

# Making celebrity endorsements work

By [Gerrie Swart](#)

11 Sep 2006

Celebrity endorsements have become the very foundation of many brands' success, and the relationships between campaigns and celebrities grow ever more complex. The commercialisation of professional sport in South Africa is likely to increase significantly in the run-up to 2010 and beyond, so just how should local businesses choose the right celebrity partner for their marketing campaigns?

Brand managers will need to analyse the components of the public image of the celebrity in the finest detail. For a win-win situation, the essential values and characteristics of the brand and those of the celebrity should fit like a puzzle.

## Lifestyle

Of great importance should be the lifestyle of the celebrity outside his or her domain of fame. Celebrities can devalue a brand through their actions, such as the use of drugs, violent or immoral behaviour, or even the use of foul language in an interview. It is important that people can associate with role model characteristics the celebrity displays beyond their achievements on the field.

Product and service endorsement agreements are most common, but there are a host of technicalities to be considered in any kind of sponsorship. In the case of individual sports like tennis and golf, the brand or logo of the sponsor can be placed on the clothing of the athlete. However, marketers should be sure to take careful note of the regulations which affect sportspersons, especially when it comes to team sports.

International governing bodies, such as the IRB or FIFA, lay down requirements which deal with the image rights of players participating in their events. These requirements must be met when sports players endorse products. The regulations are designed to protect the rights of sponsors who have already aligned themselves with the governing bodies, and who often derive certain rights to the use of images, likenesses and reputations of individual sports stars involved.

## Existing rights

Sports governing bodies will usually sign participation agreements in respect of tournaments they compete in which deal with what will be allowed or disallowed in terms of the commercial exploitation of the players' image rights. One needs to make sure that the endorsement agreement with the celebrity does not infringe on the existing rights of other sponsors, including sponsors of the event, team, stadium, kit or technical equipment. It is important not to tread on the toes of the official partners or licencees of any event.

Businesses are advised to draw up a contract which clearly sets out the rights and obligations of both parties involved in the endorsement agreement. Basic terms, like the duration of the agreement, possible further renewal periods, as well as the celebrity's return for the endorsement - performance bonuses, sponsor benefits and reciprocal indemnities, among others, should be negotiated and agreed on. These aspects are typical in endorsement contracts, while further clauses could include warranties and reciprocal commitments to act in good faith towards one another.

Contract clauses dealing with the potential breach of the agreement by either party, the remedies each party may invoke, as well as the forum before which such potential disputes will be heard, must also be included. A final piece of advice is to include a so-called "moral clause", which could serve as a ground for the sponsor to cancel the agreement with the celebrity in the event of immoral behaviour which could harm the sponsor's brand.

By following these steps, celebrity endorsements are far more likely to be mutually beneficial and enjoyable for both parties.

## ABOUT THE AUTHOR

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