

The impact of league reform on the sponsorship of cycling teams (2004-2008)

Contact details

Name author(s): W. Lagae (1), T. Benijts (2) & B. Vanclooster (3)
 Institution(s) or organisation(s): KULeuven, Faculty of Physical Education & Physiotherapy, Department of Sport & Movement Sciences (1); Lessius University College (1, 2, 3)
 City and country: Heverlee, Belgium (1); Antwerp, Belgium (1, 2, 3)
 Email address for correspondence: wim.lagae@lessius.eu

Aim of paper and research questions

One of the unique features of the professional sport industry (Danylchuk et al., 2008), not present in other industries (Neale, 1964) is the presence of sport leagues, an organisation that provides a regulated competition for players and teams in a specific sport (Parks et al., 2007; Mullin et al., 2007). A sport league also tends to have repercussions on the business-to-business marketing of teams participating in the league (Farrelly et al., 2005) as this business-to-business marketing (this is how one organisation markets its goods/services/ideas to another organisation) does not depend exclusively on organisation's demographics or organisation's relationship but also on the characteristics of the league the team is part of. Do reforms of a sport league influence the business demographics in the business-to-business relationship between corporate sponsors and teams? Professional road cycling is an interesting test case to deal with the main research question. What were both the short to midterm effects on business-to-business marketing of ProTour teams of the introduction of the new league, the UCI ProTour (UPT), from 2005 onwards?

Literature review

Although cycling is a very popular sport in core European countries, is gaining momentum in other countries and was one of the first commercial sports to be practised professionally, research on professional road cycling remains scarce and has centred around efficiency issues of reforms (Rebeggiani & Tondani, 2008); determinants of success at a specific race (Prinz, 2005); type and role of rankings (Cherchye & Vermeulen, 2006); commercial structure of cycling in France (Desbordes, 2006); organisational forms in road cycling (Desbordes, 2008); commercialisation (Brewer, 2002); Tour de France (Palmer, 2001; Dauncy & Hare, 2003); sponsorship of cycling teams (Lagae, 2005) and stakeholder relationships (Morrow & Idle, 2008).

Research design and data analysis

This study uses the case approach, as it is ideally suited to learning as much as possible about a little-researched topic. In order to collect data on professional cycling teams, we organised, through an open-ended questionnaire, four interview moments between September 2003 and February 2009. The semi-structured face-to-face interviews were transcribed ad verbatim and analysed using Nvivo (Miles & Huberman, 1994). Also, a qualitative research methodology (Yin, 2003) was developed through document (minutes of meetings, press releases, cycling-specific magazines and internet based cycling sites) and discourse analysis to measure the influence of the league reform on the business demographics of cycling teams.

Results

The product 'road cycling' is an (1) individual sport practiced in teams (2) rather capital intensive (3) outdoor sport organised on public ground and (4) non-homogeneous sport product.

The dependence of cycling teams on sponsorship follows from the fact that the television revenues are not distributed towards the teams, that there are no gate revenues and limited prize money. We confirm that the sport league reform, UPT, impacted some key business demographics of cycling teams. In addition, the data argue in favour of a short term effect on the budgets of teams, but not on a midterm effect. Also, the area of economic activity of the corporate sponsor has been accessed through the NACE Rev.2 (Nomenclature statistique des activités économiques dans la Communauté européenne) code, an European standard for classifying corporate economic activity. A third business demographics criterion is the country of residence of the corporate sponsor, measured in terms of the country of the licenced ProTour cycling team and where the title sponsor(s) is/are headquartered. The either B2B or B2C nature of the corporate team sponsors and the size of the title sponsor(s) are the other business demographics criteria under consideration.

Discussion and conclusion

Our approach is valid for sport managers as it provides insight in how sport league reforms will influence a sport's ability to engage into more business-to-business marketing, which will influence a team's financial position towards its corporate sponsors. This article contributes to the intersection of business-to-business marketing and international sports marketing literature because (1) it addresses the issue of business-to-business marketing in professional road cycling, one of the oldest professional and commercial sports, gaining momentum in various countries that is understudied in comparison to other sports (2) the selected league reform, implemented in January 2005, allows for researching both the short to midterm effects on business-to-business marketing of cycling teams.

References

- Brewer, B.D. (2002). Commercialization in professional cycling 1950-2001: institutional transformations and the rationalization of doping. *Sociology of Sport Journal*, 19(3), 276-301.
- Cherchye, L., & Vermeulen, F. (2006). Robust rankings of multi-dimensional performances. An application to Tour de France racing cyclists. *Journal of Sport Economics*, 7(4), 359-373.
- Danylchuk, K.E., Doherty, A., Nicholson, M., & Stewart, B. (2008). International sport management: creating an international learning and teaching community. *International Journal of Sport Management and Marketing*, 4(2/3), 125-145.
- Dauncey, H., & Hare, G. (2003). *The Tour de France 1903-2003. A Century of Sporting Structures. Meanings and Values*. London: Frank Cass.
- Desbordes, M. (2008). The Future of the Tour de France: from an independent Style of Organization to a Formula One Model. In D. Arthur & S. Chadwick (Eds.), *International Cases in the Business of Sport* (pp. 358-371). Oxford: Butterworth-Heinemann.
- Desbordes, M. (2006). The Economics of Cycling. In W. Andreff & S. Szymanski (Eds.), *Handbook on the Economics of Sport* (pp. 398-410). Cheltenham: Edward Elgar.
- Farrelly, F.J., Quester, P.G., & Greyser, S. (2005). Defending the co-branding benefits of sponsorship B2B partnerships. *Journal of Advertising Research*, 45(3), 339-348.
- Lagae, W. (2005). *Sports Sponsorship and Marketing Communications. A European Perspective*. Harlow: Financial Times/Prentice Hall.
- Miles, M., & Huberman, A. (1994). *Qualitative Data Analysis* (2nd ed.). Thousand Oaks (CA): Sage.
- Morrow, S., & Idle, C. (2008). Understanding change in professional road cycling. *European Sport Management Quarterly*, 8(4), 315-335.
- Mullin, B.J., Hardy, S., & Sutton, A. (2007). *Sport Management*. Champaign: Human Kinetics.
- Neale, W.C. (1964). The peculiar economics of professional sports. *Quarterly Journal of Economics*, 78(1), 1-14.

- Palmer, C. (2001). Outside the imagined community: Basque terrorism, political activism and the Tour de France. *Sociology of Sport Journal*, 18(2), 143-161.
- Parks, J.B., Quarterman, J., & Thibault, L. (2007). *Contemporary Sport Management* (3rd ed.). Champaign: Human Kinetics.
- Prinz, J. (2005). *Every second counts: the influence of money and body weight in professional road racing – Empirical evidence from the Tour de France*. Working paper. University Witten/Herdecke.
- Rebeggiani, L., & Tondani, D. (2008). Organisational Forms in Professional Cycling – Efficiency Issues of the UCI ProTour, *International Journal of Sport Finance*, 3(1), 19-41.
- Yin, R.K. (2003). *Casestudy Research: Design and Methods* (3rd ed.). Thousand Oaks (CA): Sage.