

# BIG BUSINESS AT LA GRANDE BOUCLE

One of the most gripping races in the long history of the Tour de France was also one of its most commercially successful.

By James Emmett

> The build-up to the 98th edition of the Tour de France, which took place across three weeks and 3,450km this July, was dominated by the ongoing Alberto Contador saga. The Spaniard, a three-time Tour winner and the defending champion coming into this year's event, is still awaiting a verdict from the Court of Arbitration for Sport (CAS) on whether or not he is guilty of having doped during the 2010 Tour. The Spanish cycling federation have already cleared him, but the case has gone to CAS because the

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UCI, world cycling’s governing body, and the World Anti-Doping Agency (WADA) dispute that decision. The time the whole affair has taken, almost everyone in the sport seems to agree, is ridiculous and Contador, having been allowed to compete by the race organisers ASO since he is still technically innocent – at least until the CAS decision – was booed at the rider presentation event that preceded the start of the Tour. Thankfully, as the racing got underway, the drama on the roads quickly eclipsed that off it.

198 riders from 22 teams started the Tour this year – all 18 top-tier ProTeams as well as four wild card teams from the lower continental division, given special invitations by ASO. From a racing perspective, this was one of the most competitive and

compelling Tours in recent history. The ASO, and specifically Tour director Christian Prudhomme, are to be applauded for ensuring the stages were varied enough to keep the race open right up to its final throes. As such, spectators along the roads, although impossible to accurately gauge since no ticketing policy is possible in open road racing, seemed more than usually thronging, with the stages in Lourdes and on the Alpe d’Huez in particular attracting seas of spectators. It is estimated that some 15 million people line the roads to watch the Tour each year.

Television figures, a more reliable measurement of the Tour’s popularity, were also some of the best ever recorded. The European Broadcast Union (EBU) reported that figures were up across almost all its member nations. TV2 Norway achieved a 41.33 per cent average share, Dutch public broadcaster NOS 45.65 per cent. TV2 Denmark attracted an average of 418,000 viewers, registering a 54.8 per cent share, while in Belgium public service broadcaster EEN recorded an average market share of 66 per cent and reached a peak of 76.52 per cent on the second weekend of the Tour. The race is now broadcast in more than 180 countries and rights fees go most of the way to making up the €100 million it is thought to cost ASO to run the event each year – particularly those paid by the EBU and France Télévisions, both of whom signed five-year renewals believed to be worth a collective sum of almost €200 million this year.

In fact, for ASO, part of the media organisation that runs several other sports events as well as owning French newspaper L’Equipe, the Tour is an immensely profitable business. As well as broadcast rights fees, the



organisation charges between €100,000 and €200,000 to towns for the right to play host to the beginning or end of various stages. The Grand Depart, the start of the Tour, which is now attracting interest from potential hosts as far-flung as Qatar and Japan, commands million-euro sums. ASO, which can offer a suite of sports properties extending far beyond the Tour, also has an ever-expanding sponsorship portfolio, as the trend continues for companies looking to associate themselves with cycling, wary of having their brand tarnished by doping scandals, viewing event sponsorship as a safer option than team sponsorship. Qatar Airways and Le Coq Sportif are the most recent additions to a corporate partnership list that includes LCL Banque, Vittel, Carrefour, Orange, PMU, Festina, Brandt, Ag2r Mondiale and Škoda, whose Europe-wide activation campaign, including standout television adverts, was



highly effective this year. Of course, VIK elements to many of the deals are likely to be substantial, given the race requires some 2,400 vehicles and the accommodation, travel and sustenance requirements of the 4,500 personnel involved over the three weeks, but the best estimates suggest that ASO is able to count on around €40 million in sponsorship revenue for the Tour annually.

Sponsorship plays an even more crucial role for the teams that compete at the Tour. The teams, whose annual budgets range from around €7 million to €16 million, are almost entirely dependent on wealthy owners or sponsorship. Merchandise sales account for a small percentage of each team's revenues but prize money is insubstantial – at least compared to elite events in other sports – and they are not entitled to any share of broadcast fees – an issue that is raised almost every year, with ASO arguing that

profits from the Tour are spread around its other loss-making cycling events, and which resulted in several teams barring broadcast journalists from their team buses this year. In fact, cycling is unique in that sporting endeavour, how the races play out, who goes in a breakaway to ensure that television cameras are on them for as long as possible and when, is shaped as often by sentiment or commercial necessity as by tactical racecraft. Team Europcar, wanting to justify their new sponsor's investment in them with some TV time and racing on their home roads in the Vendée region, had riders in almost every single break in the first week of the Tour.

And yet, despite ASO's burgeoning portfolio and the fact that title sponsors commit sums of up to €12 million a year to the teams, cycling is still one of the most unsophisticated sponsorship markets in sport. Estimated equivalent media value is

still the key measurement for teams looking for sponsors and there is very little on-site activation beyond the corporate caravan of trucks and floats that drives along each route ahead of the riders.

According to Jared Melzer, sports marketing and sponsorships manager for Team Radioshack's Johan Bruyneel Sports Management organisation, cycling needs to do a lot more to drive value for its backers. "We need to continually try to show more value, to help sponsors with their strategy, help them integrate. Because when a sponsorship runs out, there's always going to be that evaluation part. I think people are getting better, within the sponsorship industry, at putting less emphasis on that media exposure figure, media value. It's going back to sales, or introducing products or uniting employees. It's what matters to companies and then figuring out ways to use cycling to help achieve these



goals. And that's where sponsorship in cycling hasn't really moved on yet. It's very hospitality-driven. It's all about CEO, CMO, CFOs getting together. It's still very much an ego-buy sport.

"Cycling is like a travelling circus or festival. Each day there are new start and finish cities, with many opportunities to connect and engage with fans at these locations, at the bus, on mountain tops. It's a sport that you can activate globally, nationally, regionally and locally. There's no other sport that allows fans to be as close to the action and that connection can really be of value to sponsors if they capitalise on it correctly. People wait outside team buses for hours, or stake out their spot on mountains hours before the race comes through, and no company is engaging them while they wait. It's a captive audience."

#### TEAM BY TEAM REVIEW:

##### BMC (USA)

Co-owned by former US Olympic cyclist Jim Ochowicz, BMC might be an American team in name, but it deals not in dollars but in Swiss francs. Andy Rihs, the richest man in cycling having made hundreds of millions through hearing aids, is both a co-owner and, through his up-market Swiss bike brand BMC, a sponsor of the team. Pouring money into his plaything in search of the perfect squad, last year he signed Cadel Evans, the Australian who has come close to winning the Tour several times. Evans's victory this year has all but ensured that Rihs will keep his enthusiasm, and cash, in the sport for a little while yet.

##### Team Leopard-Trek (Luxembourg)

Former Sky and Saxo Bank communications director Brian Nygaard's slick start up team were one of the favourites coming into the tour, with both Schleck brothers, Luxembourg's sporting darlings, expected to star. Both ended up on the final podium in Paris, but the top spot eluded them. Recovering from the tragedy that befell them at the Giro d'Italia earlier in the year, where Belgian rider Wouter Weylandt was killed in a crash, the team had plenty of goodwill and support from spectators both at home and along the roads.



Team Europcar, through Thomas Voeckler and Pierre Rolland, consistently delighted the French public

Despite being funded by Flavio Becca, whispers on the pro-cycling circuit suggest that Nygaard is under pressure to sign a sponsor to ease the financial burden on his owner. To that end, the team signed a deal with Infront Ringier hoping to take advantage of Swiss rider Fabian Cancellara's popularity in his home market. "Maybe there's not so much of an immediate need for a sponsor," Melzer opines. "I'm not sure how hard they've worked. Certainly when you don't have a sponsor, you're not constrained to the sponsor's goals. So from Becca's standpoint, he pretty much can direct that team as he likes. I'd like to see them get a sponsor though; I think that would be healthy for the sport."

##### Team Garmin-Cervélo (USA)

Formed through a merger between the Garmin and Cervélo teams last year, Jonathan Vaughters' squad outdid themselves this year, capturing the best team award as well as four stage wins and a sizeable spell in the yellow jersey. Vaughters, something of an innovator

in professional cycling and a man who has done more than most to combat doping in the sport, is partnered by Doug Ellis, a man who made his money in software engineering and whose deep pockets were crucial to the genesis of the team. The association with GPS device manufacturer Garmin has now been running for four years, and, according to Melzer, it is one of the most successful sponsorships in the professional peloton. "Garmin has definitely gained value from that deal," he says. "It fits very well. From the car side of things – during the race or travelling to the race or to the hotel – every team has a GPS unit. It's an easy story to tell. There are more and more people who have GPS devices on their bikes now too. I would imagine that they would continue for many years, based on the authentic product fit and the success of the team."

##### HTC-Highroad (USA)

In Manxman Mark Cavendish, HTC-Highroad had possibly the most explosive cyclist of all time. Consequently, and



unsurprisingly, the team was once again built around him this summer. He didn't disappoint. Adding another five stage wins to the 15 he had collected on previous Tours, as well as, for the first time, the green points jersey, Cavendish, who is also one of the most engaging professional cyclists and has an ever-growing number of Twitter followers, ensured that Bob Stapleton's team remained the most prolific team on the circuit. His victory in Paris, though, was a swansong for his team. HTC's three-year deal expires at the end of the season and, unable to secure a sponsor to match the team's budget, Stapleton has announced that the sport's most successful team will fold and its riders are free to negotiate with other outfits.

### Omega Pharma-Lotto (Belgium)

The opening week of this year's Tour was tailor-made for Omega Pharma-Lotto and their Belgian champion Philippe Gilbert. He duly obliged, winning the second stage and coming close frequently enough afterwards to



Thor Hushovd secured three more stage wins

remain in the hunt for the green jersey right up until the closing stages. It was something of a last hurrah for the team management organisation, Belgian Cycling Company, which had enjoyed the support of its two co-sponsors since 2005. As of next year, Lotto, the Belgian national lottery, will be going it alone, focusing on developing young Belgian riders with a smaller budget rather than spending millions attempting to keep star riders like Gilbert. As a result, Belgian Cycling Company have been rather reluctantly forced into a merger with fellow Belgian team Quick Step, taking Omega Pharma, a Belgian pharmaceutical company believed to be paying around €9 million a year for its sponsorship, with them.

### Euskaltel-Euskadi (Spain)

The team from the Basque country enjoyed a successful Tour with lead rider Samuel Sanchez finishing sixth overall and taking the King of the Mountains jersey. The team, which was founded in 1994, enjoys

genuine commercial backing from Euskaltel, a Basque telecommunications company, although it is effectively a Basque national team – and is proud of the fact that it draws its riders solely from the region – and receives significant funding from the regional government. Such support means that, more than any other team, Euskaltel-Euskadi is not driven by results. Although the team's ProTour licence is set to expire in 2012, as long as the sport remains popular in the region, the team is likely to stick around for some while yet.

### Saxo Bank-Sungard (Denmark)

Faced with a rider exodus and a consequential sponsorship shortfall, team owner Bjarne Riis and his American chief executive Trey Greenwood worked wonders last year to secure the services of three-time Tour winner Alberto Contador and a renewal with investment banking sponsor Saxo Bank. Contador, who won the Giro in May, struggled with fatigue and injury in this year's Tour but ensured the support of an initially frosty French public with a heroic attack on stage 19. The team, as it is now, is built around Contador, and the Spaniard's lingering dispute with the UCI and WADA over doping charges from last year means Riis and Greenwood will have to use all their considerable nous to weather what look to be an uncertain few months ahead.

### Sky Pro Cycling (Great Britain)

Founded last year, the British team had a breakthrough Tour in 2011. Although overall contender Bradley Wiggins' hopes were dashed when he broke his collarbone in the first week, a stage win, a fine showing by the team and a more relaxed approach to fan and media interaction ensured that Sky's grand project, already being hailed as a success back at home as more and more Britons get on their bikes, was being viewed in a far more positive light than last year in Europe. Sky's UK £30 million sponsorship package expires in 2013. The widely-held assumption that the deal will be renewed, however, has recently been put under pressure by the News International scandal.



## Total prize money won

### Tour de France 2011

Team	Prize money
BMC Racing Team	€493,990
Team Leopard-Trek	€395,310
Team Europcar	€147,130
Team Garmin-Cervelo	€145,940
HTC-Highroad	€104,940
Omega Pharma-Lotto	€96,600
FDJ	€90,660
Euskaltel-Euskadi	€87,780
Saxo Bank-Sungard	€72,290
Sky Pro Cycling	€67,000
Movistar Team	€46,660
Ag2r La Mondiale	€45,560
Cofidis Le Credit En Ligne	€41,740
Vacansoleil-DCM	€35,650
Lampre-ISD	€30,100
Saur-Sojasun	€26,930
Rabobank Cycling Team	€24,290
Liquigas-Cannondale	€22,360
Quick Step Cycling Team	€19,940
Katusha Team	€12,380
Pro Team Astana	€11,710
Team Radioshack	€10,540

A total of €2,029,500 was awarded across the three-week race. BMC, through Cadel Evans's overall triumph, took the €450,000 winner's prize. Prize money barely accounts for a fraction of the teams' collective annual budgets – indeed, aside from at the Tour de France, prize money rarely covers the costs a team incurs through competing – but the figures do give a fairly accurate reflection of the amount of exposure teams were able to gain for their sponsors, from which the overwhelming bulk of their funding is drawn – through leading the various classifications of the race and taking stage wins.



Mark Cavendish pulls on the green jersey in what would prove to be HTC-Highroad's last Tour de France

### Movistar Team (Spain)

Another team struck by tragedy and misfortune in the build up to the Tour, as Xavier Tondo died in a freak domestic accident in May and Juan Mauricio Soler suffered a horrific crash in the preparatory Tour de Suisse, Movistar did well to have Jose Joaquin Rojas Gil push Cavendish all the way for the green jersey. Founded as the Reynolds team in 1980, Spanish telecoms giant Telefonica, with its Movistar brand, took over title sponsorship from Caisse d'Epargne this year.

### Ag2r La Mondiale (France)

Co-sponsored by insurance and pension fund companies, Ag2r La Mondiale were the best of the French ProTeams, although they were outdone by their compatriots at Europcar, who are a rung down on the UCI's team ladder. Without ever being spectacular, the team achieved their main goal of a top ten finish overall.

### Vacansoleil-DCM (Holland)

A new ProTeam this year, Vacansoleil-DCM are sponsored by a pan-European company specialising in upmarket camping holidays and a Belgian farm supply company. The team had modest ambitions coming into the tour and

even those weren't helped when their sprinter Romain Fellu had to retire from the race hurt. Johnny Hoogerland, however, one of the riders involved in a crash with a television car, was a sensation, riding with panache – extremely important within the cycling community – in the breakaways in almost every stage, ensuring at least some television exposure for his sponsors.

### Lampre-ISD (Italy)

One of two long-running Italian teams on the ProTour, Lampre-ISD's distinctive luminous pink jerseys were rarely seen during this year's Tour as Alessandro Petacchi failed to recapture the form that saw him win the green jersey last year. Lampre, an Italian pre-coated steel manufacturer, has sponsored the team since 1993 and the company's support, given that it is difficult to see just how much benefit beyond hospitality opportunities the company derives, is seemingly unconditional. Although Lampre don't own the team, the company's chief executive, Mario Galbusera, is its president. This year ISD, a Ukrainian steel manufacturer, has come onboard as a co-sponsor.

### Rabobank Cycling Team (Holland)

What is effectively the Dutch national team has competed in every Tour de France since its foundation in 1984. Sponsored since 1996



Cadel Evans toasts the Tour de France win that had eluded him for so long on the final ride to Paris

by Dutch financial organisation Rabobank, which specialises in food and agribusiness financing, the team's orange outfits only serve to emphasise its national philosophy. A mediocre showing at this year's Tour, where team leader Robert Gesink failed to live up to expectations, is unlikely to quell the bank's enthusiasm for the team, despite its recent push into various other sports sponsorships.

#### Liquigas-Cannondale (Italy)

Another long-running Italian team with a luminous outfit, Liquigas's fluorescent green jerseys were a little less anonymous than Lampre's pink ones as they at least made some sort of challenge for the overall prize through Ivan Basso. Liquigas, a provider of liquefied gas in Italy, has sponsored the team since its foundation in 1999.

#### Quick Step Cycling Team (Belgium)

A disappointing Tour for the Belgian team, which began with an unceremonious and high profile drugs raid on the team bus – nothing was found but the team was left feeling “deeply hurt” – culminated in the news that a merger with fellow Belgian outfit Omega Pharma had been agreed for next year. With squads capped at 30 riders, athletes from both teams will be facing an anxious few months as they attempt to tie down their futures.

It is not yet clear which sponsor, Omega Pharma or Quick Step, a laminate flooring manufacturer which has sponsored the team since 2003, will take the more valuable first name in the new team's title.

#### Katusha Team (Russia)

The Russian team suffered the one and only positive doping test in this year's Tour, with Aleksandr Kolobnev rather bizarrely suspending himself from the team following a positive test for a banned diuretic. The scandal is unlikely to dent the team's grand ambitions. Run by the Russian Global Cycling Project, Katusha is one of the best-funded teams on the circuit, with Gazprom, Itera and Rostekhnologii all contributing to its €15 million-plus annual budget.

#### Pro Team Astana (Kazakhstan)

Having won the Tour in 2009 and 2010 with Alberto Contador, Astana were brought back down to earth this year – quite literally in the case of their team leader, Alexander Vinokourov, who had to retire from the race having broken his femur on the ninth stage. The team, another very well funded outfit, is backed by a conglomerate of Kazakh companies, and, seemingly, has a long-running deal with Eurosport which sees the broadcaster promote the team in and around

its cycling coverage. The 12th stage in Pau this year saw the team stay in the same hotel they stayed in last year when the Alberto Contador steak saga began.

#### Team Radioshack (USA)

A disastrous Tour for Radioshack, a squad formed around Lance Armstrong last year, saw the team end the race with only a fraction of the riders that started as injuries struck at almost every stage. Unsurprisingly, with all their team leaders crashing out, the team was unable to make any kind of impact. Nevertheless renewals signed with Radioshack – despite the American electronics retailer having no interests outside the USA – Nissan and Trek before the start of the Tour mean the team will continue to operate long into the post-Armstrong era.

#### Team Europcar (France), FDJ (France), Cofidis Le Credit En Ligne (France) and Saur-Sojasun (France)

Four ProContinental teams, one tier down from the ProTeams, were invited by ASO to take part in this year's Tour. Of the four, Team Europcar, which faced closure at the end of last year when former sponsors BBox and Bouygous Telecom withdrew their support, excelled. From the myriad breakaways in the first few stages in the Vendée, the team's home region, to Pierre Rolland's stage win and young rider's white jersey triumph, to Thomas Voeckler's heroic defence of the yellow jersey – the Frenchman surprised everybody by holding onto the race lead for a full ten stages – Europcar were the team of this year's Tour. Paris-based Europcar's decision to rescue the outfit at the beginning of the year was dependent on Voeckler's commitment to stay with the team. Despite more lucrative offers from elsewhere, he stayed, the team was rescued and Europcar were paid back in spades. A nationwide media campaign in the days following the Tour illustrated the sponsor's satisfaction with their new property. ‘3,450km on a full tank of courage’ the adverts read, under an image of an exhausted but celebrating Rolland and Voeckler that defined this year's Tour. ■