FOCUS

John L. Cropper

SPONSORSHIP OF SPORT BY TOBACCO AND ALCOHOL COMPANIES: A REVIEW OF THE ISSUES

The self-interest of sports managers and players concerned with survival of their events, and of the media concerned with protecting advertising revenue, has resulted in little discussion on the appropriateness of tobacco and alcohol companies sponsoring sport. Three central factors in the controversy over permitting tobacco sponsorship of sport are discussed: (1) the obscuring of the connection between tobacco products and disease; (2) the enabling of companies to penetrate the youth market; and (3) the circumvention of the ban on cigarette advertising and promotion in broadcast media. The tobacco industry's case for sponsorship revolves around freedom of speech and the argument that its activities do not lead to increased smoking, only to brand switching. The central issue in alcohol company sponsorship is that it encourages alcohol addiction and abuse.

The major sponsors of sport are alcohol and tobacco companies. This paper reviews the issues associated with these relationships. To many people it appears incongruous that sport which exemplifies a healthy, fit, lifestyle, should be used as a promotional vehicle for products that appear to be the antithesis of this. In short, these linkages which are consummated for financial purposes seem to defeat the broader raison d'etre for sport. Although this conceptual anomaly is widely recognized, the incongruence of these linkages has aroused surprisingly little public controversy. They appear to have become such an ingrained ubiquitous part of the sports world that most people are indifferent to them. There are two major reasons for this.

First, many managers believe their sports would be less financially viable without sponsorship from beer and tobacco companies. These companies are inundated with requests for sponsorship funds. For example, an official in the event division of RJR Nabisco stated that he received approximately 20 requests a week for RJR Nabisco to sponsor sports events (Wichmann & Martin, 1991). The financial viability argument is exemplified by the Virginia Slims sponsorship that brought women's professional tennis to the forefront and is discussed later in this paper.

If sponsorship by these companies was withdrawn, what would be the result? Sports managers frequently conclude that loss of those revenues would mean either that events would be eliminated or that ticket prices would be commensurately increased. The former outcome is likely to occur in some contexts, but an economist is likely to argue that the latter outcome is improbable. Both of these outcomes assume that costs would remain fixed if sponsorship revenues declined, but in many instances it is likely that efforts would be made to reduce costs. It is naive to believe that ticket prices would be increased. Most sports managers are charged with setting
ticket prices at a level that will garner maximum revenues for their organization, so the current price of tickets is likely to be the highest price the market will bear. If patrons could pay more, then sports organizations would charge more now. Thus, ticket prices could not be increased if sponsorship was withdrawn. The only way to retain viability or profit margin would be to reduce costs which would involve reducing players’ salaries, prize money, administrative overhead, etc.

In the case of those organizations whose events are dependent upon tobacco or alcohol sponsorship for survival, their support for a disassociation of sport from these products is likely to be dependent on the availability of a replacement source of funding. In Australia, where a ban on tobacco sponsorship was instigated with effect from July 1993, compensatory funding was provided by the state governments of Victoria, South Australia, Western Australia and the Australian Capital Territory by imposing a 5 percent tax on the wholesale price of tobacco. This is used to fund state health foundations which provide funding to sports and cultural organizations that might otherwise have depended on tobacco companies for support. A similar approach was emulated by New Zealand. However, given the absence of a tradition of government financing of sports in the United States, such a proposal appears to have little possibility of passage in this country (Blum, 1991).

A second major reason why linkages with these products has not been a highly visible controversial issue is because the media, who are usually in the vanguard of creating or at least sustaining public controversies, fail to chastise, investigate or even publicize this issue, because it is not in their vested self-interest to do so. Expenditures for cigarette advertising in the United States tripled between 1968 and 1988 to reach $3.3 billion (Blum, 1991), and the nation’s print media are the major beneficiaries of this. The story of how tobacco advertisements were banned from television is salutary.

In 1967 a recent law school graduate sent a three-page letter to the Federal Communications Commission arguing that cigarette advertisements were a controversial public issue, application of the Fairness Doctrine should require stations to balance these advertisements by broadcasting anti-smoking messages. To most people’s surprise, the Commission agreed and the stations were required to grant anti-smoking groups one free message for every three or four tobacco advertisements that were aired. DeParle (1989, p. 40) vividly described the result:

Anti-smoking groups took to the air with an inordinate amount of creativity. Though television viewers were still being blitzed with ads that showed happy smokers in vigorous poses, now they received other visions too: a Marlboro-like man, bursting boldly through the saloon doors, only to collapse in a fit of coughs; a wrinkled bag on a respirator, cigarette in hand, asking, “Aren’t I sexy?” Though still outnumbered, these hacking, winning images of death began to register: cigarette consumption declined in each of the next four years. The cigarette companies weren’t just losing the battle through the Fairness Doctrine they were subsidizing the other side’s artillery. In 1970, they went to Congress to say they wanted out.

Although Congress eventually acceded to their request, legislators first had to endure a sustained, vigorous lobbying effort opposing a ban on television advertising by the television industry, because in 1970 the broadcasting companies received $250 million in tobacco advertising revenues. Broadcasters won a slight concession by delaying the ban until after the New Year’s Day college football bowl games were over, during which the ban was to take effect. A ban, broader in scope, was an amendment to the Federal Communications Act that would bar commercial advertising from all forms of mass media, including television, radio, newspapers, magazines, and billboards (White, 1987). In this sense, magazine and newspaper advertising of tobacco products were supported by a ban, and thus the media, which accepted the challenge, had a vested interest in publicizing the ban.

The issue of television ban raises the question of the chronic issue of smoking—fashioned as an issue of public health awareness. The tobacco industry is the largest segment of the $4.6 trillion health care industry, which contributes 175.4 million direct and indirect jobs (Health Care Financing Administration, 1987). The industry has a $2 billion annual public relations budget, and in 1986 they spent $1.1 billion to counteract health education campaigns of the World Health Organization (White, 1987). The industry claims it forced to spend this money because the health community is presenting a spineless, one-sided campaign under the guise of public education. The media has played a major role in this debate.

The influence of the tobacco industry on the media is widely known. Years ago, the tobacco industry was accused of orchestrating a giant front group—including some of the nation’s largest newspapers, such as The New York Times and the Washington Post—to lobby against a national health care bill. In 1982 the tobacco industry gave more than $5 million to influence the vote on the bill. The strategies used to influence the vote included a $50,000 per day lobbying operation, and a $200,000-a-year campaign to influence the vote of House Speaker Thomas Foley, who was under heavy pressure from his constituents in Washington State and a representative of the tobacco industry. The tobacco industry also had a significant influence on the outcome of the vote, which was close. The House of Representatives passed the health care bill, but it was defeated in the Senate. The industry has also been involved in other efforts to influence legislation. It has been accused of using front groups to influence the vote on a number of issues, including environmental issues and public health issues.

The issue of television ban raises the question of the chronic issue of smoking—fashioned as an issue of public health awareness. The tobacco industry is the largest segment of the $4.6 trillion health care industry, which contributes 175.4 million direct and indirect jobs (Health Care Financing Administration, 1987). The industry has a $2 billion annual public relations budget, and in 1986 they spent $1.1 billion to counteract health education campaigns of the World Health Organization (White, 1987). The industry claims it forced to spend this money because the health community is presenting a spineless, one-sided campaign under the guise of public education. The media has played a major role in this debate.

The influence of the tobacco industry on the media is widely known. Years ago, the tobacco industry was accused of orchestrating a giant front group—including some of the nation’s largest newspapers, such as The New York Times and the Washington Post—to lobby against a national health care bill. In 1982 the tobacco industry gave more than $5 million to influence the vote on the bill. The strategies used to influence the vote included a $50,000 per day lobbying operation, and a $200,000-a-year campaign to influence the vote of House Speaker Thomas Foley, who was under heavy pressure from his constituents in Washington State and a representative of the tobacco industry. The tobacco industry also had a significant influence on the outcome of the vote, which was close. The House of Representatives passed the health care bill, but it was defeated in the Senate. The industry has also been involved in other efforts to influence legislation. It has been accused of using front groups to influence the vote on a number of issues, including environmental issues and public health issues.
The first example of successful sponsorship of sport by tobacco companies appears to have occurred in baseball, although a story about a substantial number of baseball players who smoked cigarettes was widely reported. The league's rules did not prohibit smoking, but players were subject to fines.

In the 1980s, however, the issue came to the forefront. The American Medical Association, the National Cancer Institute, and the Surgeon General of the United States all called for a smoking ban in public places. The tobacco industry responded by investing heavily in a campaign to promote the health benefits of smoking. The campaign was successful in delaying the implementation of a smoking ban in many states.

The tobacco industry also began to sponsor sports events, using the sponsorship to counteract government efforts to restrict tobacco advertising. The sponsorship of sports by tobacco companies was seen as a way to make smoking appear glamorous and to reduce the negative associations with the industry.

The sponsorship of sports by tobacco companies was also a way to influence public opinion about smoking. By sponsoring sports events, tobacco companies were able to place their logos and brand names in front of large audiences. This exposure helped to create a positive image of the industry and to reduce public concern about the health risks of smoking.

The sponsorship of sports by tobacco companies was also a way to influence government policy. By sponsoring sports events, tobacco companies were able to build relationships with lawmakers and gain influence in the political process. This influence helped to delay the implementation of smoking bans and to influence public opinion about smoking.

The sponsorship of sports by tobacco companies also had a significant impact on the tobacco industry's revenue. The sponsorship of sports events allowed tobacco companies to increase their market share and to compete more effectively with other companies in the industry. The sponsorship of sports was also a way to promote the use of tobacco products and to encourage people to start smoking.

In conclusion, the sponsorship of sports by tobacco companies was a key strategy in the industry's efforts to counteract government efforts to restrict tobacco advertising and to influence public opinion about smoking. The sponsorship of sports was also a way to influence government policy and to increase the tobacco industry's revenue.
coined (Muscatine, 1991). However, in more recent times, the impetus which stimulated tobacco companies to emerge as major sponsors of sports events was the closure of television to the industry's products in 1971. This ban encouraged the companies to turn to sponsorship as a new medium through which they could promote their products. Thus, for example, in 1971 the Virginia Slims ladies' tennis circuit and Winston Cup motor racing sponsorship were launched, while Philip Morris' 15-year sponsorship of the Marlboro Cup horse race began dramatically in 1973 with the stellar winning performance of the legendary horse Secretariat.

While the magnitude of tobacco sponsorship remains substantially lower than the investment made by beer companies, it is extensive, amounting to an estimated $125 million in 1990. The $50 billion tobacco industry is dominated by six major multinational conglomerates. Together, these six companies account for 40 percent of world cigarette production and almost 85% of the tobacco leaf sold on the world market. They are Philip Morris Co., R.J. Reynolds Tobacco Co., American Brands Inc., B.A.T. Industries PLC, (parent of Brown and Williamson), Loews Corp. (parent of Lorillard) and Philip Morris Group Ltd. (parent of Liggett Group). These cigarette companies have advertisements in 22 of the 24 Major League ballparks in the United States in the late 1980s, typically in places that enhance broadcast coverage (DeParle, 1989). Skoal has its "Pinch Hitter of the Year" in Major League Baseball. In soccer, Camel was one of four major sponsors of the 1986 World Cup in Mexico City. As part of the sponsorship agreement, four seven-meter Camel signs were posted next to the field where they were visible to the 650 million television viewers who watched the championship game. R.J. Reynolds Tobacco has been the chief sponsor of NASCAR's $18 million, 29 race, Winston Cup Series, and has stated that it sponsors approximately 2,500 sports events each year (Muscatine, 1991). Other examples include the Vantage Golf Scoreboard and Vantage Cup Senior golf tour, Salem Pro-Sail races in yachting, Lucky Strike bowling and Lucky Strike darts tournaments, the Winston Rodeo, and the nationally televised Marlboro Cup horse race.

Perhaps the most visible long term example of using sponsorship to promote a cigarette brand has been the Philip Morris company's use of tennis tournament sponsorship to promote Virginia Slims. Throughout the 1970s and 1980s, Virginia Slims was the umbrella sponsor for the women's tennis tour. Subsequently, the cigarette company had title sponsorship at individual tournaments and compiled the primary ranking system. The high level of exposure, awareness, and strength of association that Virginia Slims achieved clearly demonstrates that sponsorship can be a very effective use of promotion funds, especially when it is sustained over a long period of time.

Central Factors in the Controversy

The controversy over permitting tobacco companies to link with sports events by sponsoring them, revolves around three central issues. First, the linkage obscures the connection between cigarettes and chewing tobacco, and disease. There is no doubt that tobacco products are physically damaging even when used the way they are supposed to be. In 1993, the U.S. Centers for Disease Control linked 434,000 deaths a year in the United States to smoking (Freedman & Cohen, 1993), which constitutes about one-quarter of all cancer deaths. In 1991, a scientific report to the Surgeon General (Lemert, 1991) concluded that there was a direct link between tobacco use and cancer. In 1997, the National Institutes of Health released the report, "Smoking and Tobacco Use in the United States: The Epidemiological Literature." This report concluded that smoking causes cancer and that smoking is the cause of death in about 1 in 5 deaths in the United States. The report also stated that smoking is a leading cause of disease and premature death in the United States.

As evidence develops, the Surgeon General's Office continues to emphasize the importance of warning people about the dangers of smoking. The Surgeon General's Office has recommended that all tobacco products carry health warnings that are clearly visible to the public. The warning on tobacco products must be placed on the front and back of the package and on cigarette packs. The warning must include the words "WARNING: Cigarette Smoking Causes Lung Cancer, Heart Disease, Stroke, and May Cause Birth Defects." The Surgeon General's Office has also recommended that all tobacco products carry health warnings that are clearly visible to the public. The warning on tobacco products must be placed on the front and back of the package and on cigarette packs. The warning must include the words "WARNING: Tobacco Use Increases Your Risk of Cancer, Heart Disease, Stroke, and May Cause Birth Defects." The Surgeon General's Office has also recommended that all tobacco products carry health warnings that are clearly visible to the public. The warning on tobacco products must be placed on the front and back of the package and on cigarette packs. The warning must include the words "WARNING: Tobacco Use Increases Your Risk of Cancer, Heart Disease, Stroke, and May Cause Birth Defects."
constitutes about one-sixth of deaths from all causes (Davis, 1987). This makes their association with sport objectionable to many.

In 1954, a scientist at Memorial Sloan/Kettering Cancer Center painted tobacco fats on the backs of mice and produced tumors. This was the first scientific indicator that there may be a relationship between cancer and tobacco. The general public became aware of the dangers of tobacco products in January 1964 when U.S. Surgeon General Luther Terry issued his famous report linking smoking with lung cancer (White, 1988). This report was a review and summary of evidence that had been accumulated by scientists since the beginning of the previous decade. It led to action in 1965 when the U.S. Congress required cigarette packages to carry the warning, "Caution: Cigarette Smoking May Be Hazardous To Your Health."

As evidence documenting the severity of these hazards accumulated, the warning requirements were extended to advertisements and their tone became unequivocal. The four current warnings were mandated by the Comprehensive Smoking Education Act in 1984. They state: "SURGEON GENERAL'S WARNING: Smoking Causes Lung Cancer, Heart Disease, Emphysema, and May Complicate Pregnancy," "SURGEON GENERAL'S WARNING: Quitting Smoking Now Greatly Reduces Serious Risks to Your Health;" "SURGEON GENERAL'S WARNING: Smoking by Pregnant Women May Result in Fetal Injury, Premature Birth, and Low Birth Weight;" and "SURGEON GENERAL'S WARNING: Cigarette Smoke Contains Carbon Monoxide."

This Act was followed in 1986 by the Comprehensive Smokeless Tobacco Health Education Act which required a similar set of warnings for smokeless tobacco products: "WARNING: This product may cause gum disease and tooth loss;" "WARNING: This product is not a safe alternative to cigarettes.". The surgeon general has declared smoking "the single largest preventable cause of death and disability," citing "overwhelming evidence from no less than 50,000 studies" (Freeman & Cohen, 1993, p. 1). White (1988, p. 20) has observed that the substantial influence of the tobacco industry has ensured "two words do not appear on cigarette packs and advertising warning labels. They are: death and addiction."

The success of tobacco companies in using sport to obscure the substantial hazards of their products is illustrated by DeParle (1989, p. 36): "Quick speak the words 'Virginias Slims' and what do you see? A) Chris Evert or B) the cancer ward? If you answered A)—and most people do—then Philip Morris has you right where it wants you." There is a link between the word "slim" and the activity of tennis as a means of becoming slim. Tennis champions are in peak physical condition and since endurance is important, their hearts and lungs are particularly strong and healthy. The obvious implications of the linkage are that sport and smoking are both acceptable activities, and that smoking is acceptable, not harmful, and even desirable for women.

When Louis Sullivan was Secretary of Health and Human Services in the Bush Administration he stated: "When the tobacco industry sponsors an event in order to push their deadly product, they are trading on the health, the prestige and the image of the athlete to barter a product that will kill the user." (Cimons, 1990). DeParle (1989, p. 35) observes, "When the pitchmen of Philip Morris say, 'You've come a long
way baby,” they could very well be congratulating themselves; their success in co-opting the nation’s health elite to promote a product that leads to an array of fatal diseases is extraordinary.” Most importantly, these associations with sport appear to have conferred on the tobacco products an unfortunate aura of respectability.

A second central issue in the tobacco sponsorship controversy is the belief that the sport linkage enables tobacco companies to penetrate the youth market. It was pointed out by Louis Sullivan that 80 percent of smokers start when they are teenagers. Thus, “tobacco companies are faced with a business problem. Either they get children to start smoking or they go out of business” (Muscantine 1991, p. 3). Since tobacco kills 434,000 people each year and other smokers die from other causes or quit, replenishing the pool of customers at a rate of almost 1,200 per day has to be a primary goal of the industry. The failure of a generation of young people to start smoking would devastate it.

The impact of sponsorship on children was demonstrated by Ledwith (1984) who surveyed 880 children in Great Britain and reported that their recognition of cigarette brands varied according to which brands had recently sponsored televised sporting events. Similarly, the sports minister in Australia was convinced to support that country’s ban on tobacco sponsorship by a study which found that different brands were most popular with children between 12 and 14 in each of three Australian states surveyed. In each case, the children opted for the brand that sponsored their state’s major-league football competition (Pritchard, 1992).

In the United Kingdom where cigarette advertising has been banned on television for more than a quarter of a century, 64 percent of children aged between nine and fifteen claim to have seen cigarette advertising on television. “The reason is that there is an average of one hour’s television coverage each day of sports directly associated with a major tobacco brand” (Raphael, 1993, p. BF 4).

Tobacco companies deny that they target children with their promotion, but a document subpoenaed by the US Federal Trade Commission suggests the denial is merely a public relations stance (Chapman, 1986). It reports advice the industry received from its research agencies about the approach it should take with children:

Thus, an attempt to reach young smokers, starters, should be based…on the following major parameters:

- Present the cigarette as one of a few initiations into the adult world.
- Present the cigarette as part of the illicit pleasure category of products and activities.
- In your ads create a situation taken from the day-to-day life of the young smoker but in an elegant manner have this situation touch on the basic symbols of the growing-up, maturity process.
- To the best of your ability (considering some legal restraints) relate the cigarette to ‘pot’, wine, beer, sex, etc.
- DON’T communicate health or health-related points.

The popularity among adolescents and children of automobile, motorcycle and “monster truck” racing is likely to be a factor in the tobacco companies’ prolific sponsorship of motor sports. RJR Nabisco is the leading sponsor of automobile and motorcycle racing in the United States. The company has sponsored entire categories of racing, including the Winston Cup Auto Racing Circuit of 29 televised stock car races, Winston Drag Racing, Camel G. T. Series, Camel Mud and Monster Series, and...
in themselves; their success in co-
ecting to an array of fatal asso-
ciations with sport appear to
create aura of respectability.

Tobacco is the belief that it
enriches the youth market. It was
start when they are teenagers,
problem. Either they get children
in 1991, p. 3). Since tobacco kills
other causes or quit, replenish-
less on a primary goal of
people to start smoking would
be decided by Ledwith (1984)
and the recognition of
recently sponsored television
events. It was convinced to support
which found that different
people in each of three Australian
brands that sponsored their

Advertising has been banned on
percent of children aged between
6 and 12 years old. The reason is
age each day of sports directly

Even with their promotion, but
their is a denial is
It reports advise the industry
that it should take with children:

- Camel Motorcross. Similarly, Philip Morris through its Marlboro brand sponsors
  nationally televised races: the Marlboro Grand Prix, Marlboro 500, Marlboro Chal-
  lenge, and Laguna Sea Marlboro Motorcycle Grand Prix (Blum, 1991).

In addition to impacting young people through media exposure, the tobacco
companies reach them through third-party related product sales and their own
newsletters. Thus, some adolescents wear racing clothes adorned with the logo types
of tobacco and alcohol companies which they have seen on their favored drivers. Toy
makers, such as Mattel, have manufactured toy racing cars with Marlboro and Camel
decals that are sold at toy and hobby shops. Other toy cars with the names of
smokeless tobacco brands such as Chattanooga Chow, Copenhagen and Skoal have
been manufactured by the Ertl Company. It has also been noted:

The newsletter of the Inside Winston Cup Racing Sports Club includes a page of racing-related
puzzles and games for children entitled “Kids’ Korner.” The winning entry of National Dragster
magazine’s 1989 drawing contest for children 10 to 16 years of age was a sketch of a Skoal drag-
racing car. At the race tracks, children sport caps, t-shirts, patches, pins and pajamas with
cigarette logotypes that can be purchased or won as prizes. (Blum, 1991, p. 916).

The industry’s advertising reaches children because it appears in publications
with large teenage readerships. For example, one-third of the readers of Sports
Illustrated are boys under 18 years of age (Davis, 1987). Many teenagers perceive
sports and sports players to be glamorous. They readily identify with and imitate their
athletic heroes who exemplify success, accomplishment, high status and high income.
Sullivan comments, “It is inescapable that [tobacco’s sports promotion efforts] would
have an influence on the behavior of young people, because they have not yet reached
the age of maturity to make their own independent decisions” (Wichmann & Martin,

A third central issue in the controversy over tobacco companies sponsoring
sport is the contention that such sponsorship circumvents the ban on cigarette
advertising and promotion in broadcast media. Critics argue that the inclusion of
brand names and logos in broadcasts of events is a blatant breach of the spirit of the
legislation against cigarette advertising. Indeed sports sponsorship offers one feature
not available to tobacco companies in their advertising. It enables cigarette brand
names to be shown or mentioned on television and radio without being accompanied
by the Surgeon General’s health warnings that are required on print advertisements.
It is significant that a primary criterion used by sponsors to measure effectiveness of
their investment is the amount of media exposure received and its equivalent value in
advertising time.

Although there are few studies which attempt to assess the impact of sponsor-
ship on tobacco consumption, Ledwith (1984, p. 88) provided empirical evidence that
promotional activities have effects similar to traditional advertising. He concluded:

It is contended that the case rests that sports sponsorship on BBC TV has been shown to act as
cigarette advertising to children. There would thus appear to be good grounds for calling for
the cessation of tobacco sports sponsorship on T.V. so as to prevent further circumvention of
the law banning the TV advertising of cigarettes.

In March 1985, the Federal High Court of Australia recognized that sponsor-
ship could be in violation of the advertising ban which prevailed in that country. In ruling on coverage afforded Winfield cigarettes during the 1982 Rugby League Grand Final, judges determined that advertising matter was neither indirect nor incidental to the broadcast, but was in fact deliberate. The sponsorship contracts contained an escape clause for tobacco companies if the government or any other authority restricted or banned the type of advertising exposure they sought. Hence, the judges ruled that "the sponsorship arrangement was intended as an advertising opportunity rather than an act of sporting philanthropy" (Hindson, 1990).

TOBACCO INDUSTRY REBUTTALS

The tobacco industry rebuts objections to its sport sponsorship activities primarily on the grounds of (1) freedom of speech, and (2) that its activities do not lead to increases in smoking. The industry argues that it would be an infringement of First Amendment rights to freedom of speech if companies were not permitted to use sponsorship to promote their products, since they are legally available for sale. However, Thomas (1990, p. F3) explained that the Supreme Court makes a distinction between commercial and political speech and "there is no absolute right to advertise a product that has been shown to pose a health hazard to the public." Since courts have upheld the rights of legislatures to ban the advertising of legal but potentially dangerous goods and services, Action on Smoking and Health - USA (1989, p. 2) suggested "there would appear to be strong legal authority to ban the advertising of tobacco products including cigarettes, the most dangerous of all consumer products" (cited in Hindson, 1990).

The publicly articulated goal of companies' sponsorship activities is not to increase number of smokers or the intensity with which each of them smokes. A spokesman for the Tobacco Institute, a Washington D.C.-based trade association explained their intent is to "reinforce brand loyalty or try to switch brand loyalty. The latter is extremely difficult, which is why a relatively large amount of money is spent every year on advertising and promotion" (quoted in Wichmann & Martin 1991, p. 126).

Opponents express skepticism of this limited goal since fewer than 5 percent of smokers switch brands each year (Garrett, 1991): "The number of people who switch brands is so infinitesimally small that to suggest they spend about $3 billion a year to accomplish it insults one's intelligence" (quoted in Wichmann & Martin, 1991, p.127). However, the industry received some support from a Quebec Superior Court Justice who in 1991 overturned Canada's Tobacco Products Control Act which severely limited tobacco advertising and promotion, by accepting the argument that tobacco advertising was aimed at getting smokers to switch brands, rather than getting nonsmokers to start (Wichmann & Martin, 1991, p.127). This action was appealed and a final decision from an appellate court is pending. Opponents of cigarette advertising and sponsorship believe these activities may perpetuate or increase cigarette consumption by recruiting new smokers, inducing former smokers to relapse, making it more difficult for smokers to quit, and increasing the level of smokers' consumption by acting as an external cue to smoke (Davis, 1987).

Finally, the industry argues that abandoning tobacco-sponsored sports activities would have no effect on smoking. As evidence, they often cite Italy, where cigarette consumption was banned in 1962 (Garrett, 1991), a period in which cigarette sales fell by more than 50 percent. Many young people, especially F's—parents, peers and the news media viewpoint: "As if peer pressure and cigarette advertising didn't work, take a look at people who have never smoked before..."
ailed in that country. In 1982 Rugby League Grand Final contracts contained an indirect or incidental promotion of cigarettes. Hence, the judges concluded that the advertising opportunity was tantamount to direct advertising.

Sponsorship activities that include provision of funds or services were not permitted to be available for sale. The Court made a distinction between the right to sell and the right to the public. Since advertising of legal but harmful products is allowed, the Court held that the most dangerous of all sponsorship activities is not to offend the people who smoke. A 3-based trade association switched brand loyalty. The amount of money is spent by the tobacco industry is not given. However, fewer than 5 percent of the approximate 3 billion a year to smokers is spent by the tobacco industry.

New Zealand’s Toxic Substances Board (1989) reviewed data from 37 countries and reported that those with the greatest degree of governmental restrictions of tobacco promotion had the greatest degree of annual average fall in tobacco consumption. Findings such as these have led to worldwide momentum building against cigarette advertising and promotion. In 1981, 57 countries had legislation to control smoking, 45 of which included controls on advertising. By mid-1986, 10 more countries had introduced legislation and three had imposed more stringent restrictions (Raemer, 1986). When advertising is removed as an option, the companies invest more substantially in sponsorships since they offer an alternative means of promoting their products. This has caused some countries, including Norway, Sweden, Iceland, France, Canada, and Australia, to pass legislation limiting or prohibiting tobacco company sponsorship.

In France, this legislation led to cancellation of the 1992 French Grand Prix Formula One auto race and the 1993 French Motorcycle Grand Prix, because organizers could not guarantee that cars and equipment bearing cigarette logos would not be seized by the courts. An account in the Sponsorship Report newsletter highlights the political cynicism which underlies legislative decisions made on tobacco sponsorship:

The powerful anti-tobacco lobby in France got a $9 million fine levied on the Williams-Renault car racing team for “allowing” the Camel logo to appear on French television screens during race broadcasts from Japan and Australia.

The court applied the 1976 Veil Act, an earlier attack on tobacco sponsors. An amendment excluded Philip Morris and Gitanes, the state-owned French cigarettes, but not Camel, because the brand was not active in French motorsports at the time.

While France is lobbying the European Parliament to outlaw all smoking promotion, which would run counter to the interests of Germany and Britain—where more than 50,000 people work in motorsports—are vigorously opposing the effort. For their part, tobacco sponsors wouldn’t mind if the races were moved: the EC is considered a “mature market” while the Far East, South America and Eastern Europe are full of potential (Ukman, 1993, p. 2).

Canada’s Tobacco Products Control Act took effect on January 1, 1989. It
banned all print and broadcast advertising of tobacco products, ordered the phase-out of all existing billboard and in-store tobacco advertising and required stronger health warnings on tobacco packaging. Sponsorship survived the Canadian ban because sports and arts organizations argued that there were few alternative sponsors available (Freeman, 1989). However, under a compromise, tobacco companies were barred from using brand names in sponsorships, but they were permitted to use corporate names. Imperial Tobacco promptly circumvented the intent of this legislation by incorporating subsidiaries named after its three major brands: du Maurier Ltd., Players Ltd., and Matinee Ltd. Thus, the du Maurier Classic golf tournament, become the du Maurier Ltd. Classic. Other companies followed their lead. The rules bar Imperial from linking these sponsorships directly to tobacco products, so all signs have to be corporate rather than brand oriented. This means, for example, the companies can use the same colors as their brand logos, but not the same typeface or emblems.

In Australia, broadcast and print tobacco advertisements were banned in 1976 and 1989, respectively, and the industry compensated by higher investments in sponsorships. However, in 1990 the Australian Supreme Court ruled that telecasts of tobacco-sponsored sporting events were indeed cigarette promotions and were illegal. The government endorsed this ruling by making tobacco company sponsorship of sports and the arts illegal with effect from July 1993, although existing contracts were permitted to be honored. A loophole was inserted by legislators who were concerned about adverse economic impact of the legislation. It allowed exemptions for a small number of international events, such as the Adelaide Grand Prix, but only if organizers could prove to the government that Australia would cease to host an important event if the ban were not lifted (Pritchard, 1992).

One critic of tobacco sponsorship, inspired by the ruling of the Australian Supreme Court, suggested that American law could be similarly interpreted and if this was done, such sponsorship would end:

The Public Health Cigarette Smoking Act of 1969, which prohibits the promotion of cigarette brands on television, calls for enforcement of the law by the Attorney General of the United States and a $10,000 fine for each violation of the law. Were the law to be applied to the telecast of the Marlboro Grand Prix, complete with the running of a fine of $59,330,000 (based on the 5933 Marlboro logotypes televised during the 1989 race and carefully counted by one of the author’s colleagues), neither media corporations nor tobacco companies could afford to continue televising tobacco-sponsored sporting events. The ruling by the Australian Supreme Court in 1990 that such sports telecasts are indeed cigarette promotions strengthens the case for enforcement of the American law. (Blum, 1991, p. 216).

In the United States, the Federal Trade Commission provided a ruling in 1991 in *Federal Trade Commission v. Pinkerton Tobacco Company* which appears likely to limit future tobacco sponsorship. Pinkerton Tobacco was using sporting events to advertise its Red Man brand of smokeless tobacco in an attempt to circumvent the 1986 television advertising ban on smokeless products. The Commission’s ruling in this case prohibited the use of a brand name of a smokeless tobacco product as the name of a sponsored event if “the logo, selling message, color, or design feature of the product or its packaging” was used. Pinkerton was also denied the use of these advertising features “on signage in the area on which cameras routinely focus, on signage on competition fields... or on clothing...” The implication was that the ban applied to all tobacco products.

Televisions, sponsors, and cablesports, as a result, depend on the sponsor for income, and the sponsors pay a rights fee to the networks during the event. If the network announces that the sponsors withdraw, the cablenetwork will see its appearance fees from the coverage dwindle, and the cablenetwork will have fewer stars and a smaller audience. As a result, the networks stick to their multibillion-dollar deals with the cablenetworks.

Several bills have been introduced in Congress to further limit tobacco corporate sponsorship. Initial momentum was gained by the American Medical Association calling for the ban in 1985 and committing the industry to a 25% impact not only because of the revenue it would generate but also because it had never been authorized in legislation. A legislative option is to add section 8 to the 1965 law requiring all cigarette promotions to cease.

In addition to the potential for legislation, the industry is also faced with the possibility of a federal lawsuit. At the 1992 meeting of the US Senate on tobacco, lawmakers accused of the US tobacco industry of misleading the public and creating a public health crisis. Whether the industry’s competitors are capable of enacting a lawsuit against the industry remains to be seen, but the threat of such a suit is clearly present.

It is ironic that if all the tobacco companies in the world were to be reduced to one company, their market share would be reduced. It would also likely mean that tobacco companies in the United States would have to give up their market share to the world. Meanwhile, in the absence of the tobacco companies enacting their own legislation, the Olympic Committee has a provision in its Olympic emblem for advertising. This stipulation limits advertising to the development of the
products, ordered the phase-out of advertising and required stronger signage on competing vehicles or other equipment on which cameras routinely focus... [or] on clothing of event officials, commentators, competitors or participants.” The implications of this ruling may be substantial (Stotlar 1992, p. 16):

Television, sponsors, and event owners have become a triumvirate in sport. The event owner depends on the sponsor for an operating budget, yet the sponsor is willing to provide the needed support only if television coverage can be guaranteed. Television, on the other hand, is more than happy to pay a rights fee to the owner, if the sponsors promise to purchase advertising during the event. If the sponsor does not receive enough clear, in focus camera time or sponsor mentions from the coverage, it will withdraw from or not renew the sponsorship agreement. If the sponsors withdraw, the owner or organizer must consider the scale of advertising and appearance fees to the point that many top performers may not select the event and attendance may dwindle. As a result, television broadcasting companies, without guaranteed advertisers, with fewer stars and a small audience, could not justify television coverage, let alone a rights fee.

Several bills have been proposed in the United States Congress which would further limit tobacco company advertising and sponsorship, but none have yet been passed. Initial momentum came from the House of Delegates of the American Medical Association calling for a complete ban on cigarette promotion in December 1985 and committing the AMA to work for it (White, 1988). This action had a great impact not only because the AMA is a formidable lobbying force in Washington, but also because it had never been a leader in the antismoking movement.

A legislative option that may emerge in the United States is rescission of the part of the 1965 law requiring cigarette warnings, which forbids states from regulating cigarette promotion. If repealed, the cigarette industry would have to deal with the actions of the fifty state legislatures.

In addition to the threat of legislative limitations, the tobacco industry is constantly confronted with personal damage suits alleging product liability. To this point, the industry has never paid out any money in product liability claims, but a June 1992 meeting of the US Supreme Court makes it more likely they will in the future (Freedman & Cohen, 1993). The ruling stated that although cigarette warning labels preclude smokes from bringing “failure to warn” cases, plaintiffs may file suits alleging that cigarette smokers intentionally hid or misrepresented tobacco’s health hazards. Given that the industry’s efforts to distort the health hazards have been termed by a respected business publication, “the longest running misinformation campaign in US business history” (Freedman & Cohen, 1993, p. A1), it seems likely that such suits will ultimately be successful.

It is ironic that if all forms of tobacco promotion were banned, the profits of the tobacco companies in the short term, would increase substantially since their costs would be reduced. It would be extremely difficult to introduce a new brand or to take away market share from another existing brand. Hence, the current brands would retain their market share for the foreseeable future.

Meanwhile in the absence of federal legislation, some sports organizations have enacted their own limitations and bans on tobacco sponsorships. The International Olympic Committee has a rule prohibiting the use of a national Olympic Committee’s Olympic emblem for advertising alcoholic beverages and tobacco (Hindson, 1990). This stipulation, taken with the requirement that “use of the emblem must contribute to the development of the Olympic Movement and shall not detract from its dignity”
infers that association of these two product categories would impinge on the dignity of the Olympic Movement. The 51 national governing sports bodies who are members of the United States Olympic Committee were surveyed and asked to list any products, services, or companies from which they would not accept sponsorship (Hindson, 1990). Of the 45 who responded, 31 (69 percent) listed tobacco and 20 alcoholic beverages. No other products were listed by more than 6 organizations.

In a survey of 42 cities, 27 percent responded that they prohibited tobacco companies from sponsoring their events, compared to 6 percent for beer and wine, and 21 percent for hard liquor ("The politics of events", 1988). In a more comprehensive 1991 survey of "properties" (i.e. organizations or events seeking sponsorship), the International Events Group reported:

<table>
<thead>
<tr>
<th>Year</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>10 percent</td>
</tr>
<tr>
<td>1991</td>
<td>26 percent</td>
</tr>
<tr>
<td>1993</td>
<td>30 percent</td>
</tr>
</tbody>
</table>

Though it is a buyer's market, the number of properties with restrictive sales policies continues to rise. Percentage of properties with sponsor restrictions were:

Tobacco is the most commonly restricted sponsor category; among the properties with restrictions, 86 percent now ban tobacco, up from 62 percent in 1991. Fifty-one percent of properties with restrictions do not accept spirits companies, while 37 percent disallow beer/wine sponsors.

Those banning spirits or beer/wine almost always shun tobacco as well, 90 percent and 87 percent, respectively, while only 37 percent of properties restricting tobacco also avoid alcohol (International Events Group, 1992, p. 4).

Momentum appears to be growing to prohibit tobacco companies' sponsorship of ski events. On Aspen's ski-slopes it was banned because it was not "consistent with a healthy family sport like skiing" ("Business bulletin", 1990, April 5, p. 1). Similarly, the Jackson Hole Ski Corporation decided to stop the sponsorship of races at its resort by tobacco and alcohol companies. This meant ending its association with the Marlboro Ski Challenge, the country's biggest amateur race program; refusing liquor company race sponsorships such as the Smirnoff Ski Trials and the Absolut Vodka Challenge; and terminating its Miller Lite NASTAR course association. Their spokesman noted, "The Ski Corporation doesn't want people to see that tobacco and skiing are compatible."

The NAIA and nearly 30 percent of the conferences in the NCAA have banned the use of smokeless tobacco by student athletes. The NCAA prohibits its use, and tobacco and alcohol advertising, during all post-season events. Major League Baseball has banned smokeless tobacco in many minor league affiliates, affecting more than two-thirds of the nation's minor league ball players (Herzog, 1992). Major league players were not affected by the ban because they are unionized, while minor league players are not, so any such policy would have to be negotiated with the Major League Players Association. The Oakland A's has prohibited smoking at its stadium and banned tobacco advertising in the game program. Eight other major league baseball teams have outlawed tobacco signs. Others might have done so, but some clubs don't own the billboards in their stadiums while others are required to honor long-term contracts.

Since 1981, the National League has made clear that the use of tobacco products in any form is not permissible in the dugout, at the plate or on the field. Many U.S. professional baseball teams have also banned the display of tobacco billboards that surround its stadiums and the Metrodome home of the Minnesota Twins ("Sports and the Metrodome", 1991).

Today, the dominant sponsor of baseball in the United States is Miller, which sponsors the Colorado Rockies, the Cleveland Indians, and the Toronto Blue Jays.

Although sponsorship of sports and entertainment is a major promotional mix, it is not a growing industry because advertising is not rising. Through the late 1870s, 1880s, 1890s, 1900s, 1910s, 1920s, 1930s, 1940s, 1950s, 1960s, 1970s, and 1980s.

Anheuser-Busch purchased the major league baseball cards in 1988 after initiating a close association with the National Hockey League with the introduction of the "Miller Lite" brand. The Miller Lite promotion was a result of the acquisition of the "Miller Lite" brand by Anheuser-Busch in 1987. The promotion's objective was to increase sales of Miller Lite beer by targeting young adults who were interested in sports and entertainment. The campaign featured Miller Lite beer being served at sporting events and promotions, and Miller Lite beer being sold in stadiums and arenas.

Although Anheuser-Busch...
would impinge on the dignity of the event. Sports bodies that are surveys and ask for information about tobacco sponsorship restrictions listed tobacco and 20 more than six organizations. They prohibited tobacco (6 percent for beer and wine, 7 percent for alcohol, and 37 percent for tobacco) at all games.


Some companies have also adopted policies to avoid alcohol and tobacco sponsorship. For example, Anheuser-Busch has announced a ban on the sponsorship of any sports event with alcohol or tobacco sponsorship, and the NCAA has prohibited the use of tobacco products at any event where they are sold. Major League Baseball has implemented a policy that restricts the sale of alcohol and tobacco products at games.

The connection between sports teams and alcohol has an equally long history. For example, Sugar (1978, p. 3) traces the lineage of this linkage in professional baseball to its formative years:

Baseball started out as a natural extension of the brewery business. The original foundations of the hundred-year-old game were a firm as the foundations of the local brewery, most of baseball's early investors being saloon owners and liquor interests. The very first 'major league' -- the National Association of Professional Baseball Players -- was founded in a saloon.

Beer was such a major part of the fabric of baseball that the device known as a German Disturbed was part of most games during the 1880s. This was a leg of beer with a dipper attached, located at third base. Any player reaching third base was entitled to quench his thirst with a dipperful of beer.

Through the late 1870s, 1880s, and early 1890s, teams in St. Louis, Baltimore, Brooklyn, Cincinnati, New York, and Louisville were owned by brewers, saloon keepers, or distillers.

Today, the dominant sponsors of sport in the United States are the breweries, especially Anheuser-Busch which owns the St. Louis Cardinals, Miller, and Coors, which sponsors the Colorado Rockies. In Canada, Labatt Brewing Company, owns the Toronto Blue Jays and the Montreal Expos were once controlled by a distillery.

Although sponsorship of sport is an important component of the alcohol industry's promotional mix, it is not as crucial to distillers and brewers as it is to the tobacco industry because advertising of alcoholic products is not banned from television in the United States.

Anheuser-Busch purchased the St. Louis Cardinals baseball team in 1953, but their broader involvement in sports sponsorship did not emerge until the mid-1970s. Their involvement was a competitive reaction to the success which Miller experienced after initiating a close association with professional sports in 1970, following its takeover by the Philip Morris Company. Philip Morris produced tobacco products and brought a new level of marketing sophistication to the beer industry. A vice-president of Miller Brewing noted, "Even our most heated competitors would agree that we were responsible for the marketing revolution in the beer business. We introduced them to segmented markets, target marketing, and image-oriented selling... The beer people didn't see this sort of thing until Philip Morris bought Miller" (Johnson 1988, p. 74). Their expertise resulted in quantum increases in the sales of Miller beers, especially the Miller Lite brand which was launched in 1974. In 1970 Miller was seventh largest in the beer industry, but by 1977 Miller had vaulted to second place, and much of this success they attributed to sports sponsorship.

Although Anheuser-Busch was the largest brewery in the United States in the
1970s, it was described as "a $700 million company that was run like a corner grocery store" (Johnson 1988, p. 75), and its marketing was outdated. In 1976 Miller's success caused Anheuser-Busch belatedly to recognize the ties between sport and beer. Its size enabled the company to quickly catch up with Miller and today it is the major investor in sports sponsorship. The magnitude of the company's investment was reported by Glode (1990). In 1989 Anheuser-Busch sponsored 23 of the 24 domestic major league baseball teams, 18 of the 28 National Football League teams, 22 of the 27 National Basketball Association franchises, 13 of the 14 domestic National Hockey League teams, and 9 teams in the Major Indoor Soccer League. It also had sponsorship arrangements with more than 300 college teams, and managed or promoted approximately 1000 secondary or tertiary sporting events ranging from the Bud Iron Man Triathlon to hydroplane races. In the 10-year-period after 1976, the Anheuser-Busch share of the national beer market went from 22% to 40%. This increase was attributed largely to the company's concentration on sports (Johnson, 1988).

A further indication of the powerful influence of Anheuser-Busch came during the 1993 expansion decisions made by the National Football League. Five cities competed for a team. One franchise was quickly awarded to the Charlotte Panthers. On the merits of the evidence presented, there appeared to be a consensus among objective observers that the other franchise should go to Baltimore, and that the worst case was made by St. Louis (Reilly, 1993). Although the other franchise was ultimately awarded to Jacksonville, one commentator used the following rationale to predict why the owners would ignore the objective evidence and vote for St. Louis:

St. Louis will get the franchise because the NFL is proud to be Buds with Budweiser, the St. Louis-based beer Godzilla that is the league's biggest advertiser. If Budweiser were headquartered in Pinkwater, Idaho, the NFL would be telling us how delighted it is finally to be tapping into the all-important Pinkwater market. So much for the review process (Reilly, 1993, p. 106).

The substantial investment by beer companies in sports sponsorship has been explained in these terms: "Beer drinkers and sports fans are one and the same—indivisible, inseparable, identical! No one drinks more beer than a sports fan, and no one likes sports better than a beer drinker" (Johnson 1988, p. 74). The ages of maximum beer consumption and maximum sports involvement are the same, both for men and for women. The peak beer consuming years are from 18 to 29, which are the peak years for sports' participants and spectators. Males in the 18 to 34 age group constitute only 20% of the beer drinking population, but they consume 70% of all beer. These heavy users are the most critical market segment for beer companies and it is easiest to communicate with them through sports-associated events. Sugar (1978) suggests that breweries have sought tie-ins with sport because this offers them a "macho" vehicle which appeals to their core young-adult male target audience.

CENTRAL FACTOR IN THE CONTROVERSY

As the magnitude of sports sponsorship by breweries has increased, it has been accompanied by an equal increase in criticism from those concerned about alcohol abuse. There is heightened awareness in recent years that alcohol is a drug with the potential to become addictive. The concern is that there are about 13 million alcoholics in the United States, and beer companies claim it is natural for this
is run like a corner grocery store. In 1976 Miller’s success meant sport and beer. Its size and status as the major investor in sports was reported by 1 of the 24 domestic major league teams, 22 of the 27 international teams, and 1 of the 4 major league teams. It also had sponsorship哲了pre-promoted approximating from the Budweiser Man - the Anheuser-Busch

Anheuser-Busch came during Football League. Five cities led to the Charlotte Panthers. Red to be a consensus among Palestinian, and that the worst other franchise was ultimately following rationale to predict and vote for St. Louis.

In sports sponsorship has been its fans are one and the same—beer than a sports fan, and no (Johnson, 1988, p. 74). The ages of involvement are the same, both years are from 18 to 29, which are Males in the 18 to 34 age group are, but they consume 70% of all segment for beer companies and sports-associated events. Sugar with sport because this offers them adult-male target audience.

breweries has increased, it has been those concerned about alcohol. They that alcohol is a drug with the that there are about 13 million panies claim it is natural for this

intoxicated drug to be consumed while watching or after participating in a pleasant sporting activity. Sponsorship and advertising by beer companies promotes the image that beer is not very different from soft drinks, and its negative consequences such as traffic deaths, domestic violence, physical deterioration and pregnancy risks are ignored. It has been noted that “beer comes to share the status, and the other at the same time. If you’re going to perform as a top-grade athlete, you have to cut out alcohol” (Johnson, 1988, p. 78).

The close relationship between beer and sport has caused some “to wonder just what kind of cultural hypocrisy is going on when Americans relentlessly insist on immersing sport—our most wholesome, most admired, even (sometimes) most heroic institution—in a sea of intoxicating drink” (Johnson, 1988, p. 70). It is interesting to note that Sports Illustrated, the magazine which published the article from which this quote is taken, received $6.3 million in revenues from beer advertisements in 1988 when the article was written (DeParle, 1989).

In response to these social concerns, hard liquor advertising is not allowed on television in the United States, regulatory agencies control the advertising of alcohol directly and indirectly to children, and alcohol cannot be promoted as a problem solver (Smart, 1987). Although liquor suppliers are part of the alcohol sponsorship controversy, beer companies are the focus of the debate because the magnitude of their investment substantially exceeds that of liquor producers. Beer sponsorship is further constrained by the Federal Alcohol Administration Act which prohibits exclusive on-site sales, so such exclusivity cannot be a condition of sponsorship. All sports events must allow a free market, permitting any brewer regardless of size, to sell their product.

In 1989, the NCAA’s executive director announced it was considering banning beer advertising at the basketball tournament because it appeared to be inconsistent with the NCAA’s position opposing drug use. The result was a maelstrom of opposition led by the breweries, their advertising agencies, the television networks and even officials within college athletics. The athletic directors believed that if a ban was enacted at the tournament, they would be pressured by their institutions to ban sponsorship and advertising by beer companies. Two of their leading spokesmen stated:

I think that philosophically, no one disagrees with this. But most of us are significantly dependent on such support for coaches’ shows, local television game broadcasts and the sponsorships of campus activities.

It is not like we’re handing out beer at the doors. I would have trouble selling my sponsors, for example, that I’m going to cover up their signs in my arena because I’ve got the NCAA tournament coming in. If they’re paying millions and millions of dollars to have billboards up in my facility, I can’t see that they should have to cover them up. (Krupa, 1989, p. 49)

In some other countries, for example Austria, laws have been passed that prohibit all public references to alcoholic beverages at sporting events. Thus, the director of the Austrian ski federation states, “Sports and alcohol should never be
placed together" (Johnson, 1988, p. 78). In the United States, several universities in recent years have moved to ban beer companies and their distributors from sponsoring events on campus. Some California cities, for example Huntington Beach and Seal Beach, have banned sponsorship and advertising by beer companies on their beaches. This has effectively stopped sponsorship of professional surfing, body boarding, water-skiing and volleyball in those areas, since beer companies are the primary sponsors of these activities. A Seal Beach official noted, "Some people express concern over the mixed message our city might be sending its youth, supporting drug awareness programs and at the same time hosting events sponsored by a beer company. But a lot of our business people support these events" (Brown, 1991, p. 26).

The localized bans on sponsorship and advertising are a major concern to both breweries and the sports organizations who benefit from sponsorship revenues because they perceive bans could gather momentum. Indeed, a Business Week poll in 1985 reported that 57% of Americans supported banning beer and wine advertisements from the airwaves (Welling, 1985). This suggests that actions further limiting or prohibiting tobacco sponsorship by companies could be a catalyst towards eliminating or restricting the involvement of beer companies.

If beer sponsorship and advertising are banned from sport, then large amounts of money would disappear. Beer companies have a much larger investment in professional sports than do tobacco companies. With a tobacco ban, it would probably lower-level events that would suffer. A ban on beer sponsorship would have a much more dramatic effect. The president of the Seattle SuperSonics articulated the dilemma:

"It is a sensitive issue because you don’t want the money, but you don’t want to be seen as promoting the idea that people come to our games, get drunk and drive home. We’d be foolish to say we don’t want a beer sponsor on moral grounds, but at the same time that doesn’t mean we encourage 21-year-olds to down a case" (Johnson 1988, p. 78).

In response to their social critics, the beer companies also assert that their sponsorship and advertising activities have no effect beyond brand shifting among current drinkers. Further, they point out that when used in moderation, beer has not been shown to be a danger to health. Thus, George Sheehan, who besides being a medical doctor serves as a philosophic "guru" of runners, summarizes the evidence:

"There are numbers that suggest good things about alcohol. The happy, healthy, productive, long-lived people studied by sociologists in a famous Alameda County, California, project turned out to be moderate drinkers. They averaged a drink or two a day. And subsequent studies have confirmed the protection alcohol gives against coronary disease. A landmark study at the Kaiser Permanente in Los Angeles found a 50 percent decrease in coronary disease admissions for those who took two drinks a day. Researchers have gone so far as to suggest alcohol deficiency is a risk factor" (Sheehan, 1989, p. 93).

There is no empirical evidence available on the effect of sponsorship by beer companies on consumption of their product. This reflects the inherent difficulties associated with measuring sponsorship impacts, the relative recency of the sponsorship boom, and the paucity of researchers working in the sponsorship field. However, limited findings have been reported on the impact of advertising on beer consump-
several universities in San Diego, California, project per capita consumption figures for 1974-84 showed no obvious post-ban effect (Smart, 1987).

Another study compared alcohol consumption from 1972 to 1981 in a group of countries where alcohol advertising was banned with a group in which it was unrestricted. Countries without advertising did not have lower rates of consumption and the authors concluded that, "consumption must be affected by factors that are far more important than advertising" (Simpson et al., 1985, p. 64). It has been found that such factors as price, overall availability and social influences are likely to be more potent influences on level of consumption than advertising (Brun & Hännsses, 1983).

The most comprehensive study of how exposure to advertising relates to the consumption of alcoholic beverages was undertaken by Atkin et al. (1983). They reported, "The evidence indicates that advertising stimulates consumption levels, which in turn leads to heavy drinking and to drinking in dangerous situations" (p. 166). Another conclusion they offered was that "this evidence appears to indicate that mass media advertising for alcohol plays a significant role in shaping young people's attitudes and behaviors regarding excessive or hazardous drinking" (p. 164). However, this study has been criticized for both methodological deficiencies and its interpretation of the data (Smart, 1987).

Based on his comprehensive review of the literature, Smart (1987) included the following comments in his conclusions about the impact of alcohol advertising on consumption:

- Advertising bans appear to have little impact on overall sales of alcohol, although a total ban has been very difficult to achieve and few studies have been done.
- Numerous econometric studies indicate that alcohol advertising expenditures have no effect on total alcohol sales or beverage classes.
- A single set of exposure studies (Atkin et al., 1983) indicates that those exposed to larger amounts of alcohol advertising are more likely to drink. However, methodological problems with these studies prevent acceptance of their conclusions. Other exposure studies indicate that the effect of advertising is very small compared to several other variables.
- Current research suggests that advertising is, at best, a weak variable affecting alcohol consumption. Effective alcohol control might be better achieved by controlling prices and availability.

CONCLUDING COMMENTS

Increasing concern with controlling the cost of health care, and widespread recognition of the substantial portion of those costs that can be attributed to tobacco, leads to a large number of bills being introduced in each Congressional session that would further restrict tobacco promotion activities. For example in the 101st
Congress, bills were proposed to implement “tombstone” advertising, which would prohibit print media from using models, scenes or slogans (H.R. 1250, H.R. 1493, H.R. 3943); to ban placement of tobacco products in films (H.R. 1250, H.R. 1493); to restrict the distribution of free cigarette samples (H.R. 1493, H.R. 1494, S.769) to restrict the sale of cigarettes through vending machines (H.R. 662, H.R. 1250); to label cigarettes as addictive (H.R. 1171, S.777); to disclose cigarette additives (H.R. 3943); and to eliminate tobacco advertising as a tax deduction (H.R. 304, H.R. 412, H.R. 1544, S. 776) (Mazis et al., 1992).

There appears to be a sense of inevitability about further legislative curbs being imposed on tobacco advertising. Given the precedent emerging in a host of other industrial countries, these additional curbs are likely to embrace sponsorship limitations. If the vested interests of media who receive advertising revenues, politicians who receive substantial campaign contributions, and sponsor beneficiaries are able to stall legislation, then a restriction may come through market forces in the form of successful personal damage suits alleging product liability or from public pressure. A number of examples are cited which demonstrate the increasing willingness of organizations and events to reject tobacco sponsorship, because it offends the sensibilities of their clienteles.

Two factors confronting sport managers make the decision regarding soliciting or accepting sponsorship from beer companies a much more difficult question than whether to do business with tobacco companies. First, the magnitude of sponsorship dollars which would be given up is substantially larger. Second, unlike tobacco, the problem is not the consumption of beer, rather it is the abuse of beer. In contrast to tobacco, beer when imbibed in moderation has not been shown to be harmful. Further, the existing evidence suggests sports sponsorship is not likely to induce consumption increases.

These two factors make it tempting for sport managers to rationalize that there does not appear to be a strong enough case to ban beer companies from sponsorship opportunities. Certainly, the case for a ban ostensibly appears to be much less compelling than the case which can be made to ban sponsorship by tobacco companies. However, the other side of dilemma is compounded by the widespread abuse of alcohol and the consequences of that abuse. One of the anonymous reviewers of this paper articulated the conundrum well in comments on an earlier draft:

There is the contradiction of physical fitness being closely tied to drug uses. The advertising is aimed at youth and minorities. And, alcohol is a huge social problem in the U.S. (125,000 deaths yearly; indirect deaths from fires, traffic accidents, and drownings: $150 billion lost to job absenteeism, lost production, medical expenses, and work-related accidents; and the unmeasurable negative costs such as spouse and child abuse, desertion, emotional problems, and fetal alcohol syndrome). Should sport be at all connected with a drug that is responsible for such problems?

Clearly, there are contradictions with sport being associated with tobacco or alcohol products. Many sport managers are confronted with a dilemma: balancing a moral, ethical obligation to discourage tobacco use and alcohol abuse with the reality of surrendering substantial economic resources. It is hoped that the issues raised in this review essay assist sport managers in making informed ethical decisions.
Tobacco, alcohol and sport sponsorship.

**John L. Crompton** is Professor of Recreation, Park and Tourism Sciences, Texas A&M University, College Station, TX 77843-2261. His new book (with Dennis R. Howard), *Financing Collegiate and Professional Sports*, is scheduled to be published in July 1994.

**REFERENCES**


