

Sponsorship All Doped Up: Tour of California and Amgen

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Session 21: Ethics Presentation (25-minute)

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Desensi and Rosenberg (1996) stated, "as long as the monetary value of winning permeates the sports world, the challenge of acting in an ethical manner will always be present" (p. 8). In recent years, the ethical decision-making of sport marketers and marketing professionals in general has been the focus of many academic scholars (Ferrell & Skinner, 1988; Hunt, Malloy, Ross & Zakus, 2003; Morgan, Meier, & Schneider, 2001; Lu, Rose & Blodgett, 1999). Vitell, Lumpkin and Rawws (1991) stated that "since marketing is the functional area within business, which interfaces with the consumer, it tends to come under the greatest scrutiny, generates the most controversy and receives the most criticism with respect to potentially unethical business practices". Vitell (1986) defines marketing ethics as "an inquiry into the nature and grounds of moral judgments, standards and rules of conduct relating to marketing decisions and marketing situations".

Amgen Inc. (Amgen), a \$14 billion biotech company that produces the recombinant form of erythropoietin (EPO), signed on as the title sponsor of the Tour of California (Tour) in 2006. EPO is a legal cancer and anemia drug that is also used illegally as a doping agent by some elite endurance athletes. As such, the sponsorship between the Tour and Amgen creates an ethical disconnect and cognitive dissonance in the minds of many consumers.

With changing consumer habits and the need to target specific lifestyle segments, corporations are looking to use sport sponsorship more frequently as a means to meet a variety of objectives (Belch & Belch, 1995; Shimp, 1997). Amgen has stated one of its primary reasons for sponsoring the Tour is to educate athletes on the potential risks in misusing drugs, including ensuring that athletes know that "doping is dangerous and unhealthy" (Amgen.com). This is echoed by Amgen's scientific director who states, "We worked long and hard to develop these medicines to help patients fighting serious illness. This sponsorship provides us with an opportunity to combat the inappropriate use of our vital medicines and to educate athletes, both amateurs and professionals, of the potential dangers of misusing drugs of any kind". According to Kevin Sharer, Amgen's Chairman and Chief Executive Officer, Amgen is "associating our name with this premier cycling event to underscore the value of a healthy lifestyle, promote medical breakthroughs made possible through biotechnology and to emphasize the proper use of our medicines".

The ethical issue in this case involves the sponsorship relationship between Amgen and the Tour. The image of sports in general and cycling specifically has been tainted by athletes using performance enhancing drugs. Since Amgen manufactures two well-known performance enhancers [EPOGEN(R) (Epoetin alfa) and Aranesp(R) (darbepoetin alfa)] that have been linked to athletes trying to gain an illegal competitive edge, the issue has been highlighted once again.

These types of sponsorship agreements come packaged with ethical questions regarding the reasons corporations become involved with such campaigns. This presentation uses the Tour of California/Amgen sponsorship agreement as an applied case model, illustrating how sponsorship campaigns are used in the sport industry. In addition, this presentation will examine the ethical dilemma faced by Tour organizers, as well as explore the various marketing aspects of the case. The presentation will use a case method approach in discussing the marketing strategy employed by Amgen while discussing the potential ramifications for the Tour and the impact on a growing United States cycling trend.