Lessons from the Tiger Woods Affair(s)

Insights from John Grace and Karen DeMartine

While the flurry of media buzz surrounding the Tiger Woods Affair(s) is relentless, it is a real time example of a brand in crisis. But by stepping back from the immediacy of the situation and taking an objective view of the Tiger Woods brand, there is a lot to be learned that can help companies make better judgments about managing their brands to sustain and grow their businesses. Here are some important lessons that can help guide both consumer, and especially corporate brands.

Three observations

Brands, even market leaders, are fragile, intangible assets that can be damaged and lose their economic value very quickly. Supporters are fickle and focused on their own needs. They are ready to jump ship if a partner brand gets in trouble. One very important observation is that negative perceptions are much more powerful than positive perceptions. While it can take years to build positive equity and a strong foundation of brand power, this can be eroded immediately by a negative event. In a matter of weeks, the leading sports brand in the world lost many of its major sponsors, including Accenture, AT&T and most recently, General Motors. And the impact can snowball depending on the underlying issues and how the brand responds.

Transparency and candor are more important than ever. Tiger's silence was as much the problem as the underlying issues. What people wanted was his acknowledgement of the issue, and some degree of contrition. By not being transparent in the initial stages of the crisis, both sponsors and consumers turned their backs. From an athletic standpoint, Tiger may easily return to golf greatness. From a brand equity standpoint, this will take longer and may never be achieved.

As a leadership brand deflates, an enormous window of opportunity opens up for a competitor to fill the void. While you can argue the merits of the power of the Tiger Woods "brand" versus others, the fact is that all other golfers and athletes have an immediate opportunity to jump in and garner the sponsor dollars available because the advertisers need endorsements for exposure. Since the Tiger Woods brand will take some time to recover, the window will be open for quite a while.

What corporate and consumer brands can learn from the Tiger Woods Affair(s)

Determine key brand attributes and protect them at all costs. When a corporation develops its brand values and positioning, it should also prioritize which specific brand attributes are sacrosanct, and then think through how to protect those attributes even in the worst situations. The obvious benefit is to be prepared and always in control of a brand. However, the mere exercise of re-examining core brand attributes will not only shed light on which ones are most important, but can actually help focus resources in more efficient and productive ways.

It is the obligation of the corporate marketing and communications leaders to anticipate the impact of marketing programs, especially personal endorsements. As details about Tiger's affairs surfaced, it became clear that many players, caddies and business people close to golf all (wink-wink) "knew" about Tiger's dalliances. But all feared rocking the boat because of the enormous economic impact he had on the sport. Some sponsors knew as well. The lesson here is that the sponsor companies should have had a plan in place to deal with this liability. What we saw unfold was an uncertainty and hesitancy during which corporate sponsors were not sure what to do. In fact, several major sponsors are still undecided. By sitting on the sidelines, they missed a prime opportunity to say something to the audiences who were tuned in. This behavior made them look less in control of their brands.

The affair also serves as a reminder to carefully consider celebrity endorsements. Celebrities have enormous value in quickly connecting consumers to companies, products and services. However, the list of celebrities who have surprised their sponsors is endless, and companies must consider the risks and rewards before committing enormous marketing resources to partner brands that can erode their brand. Think about O.J Simpson (Hertz), Michael Vick (Nike), Kobe Bryant (McDonald's), Magic Johnson (Converse), Michael Phelps (Kellogg), Mike Tyson (Toyota), Michael Jackson (Pepsi), Martha Stewart (Kmart), Chris Brown (Wrigley) and Kate Moss (Chanel), to name just a handful of celebrities who lost key endorsement contracts. While some of these celebrities have since rebounded from their fall from grace, the road to recovery was a long and very public affair, with plenty of collateral damage to sponsors along the way.

Transparency and candor can go a long way to sustain the affection of key audiences. Not just customers and consumers, but employees, investors, the media, industry analysts, business partners and others are looking for behavior from a brand that indicates what the brand stands for. So corporations must examine their brand to determine if they have in place the policies and vehicles for communicating in an open and honest manner. This includes the ability to have a dialogue with key audiences that can be made instantly public with the push of a "Forward" button. Often such examinations need to come from external boards and advisers as management teams tend to close ranks and hesitate in addressing the fundamental importance of this area. This is sensitive stuff, but ultimately critical to avoid brand erosion.

Having an up-to-date crisis communications plan in place can prevent having to scramble with these issues in the heat of the moment. Ever since the legendary study in contrast – Johnson & Johnson's textbook handling of the Tylenol poisoning vs. Exxon's mismanagement of the Alaskan oil spill – companies have paid more attention to crisis communications. However, tech-driven advances in mass communications have rendered many crisis communications plans obsolete.

Traditional crisis communications planning centered around the development of different scenarios and actual responses to those crises that companies could have waiting in the wings. Today, companies must focus on the *process* of enabling immediate, real-time communications and deal with message development as part of this process. There must be procedures for:

- recognizing an emerging crisis
- alerting a pre-determined crisis team as quickly as possible
- gathering and verifying information as a crisis unfolds
- developing and approving the strategy and content used in communicating with various constituents including the media
- preparing the company spokesperson and his or her back-up

- getting the word out through both traditional and social media
- managing information leaks
- responding to misinformation
- monitoring what's being said about the company's handling of the crisis both on- and offline.

And this is by no means a complete list, but suggests how complex crisis communications management has become.

If a competitor brand stumbles, use the opportunity to strengthen your brand and gain market share in the process. Depending on the nature of a competitor misstep, a vacuum may be created where a company with stronger brand spine can capitalize and create new dialogues with important audiences. If your corporate brand is better insulated from crises than a competitor, don't miss the opportunity to communicate your brand attributes in an even stronger manner and grab share when that door opens. This might mean a short-term re-allocation of marketing resources to boost awareness. In Tiger's case, Phil Mickelson's sponsors are beginning to go on the offensive.

Be proactive in behaving and communicating "on brand." Don't mistake advertising campaigns and slogans for brand attributes. They are generally more temporal, and not foundational to building a powerful brand over time. Great care and attention should be given to understanding the brand building blocks and how they should be employed. Then be proactive in instilling your brand principles with all key audiences. The Tiger Woods situation is a wake-up call for all companies to re-examine their brands, and develop a laser-like focus on relevant brand attributes.

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