract provides an opportunity for each of these plaintiffs to play elite golf in the United States with guaranteed pay” (Beaton & Radnofsky, 2022).

## **Sponsors Terminating Partnerships with LIV Tour Golfers**

The controversy of the LIV Golf Tour’s relationship with the government of Saudi Arabia reached public prominence with comments made by Phil Mickelson in February 2022 (Beaton, 2022b; Gay, 2022). Mickelson described the Saudi Arabia regime as “scary” and acknowledged that the country has a “horrible record on human rights” (Beaton, 2022a). Mickelson quickly apologized for his comments by posting on social media that, “I was reckless, I offended people and I am deeply sorry for my choice of words” (Gay, 2022). Mickelson claimed that his comments were off-the-record and without the proper context (Schwartz, 2022). Mickelson then announced that he was taking some time away from golf (Schwartz, 2022). Mickelson’s next tournament appearance was at the inaugural LIV Golf Tour event in June 2022.

Accounting firm, KPMG, beer brand, Amstel Light, and Workday, a financial and corporate software company, immediately terminated their sponsorships with Mickelson (Schwartz, 2022). The KPMG logo was on Mickelson's hat when he won the PGA Championship in 2021 to become the oldest golfer to win one of golf's major tournaments.

Callaway, a golf equipment manufacturer, also quickly dropped Mickelson (Schwartz, 2022). Mickelson was sponsored by Callaway for seventeen years. In 2017, an agreement was reached that would extend Callaway's sponsorship with Mickelson for the remainder of his career. Callaway issued a statement announcing the termination of its partnership with Mickelson that read, "Callaway does not condone Phil Mickelson's comments and we were very disappointed in his choice of words – they in no way reflect our values or what we stand for as a company. Phil has apologized and we know he regrets how he handled recent events. We recognize his desire to take time away from the game and respect that decision. At this time, we have agreed to pause our partnership and will reevaluate our ongoing relationship at a later date" (Schwartz, 2022).

The first LIV Golf tournament occurred on the same weekend as the PGA Tour event sponsored by Royal Bank of Canada, the RBC Canadian Open. RBC was a sponsor of two golfers who left the PGA Tour to join the LIV Golf Tour, Dustin Johnson and Graeme McDowell. RBC ended its sponsorship of both golfers (Beall, 2022).

Johnson was the number one ranked golfer in the world when RBC signed him as a brand ambassador in 2018. Johnson joined a group of fourteen male and female golfers representing RBC (RBC Press Release, 2018). Johnson would wear the RBC logo on his apparel and golf bag and support the company's marketing initiatives as part of the sponsorship agreement. Johnson stated at the time that he signed with RBC that, "I'm grateful for RBC's support and belief in me. I have enjoyed getting to know them better over the past few years through playing in the RBC Canadian Open. Now that my relationship with RBC has expanded to brand ambassador, I can't wait to achieve more milestones together" (RBC Press Release, 2018). Upon agreeing to the sponsorship, Johnson was referred to by the RBC President and CEO as, "a great asset to the RBC brand" (RBC Press Release, 2018). The RBC chief marketing officer said of Johnson that he was, "an ideal Team RBC ambassador. He shares our commitment to hard work, strength and determination – and we're happy to have him on our team" (RBC Press Release, 2018).

RBC released a statement on May 31, 2022, when Johnson and McDowell were listed as part of the LIV Golf Tour's first tournament field. The statement read in part, "as a result of the decisions made by professional golfers Dustin Johnson and Graeme McDowell to play the LIV Golf Invitational Series opener, RBC is terminating its sponsorship agreement with both players" (Beall, 2022). The statement included, "RBC is a proud partner of the PGA Tour. Our partnership is anchored with two world-class golf tournaments – the RBC Heritage and the RBC Canadian Open" (Beall, 2022).

Graeme McDowell commented when he was asked at a press conference in the week leading up to the first LIV Golf tournament about Saudi Arabia's human rights policies. He stated, "if Saudi Arabia wanted to use the game of golf as a way for them to get to where they want to be and they the resources to accelerate that experience, I think we're proud to help them on that journey – using the fame of golf and the abilities that we have to help grow the sport and take them to where they want to be" (Beaton, 2022b). Dustin Johnson said of McDowell's statement, "if I was going to say it, I'd pretty much say the exact same thing" (Beaton, 2022b). McDowell added, "if we tried to cure geopolitical situations in every country in the world that we play golf in, we wouldn't play a lot of golf" (Beaton, 2022b).

McDowell was released as a brand ambassador by MasterCard. McDowell began his partnership with MasterCard in 2011 (Lusk, 2022). MasterCard also ended its partnership with Ian Poulter when he joined the LIV Golf Tour. Poulter was first sponsored by MasterCard in 2009 (Lusk, 2022).

UPS terminated its sponsorship with Lee Westwood and Louis Oosthuizen upon their leaving the PGA Tour to join the LIV Golf Tour (Hoggard, 2022). Westwood had been a partner of UPS for fourteen years. He wore the company logo on his shirt and had it on his golf bag during competition (Young, 2022). A statement by UPS about its decision to drop Westwood included, “we value the relationship we’ve had but make decisions based on what is best for our business. We will continue to focus on sponsorship initiatives that are important for UPS and consistent with our business priorities” (Young, 2022). The statement by UPS added, “the decision to end our partnership is a strategic business decision that allows us to focus on other initiatives. We maintain alternative sponsorships across other sports as well as cultural, philanthropic and sustainability-led initiatives to support our brand and meet the needs of our business” (Young, 2022).

Rocket Mortgage cited its relationship with the PGA Tour as a naming-rights holder for one of its tournaments as the reason for dropping Bryson DeChambeau. A statement by Rocket Mortgage explained the company’s position, “Rocket Mortgage has been a long-time supporter of the PGA Tour, both through our role as an official partner and as a tournament host. The Rocket Mortgage Classic has quickly become a fixture on the Tour, with players coming to Detroit to compete, while also raising crucial funds to help bridge the digital divide in our city. Our partnership with the PGA Tour extends to several prominent golfers, including Bryson DeChambeau, as ambassadors of the Rocket Mortgage brand. As has been widely reported, Bryson elected to join the LIV Golf Series” (Baer, 2022).

DeChambeau was dropped as a sponsor of Bridgestone in July 2022 (Hamel & Dusek, 2022). DeChambeau first partnered with Bridgestone in 2016. His renewal with Bridgestone in 2020 included his using the company’s golf balls during tournament play. DeChambeau was using Bridgestone golf balls when he won the 2020 United States Open (Hamel & Dusek, 2022). Bridgestone explained its decision to terminate the sponsorship with DeChambeau as, “the PGA Tour is an extremely important part of professional golf, and Bridgestone has a sports marketing relationship with this highly visible series of tournaments. In considering that Bryson DeChambeau will no longer be participating in these events, Bridgestone and Bryson have agreed to end their brand ambassador partnership” (Hamel & Dusek, 2022). Bridgestone remained a sponsor of the PGA Tour’s Tiger Woods and Jason Day, and the LPGA Tour’s Lexi Thompson (Hamel & Dusek, 2022).

## **Discussion**

The study of conflict is advanced by examining how different practical situations are managed, in this case the decision of a sponsor to terminate a partnership. Wilkin’s (2013) model of conflict indicates that the power and resources dynamics are driving the needed decisions as to ignore, escalate, or resolve the conflict. Wilkin (2013) points out that conflict is often caused by a triggering event. PGA Tour golfers joining the LIV Golf Tour that is funded by the government of Saudi Arabia was the triggering event that created the conflict for these golfers’ sponsors.

Creating and communicating a brand association is a prominent benefit of the sponsorship marketing strategy. The brand association is a direct result of property selection. A sponsor's property selection reflects its brand values and the brand associations that are formed can impact its brand image (Cunningham, Cornwell, & Coote, 2009; Dean, 2002; Grohs & Reisinger, 2005). A conflict emerges for a sponsor when the property engages in behavior that threatens the value of having that brand association. The sponsor has to evaluate the consequences of terminating the partnership.

Several sponsors concluded that the nature of the transgression that created a values-related conflict (Dutta & Pullig, 2011) was such that they had to end their partnerships with the golfers who joined the LIV Golf Tour. The sponsors did not want a brand association with a property that had business ties with a controversial government. The statements put forth by the sponsors announcing the termination of their partnerships with the LIV Tour golfers indicate their reasoning.

Callaway stated that comments made by Phil Mickelson did not "reflect our values or what we stand for as a company" (Schwartz, 2022). As a golf equipment company, Callaway benefitted from the characteristic of functional congruence and its brand being used by Mickelson in competition. Bridgestone similarly had a functional congruence benefit with Bryson DeChambeau using its golf balls in competition. Bridgestone still ended its sponsorship with DeChambeau when he joined the LIV Golf Tour.

The conflict power dynamics through an assessment of the other party's capabilities and unattainable qualities as well as how a brand's own resources can be allocated in achieving business objectives are certainly indicated in other sponsors' termination decisions. UPS explained that ending its sponsorship with Lee Westwood and Louis Oosthuizen was "a decision based on what is best for our business." It was stated by UPS that the company will focus on sponsorship initiatives that are, "consistent with our business priorities" (Young, 2022).

A critical aspect of sponsors' termination decisions is if they have other endorsement options. UPS pointed to its sponsorship options in its decision to drop the LIV Tour golfers by stating that it, "allows us to focus on other initiatives. We maintain alternative sponsorships across other sports as well as cultural, philanthropic and sustainability-led initiatives to support our brand and meet the needs of our business" (Young, 2022).

RBC, Bridgestone, and Rocket Mortgage referenced their relationships with the PGA Tour in their termination statements. Bridgestone even mentioned that the PGA Tour has a "highly visible series of tournaments" (Hamel & Dusek, 2022). This comment reflected that brand exposure is an important component of its sponsorship. Being that PGA Tour events are on television, but LIV Golf tournaments are not, makes the PGA Tour more attractive from the basic marketing goal of brand exposure. Sponsors also have other options in that there are many professional golfers with whom they can partner. Rocket Mortgage and Bridgestone pointed out that they had partnerships with other professional golfers. The brand image of the LIV Golf Tour was also such that the sponsors may not have been concerned that a product category rival would enter into an agreement with the LIV Golf Tour golfers.

There will undoubtedly be other instances where a party engages in behavior that reflects poorly on a sponsor and devalues a brand association. Understanding the principles of sponsorship and the fundamentals of conflict is the best approach for companies when this occurs and a decision has to be made to continue or terminate a sponsorship. It is imperative that a sponsor recognizes the power and resource dynamics in combination with the business and brand image variables when making this decision. Continuing to study how sponsors resolve a

brand association conflict is of interest to scholars and practitioners in both the conflict management and sponsorship fields.

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