

# **The Role of Sponsorship in The World Elite Sports**

**Case: Gazprom — RusVelo**

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<p>Abstract</p> <p>The research focused on conducting analysis of the role and objectives of sport sponsorship in the professional cycling. The Russian team Gazprom — RusVelo was chosen as the relevant and uncommon case to undertake the research in the field of sport sponsorship. Remarkably, the team's title sponsor was not operating in retail, but in the business-to-business field and increase of sales was not among their objectives in the existing sponsorship project. The goal of the research was to identify the objectives of Gazprom in sponsoring a cycling team and identify how both parties evolve throughout their partnership.</p> <p>The qualitative case-study was chosen as the research approach was to enhance understanding and obtain detailed information about the role of sponsorship in the specific example. The primary data was obtained by using semi-structured interviews with the main stakeholders of the case organization.</p> <p>The empirical findings revealed that the case organization had two major objectives: the promotional and national ones. The team extensively participated in the international competitions, what met the sponsor's marketing and image objectives in Europe, the strategically essential market of Gazprom's business operations. Moreover, the team played a crucial role in Gazprom's corporate social responsibility. It was achieved through the general development of the cycling sport in the country. The uniqueness of the case sponsorship project was in its mono-nationality, all the athletes of the team were Russian. That justified the implementation of the corporate social responsibility strategy of the company, which was majority-owned by the Russian Government. However, it was necessary to consider that such valuable goals bring not only benefits and return on investment, but also challenges, additional responsibilities and risks that were evaluated in the research.</p>		
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# 1 Introduction

## 1.1 Background

In the modern world of elite sports, where international events such as Super Bowl, FIFA World Cup or Olympic Games are not only about the physical competition among strongest athletes, but also about the competition among brands utilizing these events for their marketing purposes, sport sponsorship is a highly relevant topic. Year by year, brands are choosing sport sponsorship as one of their marketing tools and the global sport sponsorship spending is growing rapidly with the prediction to reach \$65.8 billion on sponsorship deals by the end of 2018. (Handley, 2018.) According to Vredenburg and colleagues (2015), the brands and elite sports are highly correlated, which makes the modern sport consumer have a strong association with certain companies with particular kinds of sport events or teams. Sport sponsorship is considered to be an effective tool for companies to promote their brands, build brand awareness and develop their image.

Even though the topic is highly relevant nowadays, the history of the term “sport sponsorship” dates back to the ancient Rome with its gladiatorial games, when athletes were funded by some individuals from the rich upper class — Roman patriarchs in order to increase their popularity among and appreciation by the public (Shannon, 1999). The reasons for such cases of sponsorship were mostly individuals’ preferences and sympathy towards certain athletes. However, in those days it was not considered as a specific separate field. Therefore, sponsoring is an old phenomenon that emerged when artists and philosophers received money and services for their arts. For ancient Greeks, according to Meenaghan (1984), sponsoring was the provision of assistance, either financial or product type in exchange of an activity by a commercial organization for the purpose of achieving commercial objectives. The types of sponsoring are now different, but the idea of investing in someone and receiving something back remains the same. (Skinner & Rukavina, 2003.)

Skinner and Rukavina (2003) define that the modern form of sport sponsorship emerged between the 1910s and 1970s. During this period, organizations started to sponsor certain golf and motor competitions. The first companies that started

funding sports teams and events were mostly from the tobacco, alcohol and motor industries. In those days, companies likewise in a modern society were searching for a new way to develop a reputation and increase sales. Sport sponsorship met these needs.

With the rise of the television programs and broadcasts of elite sport competitions, sport sponsorship became more than funding an athlete with a motivation of personal sympathy. Following the realization of commercial objectives, it became more marketing oriented and was perceived as an investment-based activity rather than philanthropic one. (ibid., 2003.).

The case chosen for this research comes from the professional cycling sport. The cycling sport itself has its vast audience of viewers and fans, with the main annual competitions featuring three weeks of racing with more than 100 hours of live coverage in 130 countries and an audience reaching up to an average of 1,3 million daily (Eurosport Media Centre, 2017). However, what has attracted the author's attention most was that both cycling teams and races are highly dependent on sponsors.

## 1.2 Organization Information

Gazprom is a Public Joint Stock Company, which was found in 1989 and is one of the largest Russian companies and the world's largest oil producer. The company sales natural gas, which involves the processes of extraction, production and transportation. The majority of the company is owned by the Russian Government.

The only professional Russian cycling team Gazprom — RusVelo was chosen to be studied for this research. The team RusVelo was founded in 2011 and in 2012 it started to compete in the international contests. Over the years, the management of RusVelo understood that in order to remain on the professional continental level and develop further, one major strategic partner was needed instead of a number of partners with low investments. At the same time, the Russian company Gazprom was looking for a new effective marketing channel oriented towards Europe. RusVelo, which was already competing at the professional level and participating in several prestigious European races during the season, made a beneficial offer to Gazprom to become a title sponsor. The partnership began in the beginning of 2016 when the

cycling team got its new name Gazprom – RusVelo and an annual 5€ million budget. At the end of 2016, the sponsorship contract was renewed until 2020 inclusively. The extended long-term agreement with the cycling team gives athletes the opportunity to systematically prepare for the upcoming international competitions and the Olympic Games in 2020.

The case with the Russian cycling team Gazprom — RusVelo is indeed curious to analyze, as the project consists not only of the road cycling team, but it also supports the development team of riders under 23 years old and track riders, who are rarely competing in commercial contests representing the team itself, instead the athletes are focused on achieving results at the European and World Championships representing the national Russian team. On the contrary, the road cycling team competes in European races representing the title sponsor almost every week during the season — from February to the middle of October. Most of the races are broadcasted on TV, which makes it possible to satisfy the major sponsors' needs in the professional cycling. According to Nufer and Bühler (2010), by sponsoring a sport property with worldwide exposure, sponsors expect to reach a multinational audience and to strengthen brand equity in multiple countries at a time.

### 1.3 Motivation

The field of Sport Business has been an area of the author's interest from the beginning of his Bachelor's program. The author of this thesis has been working in professional cycling since the beginning of 2017 and sport sponsorship was chosen to be the topic of the Bachelor's thesis in order to share his experience and try to gain more theoretical knowledge in the field of sport sponsorship.

Foremost, the motivation to write this thesis arose from the author's deep interest and dedication to the team. Secondly, the incentive for conducting the research was to provide the stakeholders of Gazprom — RusVelo with relevant information about the sponsorship project. Moreover, the author was interested in this particular team in order to determine the role and motives of one of the largest Russian companies Gazprom with an approximate annual net profit of 334 billion rubles equivalent for 4,5 billion euro. In other words, why did the company choose to become the title

sponsor of the cycling team and why the professional cycling sport attracted their attention. In addition to that, the field of sport sponsorship in Russia is still not fully studied and there is only very little academic research on it. Therefore, it was an additional motivation for the author to conduct a unique study on a specific case, which had previously not been researched in Russia.

Conclusively, the author's perception of cycling sport has significantly changed over the last three years. After the beginning of the internship in the case organization the author of this thesis has concluded that even though cycling sport cannot be compared with football or baseball, in terms of fan base, it still has reasons to attract global companies to sponsor the teams and the races. Therefore, the author decided to immerse in the topic and explain the phenomenon in an academic work.

#### 1.4 Research Questions

The research problem is to analyze and understand the phenomenon of sport sponsorship in professional cycling through the chosen case organization Gazprom — RusVelo. For this matter it is needed to identify the role of sponsorship in the world elite sports; to collect and analyze diverse opinions from the representatives of team's stakeholders; define the changes and challenges which occurred in the team after the world-known company became its title sponsor; to identify the value that the sports team would bring to the sponsor. Finally, the idea was to increase the readers' understanding of reasons why professional cycling is commercially attractive to sponsors and to find out which objectives apart from the marketing ones are followed in the case organization. Based on the research problem, the author created a list of research questions, which were answered in this thesis work. They are the following ones:

- 1) What are Gazprom's objectives in sponsoring a cycling team?
- 2) How ROI is evaluated in the case sponsorship project?
- 3) What are the consequences/effects on the cycling team after getting a world-known company as a title sponsor?

Based on the research problem and questions of the study, which were carefully established, the author of this study created a thesis plan, which included scheduling, literature review, the methodology for the research and launched interviews.

## 1.5 Structure of the Thesis

The thesis begins with an introduction to the topic of sport sponsorship and the case company. In the author's view, it is important to give a detailed overview of the case: the team itself and its title sponsor, which entered the professional cycling sport with the stated sponsorship project. The second Chapter enables to shape the understanding of the main objectives and presents the theoretical background on the main topic including return on investment for sponsors, sponsorship in professional cycling in general and particularly in Russia. It is followed by the third chapter which gives a detailed explanation of the chosen research approach, methods applied, tools for analysis and collection of data. The two following chapters present the research outcomes and answers to the main research questions through interview analysis. In the last chapter, the author critically evaluates the research, provides suggestions for further studies and identify the validation of the research.

## 2 Theoretical Background

### 2.1 Sport sponsorship

Hardy, Mullin and Sutton (2007) define sponsorship as the acquisition of rights to the affiliate or directly associate with a product or event in order to receive benefits related to that affiliation or association. The global interest along with spendings on sponsorship projects are constantly growing, as evidenced by the annual IEG report on sponsorship spending review and forecast. According to the latest research, the world's largest sponsorship market peaked in 2018 by increasing spending by 4,5% in comparison with a previous year and comprises 65.8 billion dollars in total. It is truly remarkable how sponsorship budgets increased from 55.3 billion dollars in 2014 by almost 8% up to this year. (IEG, 2018.)

The main reason for companies' interest in becoming sponsors in elite sports is that sport itself has grown to be an enormous worldwide industry (Westerbeek & Smith, 2003). For instance, the research of Harper and colleagues (2014) states that 70% of the adult population in the USA, which was equivalent to 168 million people in 2014 claimed to follow sports. With no doubt, that is an enormous audience consisting of various target groups that can be reached by brands through sponsorship projects.

Cornwell and colleagues (2005) shortly classify the possible outcomes for companies involved in sponsorships into three categories. The first outcomes are cognitive and include brand awareness and image development. The second category is the growth of loyalty and improvement of consumers' attitudes towards and associations with the sponsor, which are believed to be the main effective results. Finally, the behavioral outcomes lay in the improvement of the consumers' purchasing intentions. The above outcomes represent the key objectives of sponsorship projects.

However, in terms of return on investment and turning sponsor's money spent into money earned, buying the sponsorship rights is only the tip of an iceberg. Activation of sponsorship rights is highly significant for sponsors in order to reach their objectives. The Detroit Regional Chamber defines sponsorship activation as "the money a sponsor invests, in addition to the sponsorship rights fee, to enhance their presence and attendee experience at events." According to O'Keefe and Titlebaum (2009), the secret does not lie in the sponsorship rights themselves but in the way, companies activate those rights in order to meet their marketing objectives.

In order to implement the activation successfully, the additional investment is generated. O'Reilly and Foster (2008) state that normally, activation is referred to a ratio of the additional investment to the cost of the rights fees, and that it ranges from 1:1 to 8:1, depending on the sponsor's marketing objectives and financial possibilities.

On the other hand, other experts evaluate sponsorship as a strategic tool rather than a marketing communication instrument for advertising in particular. Despite the fact that sponsorship and advertising possess several common objectives such as to increase brand awareness and reach the target audience, there are some essential differences to take into consideration. (Roy, 2005.) First of all, Walliser (2003) argues

that advertising is more direct and can be controlled, whereas sponsorship has a higher risk due to the lack of complete control over the sponsee's actions. Secondly, a difference in audience reaction can be seen between these both tools. Sponsorship itself is the most probable activity to be appreciated, but the target audience may be more skeptical towards the practice of advertising (McDonald, 1991). Finally, Parker (1991) claims that sponsorship enables reaching a larger scope of the audience with the help of cross-border broadcasting than traditional advertising.

The above distinction can also be seen in the different objectives of sponsorship and advertising. The traditional advertising objectives, according to Kotler (2014) are to inform, remind or reinforce. On the other hand, Vredenburg and colleagues (2015) states that sponsorship objectives are to increase brand awareness, build brand image and strengthen the customers' association of the sponsoring company's brand with the sponsored event, team or athlete. Furthermore, whereas companies usually expect short-term results from advertising, sponsorship is seen as a long-term investment.

In order to avoid the readers' misunderstanding the author wants to explain the further frequently used definitions in this thesis. Sponsee, as defined by Optimy (2017) is a legal entity that receives financing from another organization, which in turn achieves awareness, visibility or other measurable commercial benefits, and sponsor is an individual or an organization, which financially supports an individual, event or an organization — sponsee.

## 2.2 ROI for sponsors

As sport sponsorship means a financial investment in an individual, organization or event, companies before entering into a sponsorship project evaluate the return on investment (ROI, hereafter), which they are set to achieve with the project. Jacobs and colleagues (2014) state that after articulating a clear sponsorship strategy companies should prepare a ROI program, which includes five metrics to measure the performance of sponsorship investments. First comes, cost per reach — the evaluation of cost per one individual who personally or through media channels get acquainted with the sponsorship project.

The second metric is unaided awareness per reach meaning the percentage of increased awareness from the acquisition of sponsorship rights. This metric is highly important as it demonstrates a possibility to shift the resources from only acquisition of sponsorship rights, which as stated earlier is not the key to meeting sponsor's objectives, to brand activation. In other words, this metric might help to understand the sponsor's low- and high-performing properties and affect the allocation of resources. With no doubt, the sponsor is interested in effectiveness of the sponsorship projects and is more probably to shift its resources from low-performing properties to increase the activation in its standout sponsorships.

The sales/margin per dollar spent is the third metric for measuring the ROI. That is one of the most challenging metrics, as it aims to link sales gained from sponsorship. Two approaches are used to help receiving more relevant data. The first approach is conducting consumer surveys, which results are further integrated and analyzed with the help of key qualitative marketing measures in the company's short- and long-term sales. The Second approach is based on econometrics and is in establishing connections between sponsorship and sales by isolating the impact of sponsorship project from other marketing activities.

The last two metrics are in the researcher's opinion most relevant for this case study. The fourth metric "long-term brand attributes" demonstrates which brand's attributes have developed through the sponsorship project. It can be analyzed through a qualitative assessment or surveys. By using this metric companies can identify which sponsorship properties are positively affecting the brand image and identity.

Any of the stated-above surveys or qualitative assessments should consider the indirect benefits, which a company gets from an existing sponsorship. Often the objectives of entering into a sponsorship project are not only an increase in sales, but also in impact to other dimensions, such as: development of a brand image; formation of certain associations between the sponsor's company and the sponsee's sport or sport values in general; building stronger connections with the main sponsor's shareholders by providing them with access to hosted sponsored events, which can also be seen as indirect sales.

Jacobs and colleagues (2014) state that even though sponsorships are more commonly integrated into companies' strategies, still many of the sponsors are facing difficulties in identifying the value sponsorship projects bring. In addition to that, even though professional cycling is a highly commercial sport in terms of sponsors' involvement who are seeking to receive the ROI, some of the sponsors perceive sport sponsorship as an implementation of company's corporate social responsibility strategy.

### 2.3 Corporate social responsibility

According to Wan-Jan (2006), corporate social responsibility (CSR, hereafter) has various definitions, but generally it can be explained as the actions which companies take in favor of their stakeholders. Socially responsible companies allocate a part of their profit to generate a positive impact on the society they operate in. Those actions have a voluntary origin accompanied by ethical principles of contribution to the improvement of the quality of life. In some cases, companies choose sport sponsorship as one of the aspects of their CSR. Often that means the financial support of an athlete, team or an event with an ethical goal of its development.

### 2.4 Sponsorship in professional cycling

From emergency of professional cycling as a sport, emerged an interest from commercial companies being involved in it by sponsoring teams or competitions. Vaughters (2017) states that professional cycling offers better quantitative global marketing metrics, such as impressions, views and audience reach per each dollar spent than other forms of promotion inside or outside of sports. According to Plunkett (2010), the TV advertisements during the commercial breaks purchased by brands is skipped by 86% of the viewers. On the contrary, it can be hardly imagined that viewers are to ignore the sponsors during a broadcast, as they are presented on the cyclists' clothing, bicycles themselves and other equipment, road banners (in case the promotion space was bought by sponsors for the activation purposes) and also the broadcast commentators announce sponsors' by presenting the information about the teams and its athletes, as the teams' names include the names of the title sponsors.

The first companies to understand the benefits of professional cycling to their brands were the sports newspapers and bicycle manufacturer companies, which organized to first officially recorded road races. Both parties considered cycling competitions on the public roads as a great tool to increase sales. Firstly, by demonstrating bicycles covering long distances in various weather conditions. Secondly, as the spectators were able to watch a road race only a few minutes from one place on the roadside, where the race route was passing, the cycling fans demanded more information about the race results, competitors and photos. What differentiates the road cycling from other sports, is that fans are not required to pay for tickets to follow the race, as they are held on the public roads. However, to be aware of the race process and news, cycling fans were counting on the media, because they only saw riders passing by or finishing the race. As a result, the sport newspapers provided great coverage of races and were able to increase their circulation with an emergence of a new audience, who was highly interested in cycling races.

For instance, in 1909 with an aim of increasing sales, the Italian sport newspaper — La Gazzeta dello Sport organized the cycling contest — Giro d'Italia (Bill McGann, 2011). Four years later in 1913 La Gazzeta dello Sport went from a thrice-monthly to a daily circulated newspaper. That is important to mention, that today the race not only still exists, but is one of the three most prestigious cycling events in the world. A century later, in 2018 this particular race has reached a number of 64 partners and sponsors and according to the RCS Sport Cycling Press Office, Giro d'Italia broke a broadcast record of being distributed to 198 countries with 4,5 hours of live coverage per day. That explains what makes an Italian race highly attractive for sponsors.

On the other hand, stated above was an example of a race, cycling competition, however, cycling teams themselves are the other side of the medal which are also highly attractive for sponsors. This research focused on the analysis of sponsorship of the only Russian cycling team on the professional level — Gazprom — RusVelo.

## 2.5 Professional cycling in Russia

The elite sports in Russia are in great focus from the government, the achievements in the world arena are one of the goals, why then in professional cycling the Russian

Federation is presented only by one team? In general, that can be explained by three factors: infrastructure, climate and mentality.

Italy, France and Spain are the three countries where professional cycling plays a significant role and is highly admired, both amateur and professional contests are held at least once a week throughout the whole year — the climate with a short winter period predisposes to this. In addition to the stated above countries, the Netherlands and Belgium are also considered as bicycle-friendly countries (Harms & Kansen, 2018), as they have a decent infrastructure with good quality roads and a plenty of bicycle parking places. That explains why a great number of citizens use bicycles as everyday transport, nevertheless these countries do not lack amateur or professional competitions. How then the third factor — mentality affects the popularity of cycling? As the races are organized weekly in different places of stated above countries and are always not only about the sport itself, but also about the leisure and social activity for the local audience, friends and families of those who participates in the contest — people are highly aware of the cycling sport and have a positive perception of it. They are glad and welcoming when competitions happen to be passing over their home regions/towns. Europeans associate cycling contests with celebrations, and it can be stated that those races are integrated into their culture.

On the contrary, speaking about Russia in the context of these three dimensions, it has several noticeable differences to take into consideration. Only few regions in Russia have favorable climatic conditions for cycling. Another aspect is the public roads: since Russia is on the 123rd place in the global rating of the quality of roads (The Global Competitiveness Report, 2016-2017), they might be unsuitable and quite challenging for cycling sport. The climate and infrastructure result in few races, which are organized during the year, which are not enough to build an image and make cycling a part of life of Russian citizens. Furthermore, those existing contests often cause negative reactions, as some of the roads are blocked and the public is not used to cycling culture. Those above-mentioned factors provide an explanation for the existence of only one professional Russian cycling team.

### 3 Methodology

#### 3.1 Research Method Selection

Cresewell (2000) underlines the importance of determining the research approach to the research at the very beginning of the process and distinguishes between two main approaches, namely, the qualitative and quantitative approaches. The purpose of the study was to enhance understanding and obtain detailed information about sponsorship in the specific example. Therefore, the present study tended to be qualitative by nature and met its general conditions.

First of all, the researcher is the key instrument in the current study. The data were collected in the direct participant's setting providing a deep understanding and individual interpretation of meanings through observation and interview. What is more, a qualitative researcher obtained data in the field where participants have experience and own interpretations. Specifically, the interviewees were the experts in the field of sport sponsorship with years of experience. (ibid., 33-37.) The researcher keeps a focus on understanding the meaning that the participants hold about the problem or issue.

Another important aspect in favor of qualitative research is that data were based on meanings formed by words and not by numbers, meaning that the data were qualitative and resulted in non-standardised data. Thus, it focused not on statistical and numerical data, but on explanation and understanding of empirical data. (Saunders, Lewis and Thornhil, 2009.)

Veal and Darcy (2014) identify three purposes of the qualitative research which are accurate description of the characteristics of the phenomenon, explanation and test of relationships between variables, and evaluation of the effectiveness of a single policy. Owing to this notion, the present study was explanatory since it tested the existing theory and described the characteristics of the phenomenon. The author collected qualitative data by using interviews to explain the reasons for this relationship and gain a clear view of it.

### 3.2 Research Design

Since the objective of this study was to examine the relationship of a particular sponsor and a cycling team, the case study strategy was considered to be the most appropriate method for this research. Gerring (2007) defines the case study as an empirical examination used to observe a phenomenon or unit at a time or over a certain period. A case study enables the researcher to gain a deep understanding of the research and the processes involved (Morris & Wood 1991). It can be either single or multiple: a single case focuses on a unique case, while a multiple case study establishes whether the findings of one case appear in other cases (Yin 2014).

This current case study was single, since the author had an opportunity to observe and analyze a phenomenon in the actual case organization (ibid., 2014). The units of analysis were the cycling team and its title sponsor. The author has been working in the case organization and acted as a part of the whole process. Based on the classifications provided by Veal and Darcy (2014), the case research was pragmatic, because the author had a ready access to the internal data of the organization. It gave him an opportunity to form a rich understanding of the research context through empirical observations and interviews with relevant experts, and further apply these findings to the present study. Furthermore, a case study as a research method required the triangulation of multiple sources of data to broaden the research topic and verify the accuracy of its findings, which was successfully achieved by the author.

### 3.3 Data Collection Method

Data have two main forms depending on its closeness to the research topic. Veal and Darcy (2014) uses the term secondary data to refer to data that have been originally interpreted and recorded for another primary purpose, while primary data collected exclusively for the research in question. In order to meet the objectives of the thesis, firstly the researcher conducted secondary data and primary data. Polonsky and Waller (2011) state that secondary data is helpful in establishing answers to some research questions, and it is more cost-effective to study the secondary data before collecting the primary data.

The author employed various sources of secondary data to achieve a complete understanding and confirm the validity and reliability of the research. In the first place, the academic publications such as general sport studies books were used as the most relevant sources of information to formulate the theoretical background and familiarize the with the topic. In order to reach the critical view on the sport sponsorship, to show different interpretations and establish own opinion on the current topic, the author worked with library catalogues in a form of journal articles and studies in the field. Lastly, survey-based data in the form of specialist indexes and databases in the field of sport sponsorship were interpreted by the author in order to clearly acknowledge the increasing interest in sport sponsorship over decades. The secondary data was beneficial for a critically analysis of the research and interview questions.

Saunders, Lewis and Thornhil (2014, 258) recommend if the availability of relevant secondary data is limited, the best option is to rely mainly on data collected by yourself. Since the secondary data regarding the sport sponsorship did not address the fundamental research questions completely, the researcher personally collected the primary data using one of the main collection tools – interviews. Interviews are the most common tool of data collection in case study research (Veal and Darcy 2014). All three interview frameworks were chosen to be semi-structured consisting of pre-arranged but flexible questions reflecting the research objectives, which enable to provide more tentative answers. The questions in the interviews were established based on the research objectives and theoretical background reported in the Chapter 2. In addition to the general checklist of topics with formal open-ended questions, the researcher asked follow-up questions to reveal the topic more deeply and help interviewees to express openly with more insights and ideas.

The main aim of the research was to analyze the role of sport sponsorship by answering three main research questions regarding Sponsor's objectives, evaluation of ROI and effects of sponsorship on the cycling team. In order to meet the objectives, the significant step was to identify the relevant interviewees. The selection criteria for the candidates was their experience in the field of cycling sport, knowledge, applicable skills and established an opinion on sports sponsorship. Insofar the researcher is the part of the cycling team, who had the ability and resources to gain access to the

interviewees. In-depth interviews allowed the researcher to conduct valuable personalized information on the topic with a small number of participants.

The best candidate to cover the objectives of sponsorship project was the representative of the title sponsor itself. In the specific case, the researcher conducted the interview with Sergey Kuprianov, Press Secretary to the Chairman of the Management Committee and the Deputy Head of Department at Gazprom. The interviewer got deeper answers about the reasons and motives behind the sponsorship, the expectations of ROI and perception of current relationships with the cycling team. The interview framework with the main themes and supportive questions can be found in *Appendix 1*.

To get the opinion regarding the subsequent changes of getting Gazprom as a title sponsor, its advantages and evaluation of work, General Manager of Gazprom — RusVelo, Renat Khamidulin, was selected for the interview. Renat Khamidulin is the experienced supervisor of the team who has been managing the team before Gazprom became the title sponsor. Consequently, he is the most appropriate candidate to evaluate fundamental changes, new challenges, ROI and form the opinion on the title sponsor. The interview agenda covering main objectives and further supplementary questions is attached in *Appendix 2*.

The author of this thesis additionally decided to conduct an interview with a third-party representative – Stefan Flessner, Managing Director of the PR agency specializing in the professional cycling sport FlessnerSchmitz. The PR agency FlessnerSchmitz has been responsible for the activation of the sponsorship rights of the team in the target region of Germany in the years 2018 and 2019. That is why the agency's representative provided the independent opinion on the existing relationships between cycling team and its title sponsor. Moreover, the interviewee enabled to reach the overall understanding of the phenomenon of sport sponsorship in cycling sport and got the fundamental picture of current and possible future trends. All interview questions were prepared beforehand and sent to interviewee via email, the framework can be found in *Appendix 3*.

The main language for the interviews was Russian since two out of three interviewees were native Russian speakers. The concluding interview was conducted with the

third-party representative expert in cycling sport in English, as English is the main working language of the person.

Each interview was conducted in different ways: as a personal face-to-face conversation with Renat Khamidulin, General Manager of Gazprom — RusVelo; through the phone-call conversation with Sergey Kuprianov, Press Secretary to the Chairman of the Management Committee and the Deputy Head of Department at Gazprom and via e-mail with Stefan Flessner, Managing Director of the PR agency FlessnerSchmitz.

### 3.4 Data Analysis Method

Kothari (2009) defines two essential research approaches to data collection and analysis: deduction and induction. Deductive research starts with an established hypothesis and theory, and then its implications on the data. In other words, the researcher moves from a more general level to a more particular case. Inductive research, on the other hand, begins with the data collection specified for study. Therefore, the data is analyzed, and this then enables to build upon the theory, in other words, draw general conclusions derived from particular cases. (20-21.)

The main objective of the study was to evaluate the role of sponsorship from three perspectives by conducting interviews with the sponsor, sponsee and third-party expert connecting both parties. Thus, the interviewer primarily collected data, analyzed further relevant patterns and developed theory by moving from those particular experiences and opinions to more general propositions. Owing to this notion, inductive research was chosen as the primary research approach. Moreover, another characteristic of inductive research is that the author acts as a part of the process. Since the author was the interviewer and worked in the case organization, this condition was totally met. (Veal and Darcy, 2014).

The interviews were recorded and verbatim transcribed, which was time-consuming and took around four hours to transcribe and translate a thirty-minute audio-record. In order to have an accurate and trustworthy data, the interviewer checked carefully all transcripts several times and provided all interviewees with the transcripts for their approvals. The qualitative data were analyzed using a word processor such as a

Microsoft Word. Afterward, the author produced data cleaning by selecting only relevant information, which met the objectives of the thesis.

Further data analysis focused on finding the references, which answered to the key research questions. The interview questions were prepared and grouped beforehand based on the research objectives in a way to get the precise answer from the relevant interviewee. Therefore, three research objectives were achieved respectively from each interview.

Next, the author used a method of summarizing data. *Sunders, Lewis and Thornhill (2014, 490)* describe three main types of qualitative analysis processes which are summarizing, categorization and structuring of meanings using narrative. With the help of produced a transcript, the author produced a summary of the key points that appear in the interviews. The summary compacts long statements into briefer accurate statements, where the essential point of what has been said or observed is rephrased in a few words (*Kvale, 2006*). Through the summarizing of the interviewees' responses, the author enhanced his general understanding and overview of sponsorship's role in the case company and the elite sports as a whole.

## **4 Research results**

### **4.1 Sponsor's objectives in sponsoring a cycling team**

The role of sponsors in professional cycling sport is essential for the existence of this sport in general: "Professional cycling teams depend financially on their key sponsors. In contrast to many other global pro sports, cycling teams have no other significant streams of income. No TV revenues, no merchandising revenues, no revenues from rider transfers, no revenues from entry fees" — *Stefan Flessner, Managing Director of the PR agency FlessnerSchmitz.*

Apart from the common objectives which sponsors set when entering into sponsorship projects, such as logo placement and increase of brand awareness, sponsorship projects also may allow to engage with the target audience and achieve an increase in sales: "It's easy for sponsors with roots in the bike industry, like bike manufacturers or bike clothing, accessories' brands. They activate their heroes — team members and will turn their engagement immediately into sales. But this also works for brands outside the bike-universe, because the team fans will immediately adapt to "their" name-

sponsor. And the more the sponsor activates its engagement with fans, the more valuable this fan effect will become” — Stefan Flessner.

In addition to the traditional ways of engagement with the target audience, cycling sport provides an opportunity to establish highly beneficial relationships with your potential business partners and to intensify the existing ones, which in result may drive sales: “For companies, who seek to intensify business contacts and sales leads, cycling is one of the few sports that offer great relationship tools. Besides high-class hospitality offers at the most important sport events worldwide, customers can ride side-by-side with a professional athlete on the same bike with the exact same outfit. Try that in Formula 1 or with a Champions-League-club. It’s a money-can’t-buy-experience for business people that makes a sponsor unique” — adds Stefan Flessner.

From the point of the team’s General Manager, Renat Khamidulin, view Gazprom has two main objectives in the sponsorship of the case organization: “We are balancing on the two main goals: national and image one. So, on the one hand the goal of sponsorship is to support the preparation of the Russian riders for the Olympic Games in Tokyo 2020 in order to bring the medals for the national team and that requires a long-term process of development of the young riders into professional. On the other hand, the team competes almost every week in the international races, which are broadcasted on TV and that satisfies the goal of our sponsor to increase brand awareness and improve the image of the company through sports. For already two years the team and the sponsor representatives are working with a PR agency, which is responsible for the activation of sponsorship rights in Germany. The German region has a strategic importance for our title sponsor and therefore the activation of sponsorship rights is mostly concentrated in Germany. Each year our team strives to compete in every professional race in Germany and to implement several marketing activities at the German races in order to connect and build relationships with the German audience. Apparently, the team successfully implements the goal of development of the sponsor’s image and increase of the brand awareness in Europe. Speaking about the national objective, the team representatives brought three Olympic medals in 2016 for the Russian national team and I hope we will repeat and hopefully improve it at the upcoming Olympic Games in Tokyo 2020” — Renat Khamidulin, General Manager of Gazprom — RusVelo.

Sergey Kuprianov, Press Secretary to the Chairman of the Management Committee and the Deputy Head of Department at Gazprom states the European region is highly significant for company’s sales and Gazprom estimated sponsorship project of a cycling team as one of the ways to accomplish its marketing and image goals: “Gazprom signed the sponsorship contract with the cycling team RusVelo in order to improve marketing strategy in Europe. The European market is highly essential for our business and we have been working with European countries already for 50 years. We are certain that import of the Russian gas will increase in the nearest future. Therefore, we were analyzing the marketing opportunities and professional cycling team met our

objectives, as the team is constantly competing in international races throughout almost the whole year. The increase of our brand awareness and improvement of image are the key objectives, which can be achieved through cycling sport in a long-term presence. In comparison with our sponsorship projects in football, cycling sport is less capital intensive, but still very popular among broad audience, which can be considered as our target audience as well". In addition to the marketing and image objectives of the case sponsorship project, Gazprom is also a corporately socially responsible company and sponsoring the Russian cycling team is one of the ways to implement the CSR strategy by achieving the development of the sport in the country: "Moreover, apart from the image goals, Gazprom is a socially responsible company and support of the Russian sport is among our values. Through sponsoring the Russian cycling team, we support the cycling sport in the country in general. Gazprom — RusVelo has its development team, which consists of young athletes under 23 years old. For the most talented athletes, who achieve good results and have potential to improve, this development team in the starting point of their professional career at the elite level" — adds Sergey Kuprianov.

## 4.2 Evaluation of ROI in sponsorship project

As the sponsorship project Gazprom — RusVelo was not created in order to improve company's sales and traditional assessment of ROI is not relevant in the case organization, the effectiveness of this project is assessed from the qualitative point of view: "Speaking about the effectiveness of the project Gazprom — RusVelo and measurement of ROI, we need to take into account the fact that Gazprom is not operating in retail, but in business-to-business field and in some cases decisions on agreements are highly politicized. That is why, it is quite complicated to quantitatively estimate the ROI of this project, however we can analyze the effectiveness from the qualitative point of view. At a relatively low investment, in comparison with football, we receive a great audience reach, which differs from football ones, we increase our brand awareness among new target groups. Overall, we are satisfied with this project, we like the way our brand is represented. The team occupies an interesting niche in cycling sport, as it is a mono-national project with riders representing one country. That is not often met in the elite sport and is the uniqueness of the project, which enhances additional attention. In addition to that, it is not solely a promotional project, we have many projects in Russia, which are complicated to measure in terms of the advertising returns, and which are supported by Gazprom for social responsibility reasons. In the sense of CSR, Gazprom — RusVelo plays an essential role, as the

existence of such a team contributes to the promotion of cycling sport in Russia and motivates young athletes in this discipline” — Sergey Kuprianov, Press Secretary to the Chairman of the Management Committee and the Deputy Head of Department at Gazprom.

The victories and medals from the international competitions achieved by the team members for the national Russian team are estimated as the metric to assess the effectiveness of the project: “Even though at some international competitions our athletes cannot represent the sponsor’s branding while competing for the Russian national team, we are aware that these athletes received our support and that is also an important element of the work we are doing. That is why, the victories and medals at European, World Championships and Olympic Games can be classified as one of the metrics for measuring the ROI of the project Gazprom — RusVelo and its role in the Russian elite sports” — Sergey Kuprianov.

Renat Khamidulin, General Manager of Gazprom — RusVelo positively measures the ROI for the sponsor: “Gazprom is building the brand loyalty and improves company’s image through sponsoring the cycling team. I am certain that the investments pay off and meet the objectives. Firstly, the Russian audience is aware that Gazprom supports the cycling team and is in charge of development of Russian athletes, who will be representing the national team in the Olympics 2020 in Tokyo. Secondly, the amount of attention and visibility, which our sponsor receives from the extensive TV and media coverage from all the races we participate in, is certainly more than the investment made in the team. If we combine these two characteristics: the medals for the Russian national team from European, World Championships and Olympic Games and the visibility of the professional team in the European races, we will see that the sponsor’s money is efficiently used and brings a great return on investment”.

When it comes to the specific metrics to measure the ROI and evaluate the value, which the team generate for its title sponsor, the case organization contacts the sports intelligence agencies, which are specializing on such analysis. Renat Khamidulin explains how it works: “The visibility generated for the sponsor through the TV broadcasts of the cycling competitions throughout the season justifies it. These data can be accurately measured by the sports intelligence agencies, which will provide

you all the required data about the requested competition, which was broadcasted on the TV. Generally speaking, you compare the price for the 30-second advertisement on the sports TV channel, with the amount of time your team members were active in the race and were extensively demonstrated during the broadcast. For example, at the most prestigious Italian race — Giro d'Italia, which lasts for 21 days some of our riders were in the leading group of four-six competitors in the breakaway for 16 days. This race is broadcasted at Eurosport for two-four hours each racing day. The breakaway group of riders is widely presented in the TV live coverage, as those athletes are the leaders of the race. Even though these athletes rarely make it to the finish first and fight for the victory, as most of the times they are chased by the peloton — the main group of the remaining 150-170 riders. However, they generate extensive visibility to the team and its sponsors”.

“In 2017 our team received more than 370 hours of visibility during Giro d'Italia, according to the report produced by Nielsen Sports Company. The half of the annual team's sponsor budget of 5€ recompensed from this race. Therefore, I am certain that the sponsor's investment completely pays off in terms of the brand positioning and increase of brand awareness through live coverage of the cycling races, in which we actively participate throughout the season” — adds Renat Khamidulin.

### 4.3 Effects on the team after getting the title sponsor

Professional cycling sport enables sponsor companies to improve their image and brand perception: “The brand awareness is established on a very high level, the team supports this awareness by its constant, all year long presence in media and TV around the world. On top, the team operates in a positive-associated environment. It represents a young, modern, ambitious Russia which adds to a young, modern, ambitious perception of the Gazprom brand. Since the team works completely outside a Gazprom business-context, this brand perception is even more valuable. The general public experiences Gazprom in an environment they like because it is their hobby. And, through the team Gazprom becomes an active part of this passion” — explains Stefan Flessner, Managing Director of the PR agency FlessnerSchmitz.

Renat Khamidulin, General Manager of the team states that the level of races in which the team competes has notably changed: “The first thing which definitely changed — the level of competitions we started to participate in. There are various categories of cycling races, starting from amateur ones and rising from 1.2 category to HC and WT ones — the highest level of cycling competitions. From the beginning of collaboration with Gazprom, we started to compete more in HC and WT races. I would say that it was not clearly the sponsor’s initiative and not our obligation to compete in more difficult and prestigious races, but we understood it by ourselves and started to connect with the organizers of the world-known cycling competitions. It is not only important for the development of the team riders, because the level of competition is significantly higher and in order to improve you need to compete with the strongest once, but it is also beneficial for our title sponsor, which receives something back, brand awareness and logo positioning through the TV broadcasts”.

The new department in the team’s management was incepted: “Secondly, we understood that we cannot continue our work in terms of marketing and communications in the way it was before Gazprom became the title sponsor. Therefore, marketing and communications department was incepted, and several specialists were hired to work in this field more professionally. The first thing was that we have produced a decent professional looking web-site, which was constantly filled with the up-to-date news and information about the team. At the moment, we have agreements with the photo agencies which produce professional photos at the cycling competitions, we have a PR Manager, who constantly follows the team and is responsible for media collaborations and our social media network channels. Moreover, each year we produce video content, which we later on promote on the Russian sports TV and our YouTube channel” — Renat Khamidulin.

The most crucial target region for the promotion of the team and its sponsor has been established: “Honestly speaking, I personally got acquainted with the definition of the term “activation of sponsorship rights”. For already two years the team and the sponsor representatives are working with a PR agency, which is responsible for the activation of sponsorship rights in Germany, because it is one of the most significant countries for Gazprom’s business. Therefore, each year our team strives to

compete in every professional race in Germany and to implement several marketing activities at the races in order to connect and build relationships with the German audience” — Renat Khamidulin.

Apart from the title sponsor Gazprom — RusVelo has ten technical sponsors, some of them have been supporting the team before Gazprom became team’s sponsor. The beginning of collaboration with Gazprom has affected existing relationships with the technical sponsors: “I would say that when such a global and well-known company as Gazprom becomes your main sponsor it automatically activates existing partners. It definitely has improved our relationships with other partners, as they feel more secure and expect that the team to compete at the more prestigious races. Gazprom, with its global presence in sport sponsorship, especially in football is a highly recognized brand of sponsors in the elite sport in Europe. Therefore, the four-year agreement with Gazprom was kind of a guarantee for our technical sponsors, which were more eager to continue our partnership and felt like they were in the same list with such a successful company. I assume it was kind of a feeling of joining the “Gazprom sports family” — Renat Khamidulin.

Moreover, the author of the study identified the challenges and risks which arise when a sports club or team gets a world-known company as a title sponsor: “The team attracts a huge amount of attention in the modern world of media and we feel our responsibility when it comes to the sponsor’s image and reputation, which we in no circumstances should harm, but develop only. Our riders are competing in the blue highly recognizable jerseys, team’s cars and vehicles which follow the races are also covered in the branded design. I would say that everyone in the team is know more accurate and serious about our outlook. we have a guideline about usage of the sponsor’s brand logo and we always confirm each piece of apparel or equipment with our sponsor in order to have everything in one style. I personally feel that it added us more professionalism and responsibility and by the way in cycling sport your outlook is important, it tells a lot about your personality and approach to business/sport. In addition to that, the athletes and team staff got more responsible and careful with the usage of social media channels. Everyone now is aware that he is representing the title sponsor not only at the competitions, but also in their everyday

life. To sum up, I would say that this was in some meaning a challenge in the beginning, but in the end, it became a common sense and congenially affected our development” — Renat Khamidulin.

## 5 Conclusions

The aim of this research was to provide an understanding of the phenomenon of sport sponsorship through the chosen case organization Gazprom — RusVelo. The author of this thesis identified three main research questions, which were the core for implementation of this study. The author intention was to find out:

- 1) what are Gazprom’s objectives in sponsoring a cycling team;
- 2) how ROI is evaluated in the sponsorship project;
- 3) what are the consequences/effects on the cycling team after getting a world-known company as a title sponsor.

Main objectives of the studied sponsorship project are image ones, through building association of the case company with cycling sport in a strategically important region for the sponsor’s company — Europe. The professional cycling sport enables the sponsor to reach diversified audiences in the European countries, to increase brand awareness and improve the image. According to the report of delivery statistics of gas supplies to Europe, in 2018 Gazprom Export LLC supplied a total of 200.8 billion cubic meters of gas to countries in Europe. That accounts for approximately 81% of the company’s exports from Russia to Western European and 19% to Central European countries with the largest importers: Germany, Turkey, Italy, United Kingdom and France respectively. The listed above countries, except the United Kingdom, are the ones in which the Russian cycling team Gazprom — RusVelo participates in races the most. In addition to that, the main marketing and communications activities of the team happen to be in Germany. The team not only participates in every professional race held in Germany, but participates in the exhibitions, which are held at the same dates of the competitions and increase brand awareness through usage of the on-site visibility, such as: banners at the final part of the race route and inclusion of the sponsor’s logo in the official race branding elements at the most prestigious races in Germany. Activation of sponsorship rights occurs at such expos through the

engagement with the local cycling fans in the branded tent of the team. The extensive presence of the team in the German races can be explained by the fact that Germany is the main importer of Gazprom's gas in Europe and therefore development of the brand image and reputation in Germany is highly important for the team's sponsor.

The second mission of this sponsorship project is the national one. The peculiarity of the case company is that it has one of the leading roles in the Russian economy and is half state-owned. Therefore, CSR is in great focus and support of the Russian sport is among the values of Gazprom. Gazprom — RusVelo plays an essential role for the sponsor's CSR strategy, as the existence of such a team contributes to the promotion of cycling sport in Russia and motivates young athletes to join the cycling sport. In this specific example of sponsoring the professional cycling team Gazprom implements a goal of support of the Russian riders. In some meaning the team becomes as a social lift for the young athletes in the country. The development of the Russian professional athletes and successful participation in international competitions, such as European, World Championships and Olympic Games are also the objectives for the researched organization.

The author of the thesis assumes that the case company is not typical one among other sponsors, as ROI is evaluated not only through commonly used metrics such as: audience reach, image improvement, brand awareness. According to Sergey Kuprianov, the number of victories and medals achieved by the athletes of Gazprom — RusVelo for the Russian national team can be classified as a metric for assessing the ROI and are taken into account when assessing the effectiveness of the sponsorship project.

To sum up, the case organization has two main goals: increase of the brand awareness with improvement of the corporate image in Europe and support the Russian athletes in order to achieve victories at the international competitions, such as Olympic Games. Nonetheless, these two separate goals are connected as the development of the national sport builds the brand image of Gazprom inside the country.

Before signing a contract with Gazprom in 2016 the team had never competed in the prestigious and top-level competitions. The situation has changed completely after

the beginning of sponsorship project with Gazprom and the race calendar of the team significantly improved. Each month the team participates in the UCI World Tour and highest category races, which are the most prestigious and complicated competitions in the professional cycling. The race organizers are aware about the team and its long-term partnership with the title sponsor, therefore they understand that the team athletes are competitive and strive to achieve good results for the only Russian team in the professional cycling. In addition to that, the mono-national structure of the team adds uniqueness to the project and is highly recognized and admired by the event's organizers.

Generally, the role of having such sponsor as Gazprom as the main partner of the team increases the motivation of athletes to compete efficiently. In comparison with performance for the national team when athletes are usually motivated to successfully represent the country and their national identity, the motivation for competition for the professional team usually features other aspects. Corporate and financial motivation also comes in force when athletes are competing for the professional team with which they have signed contracts. In this situation riders determine themselves as employees seeking for contract extension, increase in salary and obtainment of bonuses. Consequently, in the world elite sports strategic and reliable partners of the professional teams play an essential role in development and successful performance of the athletes, which as well positively impacts the successes for the national teams.

The level of responsibility increased as the team started to gain more attention from media, but at the same time, according to Renat Khamidulin, General Manager of Gazprom — RusVelo, this challenge transformed into a benefit of being more professional and responsible for everyone in the team.

To conclude, the role of sponsorship in the case organization is to support the development of the Russian athletes in professional cycling both in Gazprom — RusVelo and the Russian national team, and at the same time to receive the ROI through accomplishing marketing and communications goals through team's constant presence at international races in the strategically important to Gazprom region of Europe. The team operates in a positive-associated environment of ecologically-friendly sport. It

represents a young, modern, ambitious project which shapes similar perception of the team's title sponsor — Gazprom.

## **6 Discussion**

### **6.1 Contributions**

Sport sponsorship in its modern form does not have a long history and is evolving day-by-day through broadening its horizons and utilizing new formats. Sponsors seek for new opportunities and enter into sponsorship projects in various kind of sports. The findings of the research may attract the interest of both sponsors and sponsees in cycling sport as well as any other sports. The research confirms previous practices in terms of sponsorship's objectives and motives, discloses additional useful aspects such as risks, challenges, and changes coming along with a title sponsor. What is more important, the case organization is a relevant example, which enables readers to understand and extend knowledge of the concept of sport sponsorship in general. In addition to that, the case organization demonstrates an example of a sponsorship project, which plays a crucial role in sponsor's CSR strategy and at the same time allows the sponsor to implement its marketing and image objectives.

The team Gazprom — RusVelo serves as an example of a successful project in the professional cycling sport by providing an expected return on relatively low investment in comparison with other popular sports in Europe, which are constantly broadcasted on the TV channels and feature a multi-million audience. However, currently there is only one Russian professional continental cycling team, which competes and represents its sponsor at the elite level of cycling competitions. The research results demonstrate that Gazprom understands the value of sponsorship project and is satisfied with it. Therefore, the case organization and research outcomes suggest other Russian companies considering sport sponsorship as one of the aspects to add to their marketing and image strategies.

Foremost the study was focusing on the analysis of the relations between the specific sponsor and cycling team, the role of the specific sponsorship project. Therefore, the

findings of the research serve as a sound basis for the internal evaluation of the collaboration between Gazprom and the team Gazprom — RusVelo.

## 6.2 Limitations and Recommendations

During the establishment of the interviews, the author of this thesis experienced different ways of collecting the data: by mail, by phone and face-to-face. The main suggestion for further researchers is that face-to-face interviews may bring significantly more in-depth results, rather than the e-mail or phone call conversations. The reason is that while conducting a personal interview the interviewee might provide with more useful and in-depth information and details, whereas by sending the interview question via e-mail the researcher receives precise answers to the questions. On one hand, it is less time-consuming for the analysis of the interview and does not require transcription, but on the other hand, it excludes the possibility to receive some supplementary information from the side-topics.

Another advantage of personal interview is an opportunity not only to collect the verbal data, but also observe and make the analysis of the behavior, tone of voice and non-verbal signals. Such non-verbal communication might suggest further actions and supportive questions during the interview in order to obtain the essential details. Therefore, even though face-to-face interviews require travel expenses in some cases, they are more beneficial for the research and worth time and money.

Speaking about the research topic, the study elaborates the role of sports sponsorship in cycling sport from three main perspectives: title sponsor, sponsee and the PR agency in-between. The objective was met by answering three main research questions through interviews with three representatives in these dimensions. The title sponsor is one of the largest Russian organization which tends to support the national cycling team Gazprom — RusVelo. Along with the brand awareness and image development in the European region, Gazprom seeks to support the development of Russian cycling sport as a whole. These uncommon objectives make the case exclusive, but also brings some limitations since not all the objectives of the current title sponsor will be applicable to the other cycling teams. In order to increase repeatability and applicability of the current research, additional interviews with other

partners of Gazprom — Rusvelo such as technical sponsors could be conducted and analyzed. These interviews will provide the researcher with more views on sponsors' role, new possible objectives, and perceptions towards cycling sports.

The study confirms that at the moment the objectives set by Gazprom are valued and promoted by Gazprom — RusVelo team and both parties are satisfied with the collaboration. However, in order to effectively improve in the future both the team and its sponsor should consider to accurately investigate the strategy of the development of the project. From the inception of the team it has been a mono-national project consisting only of Russian riders, with no doubt that is the team's uniqueness. The current agreement is valid until the end of 2020 and if Gazprom decides to continue the collaboration, it should re-analyze its objectives with the sponsorship project and decide whether a mono-national team or the international squad will bring more value to them. The switch from a completely Russian team to the team with international athletes might be the next step in the development of the project. For instance, if the team will sign several highly-competitive and recognizable riders in the world of cycling sport that will cause additional international attention to the team Gazprom — RusVelo and might positively improve the sponsor's reputation and image in the target region of Europe. In case some of the most successful athletes will sign the contract with Gazprom — RusVelo and will represent it at the most prestigious races competing for the victory that might also positively affect the popularity of the cycling sport among the Russian audience, as the foreign athletes will be representing the Russian-registered team and its sponsor.

In addition to that, this will increase the internal competition among the team's athletes and the level of their motivation. However, such a switch from a mono-national to the international team might cause negative feedback from the Russian audience and in some sense will lower the implementation of CSR strategy through supporting only the Russian athletes. Therefore, this recommendation is about investigating the ways of development of the sponsorship project with accurate consideration of the possible scenarios and making a decision which strategy to follow.

### 6.3 Evaluation

The two main criteria exist to assess the quality of the research findings: validity and reliability. Validity is the instrument that measures what it purports to measure. Validity could be various types, but two major forms exist: external and internal (Veal and Darcy 2014, 372). Walliman (2011, 104) clarifies that external validity shows the extent the study results can be generalized to populations or to other settings, whereas internal validity is the extent to which the ideas regarding the cause and result are supported by the study.

Foremost, to ensure the validity the units of analysis were carefully selected. Since the main objective of the research was to analyze the role of sponsorship, the case organization was considered to be the most relevant sample. The case organization is the cycling team Gazprom — RusVelo and has the experience with sponsorship since 2011. Another unit of analysis was its Title sponsor — Gazprom, who has been sponsored the team since the year 2016. That is why the case organizations were the relevant sample to investigate and test the concept of sponsorship.

What is more important, the interviewees were selected based on the expertise, involvement in sports sponsorship and engagement with Gazprom — RusVelo. Specifically, the interviewees were the General Manager of Gazprom — RusVelo, Press Secretary of Gazprom, and Managing Director of the PR agency. Their opinions and experience make the research more validate and trustworthy.

The data collection technique in a form of interviews was carefully conducted, and after the transcribing the audio-recorded interviews, the researcher sent those transcripts to the interviewees to get the feedback and their final approval. Two interviews were collected in Russian language and after accurate transcription were further translated into English. At this stage, the researcher tried to keep the meaning and the main idea of the message. The validity of interviewees' answers is confirmed in the correlation with other participants' answers, and the similarity of their answers to the other research questions. Several direct quotes of the interviewees in the research findings also increase the validity and trustworthy.

The author of the study has been working in a professional cycling team for almost three years. The motivation arises from the author's deep interest in cycling sport and possibility to acquire up-to-date knowledge in the field of sport sponsorship. These factors might affect the interpretation of the findings. However, the data were collected accurately from independent interviewees in a formal manner and were not changed towards the researcher's attitudes or beliefs. Hence, the study excluded positive bias towards research findings and considered as reliable and objective.

Reliability is the capability to a test the phenomenon and gets the consistent findings when repeating it in a set of similar subjects. It is equivalent to repeatability. (Kasi 2009, 113). Veal and Darcy (2014, 373) assure that the exact replication of research is impossible in case study research. However, the collection of evidence from similar case studies should gain a consensus around the findings of a case study research and other evidence. The author of the research reported data collection techniques and analysis method in details in order to assist other researchers to obtain similar research or re-analyze the data he collected.

The author of the study would like to sum up the work and provide his opinion, based on the almost three-year experience of working in the professional cycling team in conjunction with the knowledge gained throughout establishment of this research on the topic of sponsorship in professional cycling. Sponsorship in cycling plays a crucial role for the existence and successful performance of the teams and at the same time marketing and image goals of a company can be achieved through sponsorship projects in professional cycling sport. The example of the case organization of this study has demonstrated, that sponsors can reach not only their own marketing and commercial objectives but provide value for the sport in the country.

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## Appendices

Appendix 1. Interview questions for the sponsor representative

### **Interviewee information:**

Title: Sergey Kuprianov

Years of experience: 16 years

### **Gazprom's objectives in sponsoring a cycling team (Objective 1):**

- Why Gazprom decided to sponsor a cycling team? Which objectives does Gazprom follow in this project?
- You mentioned the European market, but how do you assess the role of the Gazprom — RusVelo in Russia?
- Implementation of the CSR is one of the objectives of the project as well?

### **How ROI is evaluated in the sponsorship project (Objective 2):**

- How would you rate the effectiveness of this project after three years of partnership? How is the ROI evaluated?
- Do you take into account the results of Gazprom — RusVelo athletes achieved in the international competitions, where they represent the country and not the team?
- Could the number of victories and medals from the international races achieved for the Russian national team by Gazprom — RusVelo members be classified as the metric for assessing the ROI?

Appendix 2. Interview questions for the team representative

**Interviewee information:**

Title: Renat Khamidulin

Years of experience: eight years

**Gazprom's objectives in sponsoring a cycling team (Objective 1):**

- Could you explain which are the objectives of this sponsorship project?

**Subsequent changes in the team after getting a title sponsor (Objective 3):**

- You have been working in the team before Gazprom became the title sponsor, what has changed in the team after such a global company made their investment?
- Apart of the visual changes of team's apparel, what else has changed? The level of competitions the team participates, media attention?
- Could you please tell a little bit more about team's marketing department, how has it changed?
- If you evaluate the existing relationships with the other sponsors of the team, has anything changed when Gazprom became the title sponsor?
- Could you please think about any difficulties or risks, if they arose?

**How ROI is evaluated in the sponsorship project (Objective 2):**

- Do you think that the sponsor's investment pays off?
- What does the team together with the sponsor make in terms of activation of the sponsorship rights?
- How the ROI is evaluated? Which metrics to measure the ROI are used?

### Appendix 3. Interview questions for the third-party representative

#### **Interviewee information:**

Title: Stefan Flessner

Years of experience: 18 years

#### **Gazprom's objectives in sponsoring a cycling team (Objective 1):**

- What are the roles of sponsorships in the world elite sports for the teams, their audience and society in general?
- Why specifically cycling sport attracts sponsors?
- What is the current situation in professional cycling in terms of attracting sponsors? Is it better, easier for the teams to find sponsors, than in the past?
- Which objectives, in your opinion Gazprom, has in terms of sport sponsorship?

#### **How ROI is evaluated in the sponsorship project (Objective 2):**

- How sponsors in cycling sport activate their sponsorship rights?
- You have been working with the team for almost two years, please tell what value Gazprom is getting through sponsoring a cycling team?
- Could you provide the feedback on the activation of the sponsorship rights of Gazprom — RusVelo in Germany?

#### **Subsequent changes in the team after getting a title sponsor (Objective 3):**

- What do you think has changed in the team after such a global company as Gazprom made their investment?