

Celebrity endorsements: The prize and price of fame

Unlike the movie star or the pop singer, the celebrity athlete signifies heroism, human transcendence and a love for the pure authentic game and international athletes often earn more currently from endorsing products than from competing.

David Tan

For *The Straits Times*

Many of us will be familiar with the saying "with great power comes great responsibility", especially if one is a fan of the comic book hero, Spider-Man aka Peter Parker who did not actively seek fame or want to be a hero but was thrust with civic responsibility. The reference is in fact drawn from the adage *noblesse oblige*, in which one in a position of nobility, power or influence is expected to be a paragon of exemplary conduct and assume public responsibilities.

These days the adage also extends to celebrity athletes such as Joseph Schooling who found himself on the front pages this week after confessing to consuming cannabis when in Vietnam for the SEA Games in May.

Unlike the movie star or the pop singer, the celebrity athlete signifies heroism, human transcendence and a love for the pure authentic game. Global sporting icons like Roger Federer, Tiger Woods, Michael Phelps and David Beckham are expected to be personifications of virtue and are also emblematic of their sports.

Therefore, we expect much more of Schooling and Loh Kean Yew, and more recently, of the wonder couple Terry Hee and Jessica Tan, and Feng Tianwei. As Tan remarked in an interview with *The Straits Times*: "Now we need to behave ourselves more in public and need to be more conscious of how we are." A misstep in their personal lives, such as Woods' marital infidelity and a photograph of Phelps inhaling from a marijuana pipe, can cost them sponsorship deals. We are unlikely, however, to expect Zoe Tay, Gurmit Singh or Dick Lee to be exemplary role models in the way we expect our sporting heroes to be.

Using a celebrity in advertising, product merchandising and other commercial contexts is likely to have a positive effect on consumers' brand perceptions and purchasing decisions; this is commonly referred to as the "positive halo effect" within branding and marketing research. In buying a product associated with a celebrity, the consumer is identifying with the glamour of the charmed life of a movie star or with the values personified by a sporting icon.

MORALS AND REVERSE-MORALS CLAUSES

The commercial reality is that companies take on a significant amount of risk when contracting with professional athletes and celebrities to endorse their products. In order to protect themselves and their brand investments, companies usually include an explicit morals clause in their spokespersons' contracts. Traditional morals clauses in contracts first began appearing during the first part of the 20th century. A typical clause would state: "If at any time, in the opinion of the sponsor, the athlete becomes the subject of public disrepute, contempt, or scandal that affects the athlete's image or goodwill, then the sponsor may, upon written notice to the athlete, immediately suspend or terminate this endorsement agreement and the athlete's services hereunder, in addition to any other rights and remedies that the sponsor may have hereunder or at law or in equity."

Some morals clauses, like the example above, do not require conviction in a court of law; so long as the athlete becomes a subject of "public disrepute" or is involved in a "scandal", the brand may unilaterally terminate the endorsement agreement. An extramarital affair (which suggests an erosion of family values), illegal drug use, accusations of cyber bullying and other morally reprehensible or criminal conduct – such as assault,

cheating, driving under the influence of alcohol – will give rise to valid grounds to invoke the morals clause.

Depending on the star power of the celebrity, the individual can sometimes impose a "reverse-morals clause" on the brand. The earliest example is probably singer Pat Boone's successful negotiation of a reverse-morals clause in 1968 which allowed his recording contract to lapse if the company did anything unseemly. Most likely he was able to achieve this due to his stature as an icon in the entertainment world and his aura of integrity.

But not all celebrities are going to have the high-integrity

reputation and high-performance success to be able to extract a reverse-morals clause out of a sponsor company. Pre-scandal Woods and possibly Federer would have been able to demand a reverse-morals clause which states that the endorsement agreement may be terminated by the celebrity. Such a clause would be as follows: "If the company should, prior to or during the term of this agreement, engage in any immoral or financially irresponsible conduct or any other conduct that might tend to bring company into public disrepute, contempt, scandal, or which might otherwise tend to reflect unfavourably upon company, the athlete, and only the athlete, will

The more people "celebrate" an individual – the bigger the fame enjoyed by the celebrity, the wider the reputation, and the greater his or her economic potential – the greater is the public responsibility. This may extend to how the athlete conducts himself or herself in a public setting or on social media.

have the right to terminate this agreement." A more restrictive version would be to allow for the trigger only if there were "crimes of moral turpitude" or "violations or convictions of laws". Similarly, celebrity athletes can also negotiate for a narrower morals clause in their contracts.

Today, international athletes often earn more from endorsing products than from competing. The more people "celebrate" an individual – the bigger the fame enjoyed by the celebrity, the wider the reputation, and the greater his or her economic potential – the greater is the public responsibility. This may extend to how the athlete conducts himself or herself in a public setting or on social media.

Whether or not Schooling's endorsement contracts contain a morals clause, we may never know. Nonetheless it is admirable that some brands have come out in support of the young man's momentary lapse of judgment, in the same way that a number of sponsors have stood behind swimming sensation Phelps although Kellogg chose not to renew its contract with him. Ultimately, the sports icon may be the reluctant hero, thrust upon the pedestal by an adoring public. That is the prize as well as the price of fame.

• David Tan is professor of law at the National University of Singapore where he teaches entertainment law.