New Twists on Sponsorship: Good or Bad?

Several new pro cycling sponsorship deals have been announced in the last couple weeks. The first was a commitment from Deloitte – the international accounting and consultancy firm – to be a new “gold” sponsor for the newly named Dimension Data-Qhubeka team. Then the German grocery chain Lidl made a commitment to add funding to the Etixx-QuickStep team. These two events share a common thread: the investments were needed to bring specific riders on board. Deloitte believes that Mark Cavendish and his key lead-out men can bring multiple wins and exposure for its brand name, while Lidl seems to think Marcel Kittel can do the same for them.

Team sponsorship is *the* critical financial under-pinning of professional cycling, and it is always something of an economic gamble. Sponsors come and go with alarming regularity; neither of the above-mentioned teams have the same sponsors today that they did a year or two ago. But when a sponsor comes on board essentially to back specific riders, are the risks even higher? These recent examples raise two key questions – for the teams, riders and the sponsors themselves.

First, will individually-oriented rider sponsorships disrupt a team’s competitive objectives and rider development plans? As much as the experience of riders like Cavendish and his support system may raise the game for Dimension Data-Qhubeka, the team will likely have a different chemistry and a different competitive focus. Team principal Doug Ryder confirms such a possible impact, though he makes clear that the Cavendish/Deloitte deal will not impact the team’s African talent development philosophy. But given a focus on Cavendish’s strengths, one has to wonder about the role of the team’s current sprinters, and whether other promising young riders like Merhawi Kudus will still receive the same GC development opportunities.

Second, will arrangements like the Lidl-Kittel deal confuse the original sponsorship message or dilute earlier investments? Etixx is a Czech-based sports nutrition brand, while QuickStep sells flooring products across Europe. The potential risk here is the possible dilution of the individual sponsors’ investments: “Nutrition-Flooring" was hardly a logical branding them, but a “Nutrition-Flooring-Groceries” mash-up seems likely to confuse the public. The question is whether any single sponsor will “win” in this kind of approach, or will they all lose a bit?

Patrick Lefevere and Ryder certainly deserve credit for securing new funding for their respective programs, and Cavendish and Kittel deserve praise for helping to connect major new patrons to pro cycling. But while one-off targeted sponsorship deals may bring in new and badly needed dollars, there is a risk that they may *also* tend to keep the sport anchored to its tenuous past. Are Deloitte and Lidl really bullish on cycling’s overall future, or are they just looking for some quick results from proven performers? Why did Deloitte apparently not request naming rights for its considerable investment in the team? At any rate, it seems a bit early to suggest these new deals imply that the whole sport has really “turned the corner.”

Any signal that the sport is still fighting tooth and nail for any source of new revenue only highlights the fact that little progress is being made towards a more secure and sustainable revenue model. The real focus going forward must be on transforming these types of big-brand, global relationships into broader cycling-wide sponsorship arrangements. It will take a collective effort from all of pro cycling’s stakeholders to find and retain these first truly global and long-term, committed sponsors.

Joe Harris and Steve Maxwell

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