

# **The impact of Covid-19 on sponsor agreements in football in the Balkan region**

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Bachelor Thesis for Obtaining the Degree

Bachelor of Science

in

International Management

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Vienna, 06.06.2022.

## **Affidavit**

I hereby affirm that this Bachelor's Thesis represents my own written work and that I have used no sources and aids other than those indicated. All passages quoted from publications or paraphrased from these sources are properly cited and attributed.

The thesis was not submitted in the same or in a substantially similar version, not even partially, to another examination board and was not published elsewhere.

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## **Abstract**

The research objective of this bachelor thesis is to examine the influence of the COVID-19 pandemic on the achievement of direct and indirect objectives of sponsorship agreements in the football industry in the Balkan region, based on a sample of Serbian, Montenegrin, Croatian and Bosnian football clubs. The researcher has decided to conduct a qualitative research study and employ the expert interview methodology. Ten experts were thus interviewed to gather a sufficient volume of data for answering the research questions and achieving the research objective.

Findings from the expert interviews suggest that (1) the COVID-19 pandemic did not influence the amount of sponsorship agreements to decrease in any sampled Balkan country except for Bosnia & Herzegovina, which seemed to suffer the most intense economic harm from the pandemic; (2) economically weak sponsor companies mitigated economic risks by canceling sponsorships; (3) consequences of the COVID-19 pandemic on sponsorships were asymmetric; (4) experts who recognized the importance of indirect objectives were more economically stable and (5) experts who recognized the importance of digital sponsorships were able to adapt to the pandemic more swiftly and leverage sponsorships more effectively.

Contextually to the research objective, these findings imply that higher awareness of the function and importance of indirect objectives and digital sponsorships is needed in order to achieve indirect and direct objectives of sponsorships more effectively and to maximize the profitability of sponsorship agreements. This may increase organizational success and promote increased economic stability across the entire football industry.

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# 1 Introduction

## 1.1 Topic overview

Hessling et al. (2018) define sponsorship agreements as a series of interactions and exchanges between the sponsor and the sponsee, executed with the aim to form close relationships between the two parties and thus produce mutually beneficial outcomes. Sponsorship agreements require sponsors to be involved in a number of activities organized by the sponsee and to maintain their public presence with the organization which they choose to sponsor.

A distinction should also be made between economic and non-economic motives behind a sponsor's decision to engage in sponsorship. From an economic perspective which is more popular amongst non-local companies, sponsors engage in sponsorship agreements with the aim to form a more effective communication channel, increase brand awareness, improve their corporate image, expand the reach to various other audiences and markets and ultimately, to increase sales and profits. Hessling et al. (2018) and Spais & Filis (2008) show that sponsorship agreements also positively affect stock prices and thus the stockholders' economic circumstances. Conversely, from a non-economic perspective which is more popular amongst local companies, sponsors engage in sponsorship agreements with the aim to strengthen relationships with employees within the workplace and with customers and society in a broader context (Hessling et al., 2018). Despite this difference in motives, Osborne & Hammoud (2017) emphasize that building stronger relationships within the workplace between leaders and employees increases employee motivation, wellbeing and productivity which in turn increases profits, essentially achieving the same outcome as when deciding on sponsorships from an economic perspective.

Findings from an exploratory study conducted by Batt et al. (2021) show that sponsorship expenditures have risen from five hundred million to sixty-five billion US dollars since the early 1980s until 2018. The vast increase in expenditures further supports the idea that sponsorship agreements are a beneficial marketing mix tool for business growth.

## **1.2 Research problem identification and relevance**

Unfortunately, the economic harm imposed by the COVID-19 pandemic has impacted 120,000 sponsorships and 5,000 brands, resulting in a ten million US dollar value gap within the sponsorship industry where two thirds of those agreements account for sports sponsorships, which this thesis addresses (IEG, 2020).

Considering that sponsorships represent advertising leverage, with the aim to form a positive brand image, differentiate from competitors and increase profits (Cornwell, Roy & Steinard, 2013), the research problem now concerns the extent to which adverse effects of the COVID-19 pandemic hinder positive outcomes of sports sponsorships in the Balkan region. As both economic and non-economic aims were previously recognized, this thesis will discuss impacts of COVID-19 in terms of both aspects.

With COVID-19 still being a global issue today, it is important to examine its impacts and reveal possible strategies to overcome or at least minimize economic harm, since this ultimately affects the achievement of both economic and non-economic aims of sponsorship agreements for football clubs. Impacts of COVID-19 on sponsorship agreements in football have also not been frequently examined, and further examination may produce more effective business strategies or reveal areas that require corrective action.

Therefore, the examination of this research problem may produce findings that are of practical relevance for football club managers and directors, who could potentially apply recommendations that will be provided in Section conclusion to combat the influence of the pandemic more effectively and achieve economic and non-economic outcomes more successfully.

## **1.3 Research objective**

The primary objective is to examine the influence of the COVID-19 pandemic on the achievement of direct and indirect objectives of sponsorship agreements in the football industry in the Balkan region. The research scope for the Balkan region in this Bachelor Thesis is narrowed down to football clubs from Serbia, Montenegro, Bosnia & Herzegovina and

Croatia. To understand how the research objective will be examined, it is important to briefly distinguish between direct and indirect objectives of sponsorship agreements. A more nuanced explanation is provided in Section 2.6, *Indirect and direct objectives of sports sponsorship*.

Nevertheless, the aim of indirect objectives is to influence long-term consumer behavior (i.e., by increasing brand awareness, creating a desired, positive brand image and building relationships with prospective customers and clients), while the aim of direct objectives is to influence short-term consumer behavior (i.e., sales increase) (Abrahamsson, Forsgren & Lundgren, 2003). Since influencing long-term consumer behavior ultimately affects sales, the final outcome of direct and indirect objectives is the same (Abrahamsson, Forsgren & Lundgren, 2003). It is important to explore both aspects as the influence of the COVID-19 pandemic on the achievement of direct objectives simultaneously affects the achievement of indirect objectives, and vice versa. Establishing this difference is important for understanding why some questions do not directly reference direct or indirect objectives.

Namely, the sole establishment of adverse impacts on sponsorship agreements between football clubs and the sponsor companies due to the COVID-19 pandemic, signifies that the football clubs' ability to achieve direct and indirect objectives has been hindered. For example, research question one inquires about how the COVID-19 pandemic influenced the amount of sports sponsorship agreements, which informs the researcher about changes in income and thus reveals the impacts of the pandemic on the achievement of direct objectives.

To achieve the research objective, there are five research questions that the researcher aims to answer. Each question informs the researcher about how indirect or direct objectives of sponsorship agreements were impacted by the pandemic.

The research questions are written in a manner that enables the researcher to explore the influence of the COVID-19 pandemic on both the football clubs and the sponsor companies. This provides the researcher with a holistic understanding of pandemic impacts on the Balkan football industry.

The relevance and significance of answering each research question will be further discussed in Section 3.2, *Expert interview development, data collection and analysis*.

Research questions:

1. Did the COVID-19 pandemic influence the amount of sports sponsorships to decrease?
2. Contextually to sponsorship agreements, what measures, if any, did sponsor companies implement to mitigate the risk of further economic harm that was caused by the pandemic?
3. When considering differences in the sponsor companies' economic stability, how asymmetric are consequences of the COVID-19 pandemic on sponsorships across different football clubs?
4. To what extent are experts aware of indirect objectives (i.e., non-economic outcomes) of sponsorship agreements?
5. To what extent did the absence of a physical audience incentivize sports sponsoring companies to increase their digital presence?

#### **1.4 Outline**

This Bachelor Thesis comprises five main sections: Introduction, Literature Review, Methodology, Results and Conclusion and Recommendations. In the introduction, the researcher briefs readers on the topic overview, identifies and establishes the relevance of the research problem, identifies the research objective and lists the research questions that will be used to achieve the research objective. The researcher will then conduct a literature review in which current literature that is required for achieving the research objective will be discussed. The researcher will establish the relevance of the reviewed literature in regards to answering the five research questions. The literature review is organized in a manner that enables each section to inform the reader about a topic that is significant for achieving the research objective or answering a particular research question. Subsequently, the researcher provides the research design of the thesis, and explains how the expert interview will be developed and how

data will be collected and analyzed for the purpose of achieving the research objective. In the results section, the researcher will analyze the collected data and discuss it in the context of each research question. Lastly, in the conclusion and recommendations section, the researcher will summarize the analyzed data and discuss the extent to which the research objective was achieved. Recommendations and further insights will be provided based on the researcher's conclusions and inferences, in order to provide relevant information for football club managers and directors that could be implemented to improve the achievement of direct and indirect objectives in sports sponsorships.

## **2 Literature Review**

### **2.1 Influence of COVID-19 on revenue in the sports industry**

The emergence of the COVID-19 pandemic affected sporting events not only in terms of sponsorship, but also in terms of economic impact and changes in the structure of earnings based on sporting events (Skinner & Smith, 2021). In addition to adverse impacts on sporting events and sponsorships, it may be hypothesized that the pandemic equally harmed affiliated individuals such as professional athletes, as there were indications that professional athletes were in some way subsidized and supported by the state (Drewes, Daumann, & Follert, 2021). Statistical data has further contributed to the establishment of COVID-19 induced adversities; due to frequent event cancellation and postponement, sponsor agreements in 2020 experienced a decline of as much as 37% compared to the previous year. Considering the \$ 46 billion revenue achieved in 2019, global markets suffered a \$ 17.2 billion loss, barely reaching \$ 30 billion in revenue (Dixon, 2020).

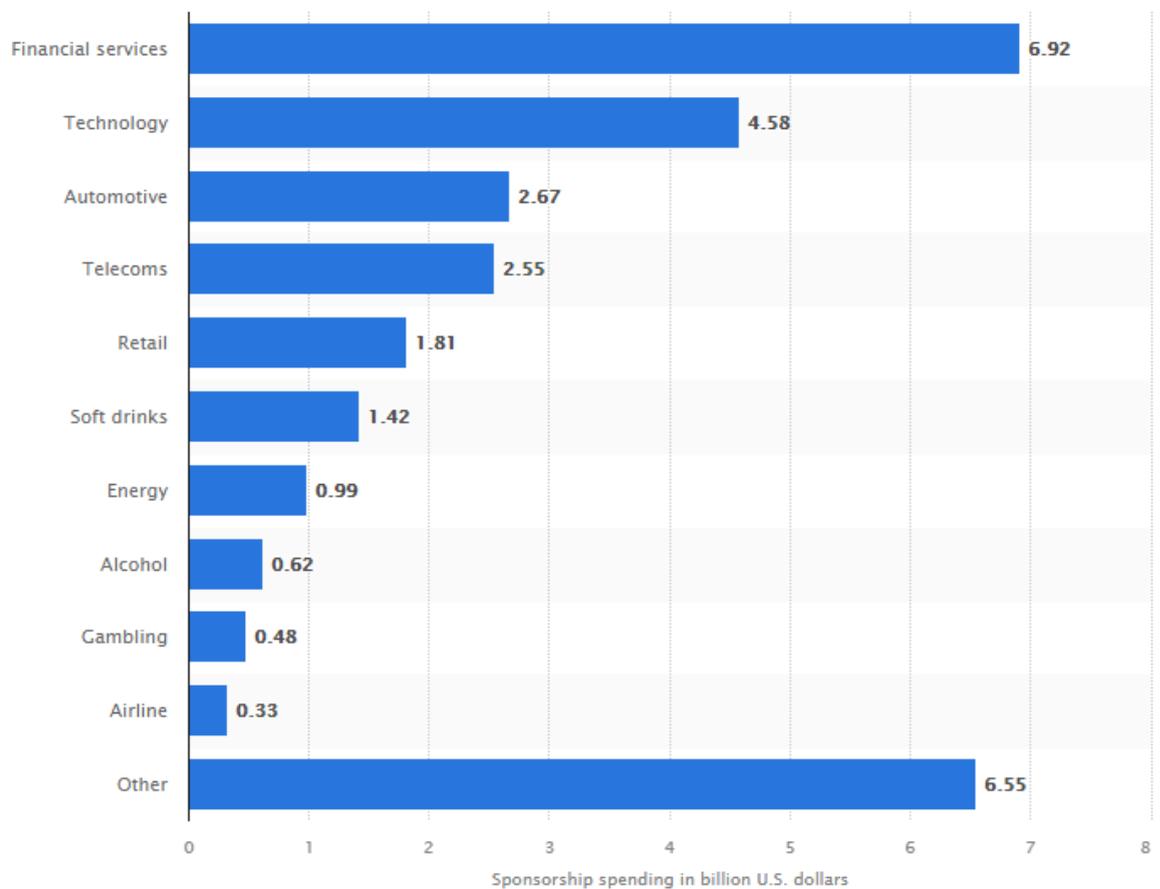
The reason why sports sponsorship agreements are so profitable is because their consistent presence throughout events influences consumers' brand perception and thus increases their willingness to purchase the advertised products. Increased brand recognition, positive brand identity, brand loyalty and customer commitment positively correlate with increased brand equity, which ultimately increases revenue and organizational success (Jeon, 2017).

Current literature does not specify revenue and profits that originate from sponsorship agreements in the Balkans, statistical data is only available for the global industry. The absence of national and regional data evokes questions regarding sponsorship agreement income in the Balkans, especially when considering the strong sports culture which prevails within this region. While it is clear that this report will not be able to obtain financial data, it has been established that non-economic outcomes such as increased brand equity strongly correlate with excellent financial performance (Jeon, 2017). Therefore, the examination of non-economic outcomes within the Balkan region will certainly provide region-specific results that may indicate financial patterns and COVID-19 induced financial impacts on the sports sponsoring industry.

It is unfortunate that numbers of sponsors per team, region or specific sport remain undisclosed. This non-economic factor would further suggest COVID-19 impacts by allowing for comparisons between pre-covid and post-covid statistics.

## **2.2 Common sectors of sports sponsoring organizations**

Sectors of sports sponsoring organizations (e.g., finance, beverage, telecommunications, gambling, technology, automotive, alcohol, airline) are crucial for the establishment of sports sponsorship agreements, as these organizations are responsible for providing funding and generating public attention (Baylis, 2021). The chart below shows data on sports sponsorship spending worldwide in 2020.



*Figure 1: Sports sponsorship spending in billion U.S. dollars (based on [Gough, 2021])*

The illustrated data indicates that the largest sponsors of spending are financial institutions and organizations. The amounts are shown in billions of dollars, and they demonstrate that during 2020, the sports industry was predominantly funded by the financial services sector in the amount of almost 7 billion arrivals. While forecasts predict that this amount will increase after 2020, it is evident that other sectors - perhaps with the exclusion of the technology sector which is becoming increasingly involved - are significantly less involved. The airline industry is placed last; this statistical component may not be this low due to choice, but rather due to the fact that the airline industry suffered some of the most adverse economic effects as a result of the COVID-19 pandemic, hence disabling it from financially contributing (Gough, 2021).

These amounts may be the result of the changes that followed the pandemic because the ways of sponsorship have changed greatly. The big focus is now on digital (Kim, Nauright, & Suveatwatanakul, 2020), for the simple reason that many matches took place in front of empty stands, and sponsors raced around broadcasting matches or other ways of sponsoring digitally (Range & Mataruna, 2021).

In addition to financial services, cars, soft drinks, sporting goods and beers are particularly favorable sponsor products, as they represent consumer goods to which the audience can develop strong preference to and positively associate said products with the sporting events which they enjoy (Fehérvári, 2021). The experience offered by the sporting event and the positive feelings which it evokes (e.g., excitement) simultaneously influences a positive brand perception that reflects that positive experience and feelings. This makes consumers more prone to purchasing advertised products outside of event premises.

However, there is one significant outlier within the most popular sponsors that is not a consumer good company, and that is Gazprom. Coincidentally, Gazprom is also one of the primary sponsors within the Balkan region (e.g., for the Crvena Zvezda football team from Serbia) (Fehérvári, 2021). It could be inferred that frequent exposure to sponsorships created by the automotive industry complements Gazprom, but the Russian company is also extremely profitable on its own.

### **2.3 Importance of sponsors**

It should not be forgotten that many sports organizations and athletes depend on sponsors (Çakir, 2020), and the moment when the matches stopped being held for a certain time, the loss of income from matches was enormous (Dašić, Tošić, & Delečić, 2020). The loss was not only achieved by sports organizations and clubs but, as mentioned, also by individual athletes. Some of the largest sporting events in the world have been postponed or completely canceled, which has significantly affected the reduction of support from sponsors (Faganel, Mitic, & Janes, 2021). What is a special problem is that at the time of the pandemic, there were no indications of a potential solution or way out of this crisis. Also, the crisis

has shown that football has long been perceived as much more than a sport and a game; it has become a form of entrepreneurship (Hammerschmidt, Durst, Kraus, & Puumalainen, 2021).

The reason why so many sports organizations and athletes depend on sponsors for increasing revenue is because sports sponsorship agreements present an excellent opportunity for meeting any competitive threats on the sponsorship market. If a sports club chooses not to make the sponsorship investment, their competitors most certainly will (Abrahamsson, Forsgren & Lundgren, 2003).

There is also the threat of ambush marketing in the case of missed sports sponsorship opportunities. Ambush marketing occurs when non official sponsors of sports events attempt to advertise their goods and services without paying any sponsorship fees. In addition to undermining the efforts of sports clubs and sponsor companies that invest millions of dollars into sponsorship agreements, ambush marketing is harmful for the venue holders' and sports event organizers' image, hosting ability and profitability as it can weaken their bargaining position when selecting sponsors for future events (Socolow, 2010).

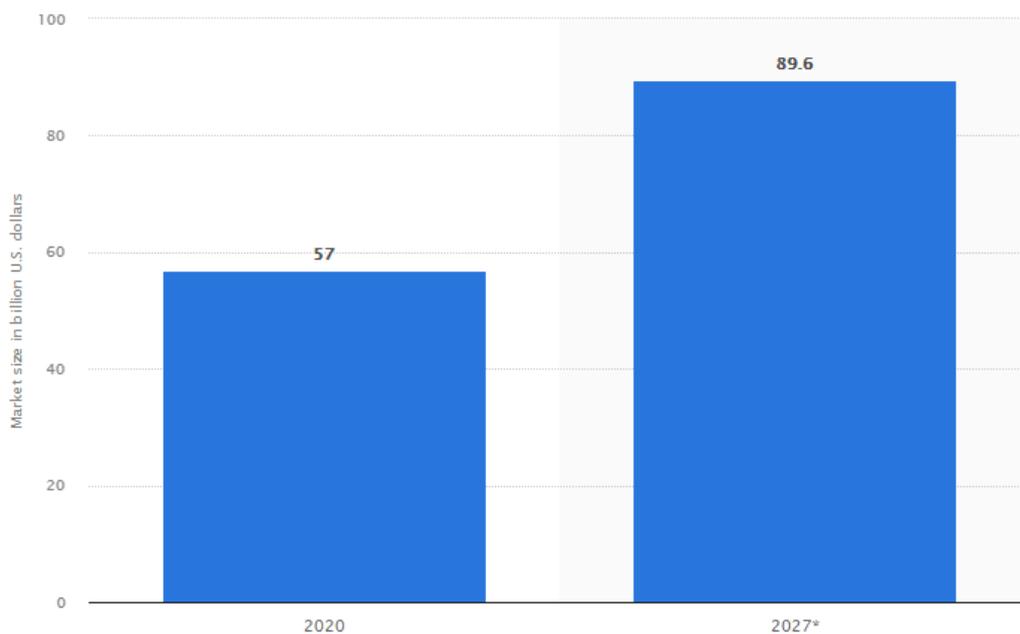
Official sponsors are thus integral to the image of all involved parties; this includes the sponsor company itself, the sports club, the venue holder and the event organizer. Consequently, the professional image formed by official, positively perceived sponsors translates to higher profitability and work possibilities for the sponsor company, sports club, venue holders and event organizers.

The importance of sponsors was further solidified upon scanning literature that examines financial losses caused by a decrease in the amount of sponsorship agreements due to COVID-19. Research shows that by the end of 2020, the sports sector will lose more than 60 billion dollars because the pandemic caused the cancellation of many sports events. Therefore, global sponsorships are affected by over \$ 17 billion (Dixon, 2020).

The biggest change that has happened is the situation that sports events will be held without the audience and fans who were key to any match.

Some authorities decide how many fans will be in the stands, but in any case, sponsorships must change their business policy and devise new advertising tactics. March 2020 saw a 40% drop in sponsorship agreements worldwide (Nott, 2021). As news emerged that many events would not occur, or would take place in a different form, sponsors gave up or reduced their advertising budgets (Johnston, 2020).

Juxtaposingly to current financial circumstances, a large increase in the amount of sports sponsorship agreements is expected in the next few years. *Figure 2* predicts that sponsorships in sports will increase from 57 billion dollars to almost 90 billion dollars worldwide between 2020 and 2027 (Gough, 2021). The reason as to why this amount is so high cannot be stated with certainty, but there is an assumption that sponsors will now invest in different ways (e.g., through digital advertising) to compensate for the pandemic induced losses that were endured so far (Ratten, 2020).



*Figure 2: Size of sports sponsorship market worldwide in 2020 and 2027 (based on[Gough, 2021])*

## **2.4 The importance of choosing the right sponsors**

While having official sponsors is significant, choosing the right sponsors is necessary and integral if the sports club wishes to positively influence their

brand image and increase their brand value. Characteristics of the “right” sponsors primarily include ethical behavior and a positive public brand image that simultaneously fits with the customer experience associated with the sporting event (e.g., beer, chips and football are the most prominently grouped associations). Zeidan (2013) and Choubi et al. (2021) emphasize that financial performance is affected by corporate violations of laws and regulations and any exertion of behavior that may not be illegal but does constitute as unethical. Consequently, being associated with sponsor companies whose financial performance is adversely impacted by unethical practices or whose brand image and reputation is simply undesirable, has a direct effect on the reputation and financial performance of the sports club. Choosing an unreputable sponsor company once may hinder the sports club’s ability to select reputable sponsor companies in the future; sponsor companies would not want to associate with sports clubs that are or were recently characterized and perceived negatively in the public eye. In addition to choosing the right sponsor profile, sports clubs must choose the right amount of official sponsors to avoid sponsorship clustering.

One strategy that could be employed is to research the prospective sponsors’ brand image, history and values to evaluate whether they align with values and intentions of the sports club. Thorough research must be conducted in regards to brand history and brand image, to avoid the risk of negative sponsor company associations that harm the professional image of the sports club. The brand should also be an influential, relevant industry player, either on national or international scales, to ensure that the sports club is perceived as relevant and influential. This mutually benefits the sports club and sponsor company, as both entities’ perceived brand value increases.

## 2.5 Sponsorships as an effective marketing tool

While both economic and non-economic benefits of sports sponsorship are frequently celebrated in literature, the common misconception amongst the general public is that sports sponsorships solely contribute to sports clubs financially. In actuality, sports sponsorships serve as an excellent marketing tool that contributes both to brand awareness, brand image and relationship building, and to generating income through sales increase. While the non-economic benefits ultimately cause economic gains, their involvement and role in income generation must not be ignored. Being aware of the influence of the diverse set of non-economic benefits on financial performance can maximize the sports clubs' and sponsor companies' ability to leverage sponsorship opportunities to positively influence public opinions and increase presence, relevance and chances of financial success.

The first step to developing an effective marketing strategy is to identify the target market. Considering the plethora of consumer preferences, a single product rarely satisfies the needs and expectations of all consumers. To match consumer preferences with specific products, companies implement target marketing strategies (Camilleri, 2017). One strategy is market segmentation, which divides consumers into four segments based on homogenous needs and features. The four segments are as follows: geographic, demographic, psychographic and behavioral. (Tarver, 2021) Camilleri (2017) states that a valid and reliable market segmentation is a prerequisite for the development of customer-centric strategies to maximize profitability.

Based on this market segmentation, marketing managers may adapt marketing mix elements (i.e., products, prices, places and promotions) to adhere to the preferences of individual consumers. For example, a sponsor company with more high-end and expensive consumer goods may be more desirable and accessible to a group of football fans that regularly attends high-cost matches in stadiums where tickets are more expensive on a regular basis. A concrete example would be to market the global company Pringles to higher-income consumers at more expensive games in stadiums such as the Olympic Athletic Center of Athens in Greece, while a

local company such as Chipsy may choose to market their less expensive products to Serbian audiences in the Rajko Mitic stadium in Belgrade. When considering the enormous expenses of sponsorship agreements, both the sports club and sponsor company must be aware of their target audience to avoid missing out on profits.

Contextually to the relationship between marketing segmentation and sports sponsorship agreements, Abrahamsson, Forsgren & Lundgren (2003) propose that one of the dominant sponsorship benefits is the natural ability to reach identical psychographic consumer segments, due to them sharing common interests and activity preferences (e.g., football). It is for this reason that sports sponsorships may reach target markets more effectively than traditional advertising. In addition to effective and specific targeting, sports sponsorship targets extremely large audiences (e.g., over 50,000 prospective consumers even in minor cities such as Belgrade, Serbia).

Contextually to the marketing mix elements, sports sponsorships should particularly be leveraged to maximize promotion opportunities and success. Promotion includes marketing elements such as paid advertising; sponsorship agreements are essentially a form of paid advertising (Abrahamsson, Forsgren & Lundgren, 2003). With the rise of digitization, mass media advertising became more accessible, but higher competition and increased demand has consequently made it more expensive (Digital Information World, 2022). In addition to increased advertising expenses, it has become increasingly difficult to reach specific groups of targeted consumers due to information overload and a higher presence of digital advertisements. Considering this, the sports sponsorships' natural ability to reach identical psychographic consumer segments is highly beneficial and reduces the difficulty of reaching specific target groups (Abrahamsson, Forsgren & Lundgren, 2003).

The increase in the difficulty of reaching specific target groups has consequently led to the creation of new promotion elements, such as event marketing (Zarantonello & Schmitt, 2013). Similarly to paid advertisements, sports sponsorships are a form of event marketing that is specific to the sports industry (Zarantonello & Schmitt, 2013). While traditional advertising

remains with the largest market share of mass media spending for the purpose of advertisement, its relative share has been declining steadily (Zarantonello & Schmitt, 2013). This perhaps correlates with the declining revenue from mass media advertisements that may have been caused by less effective targeting of specific consumer segments. Contrary to conventional mass media advertising, event marketing is a growth industry which has been experiencing continuous annual increases in industry spending and investments, which implies its effectiveness and profitability. Contrastingly to the distant, one-way and broad-based characteristics of conventional mass media advertisements, event marketing enables direct, highly interactive and local consumer-brand encounters that allow prospective customers to experience brands immediately and form opinions that will influence their purchasing behaviors (Zarantonello & Schmitt, 2013).

Zarantonello & Schmit (2013) further describe the synonymous relationship of event marketing and experiential marketing, which symbolizes the core objective of this marketing tool. The reason why event marketing and experiential marketing are used synonymously is because the core objective of event marketing is to create memorable brand experiences through direct contact and customer-salesperson interaction. The aim of event marketing slightly differs from the primary objective of conventional mass media advertising that aims to persuade and modify consumer attitudes in relation to specific products (Zarantonello & Schmitt, 2013). While its objective is to ultimately shape positive consumer attitudes and brand perceptions, event marketing achieves this through relationship and experience building rather than immediate persuasion. It could be argued that, due to the building of relationships and memorable experiences, event marketing may appear more meaningful and encourage long-term purchasing behaviors and customer loyalty to a larger extent. The creation of more meaningful connections through direct customer-salesperson contact subsequently correlates with stronger brand equity. The contribution of event marketing to brand equity is significant because the effectiveness of sports sponsorships is commonly measured through brand equity (Gillooly, 2014).

Abrahamsson, Forsgren & Lundgren (2003) have provided a case example that supports the idea that event marketing is more profitable than conventional mass media advertisements. Namely, they report Volvo's findings that the company's exposure was increased by as much as seven times more than when choosing to implement conventional, indirect marketing strategies. Significantly larger exposure has gained them more customers and caused more frequent purchasing patterns from the exposed customers.

Another interesting inquiry relates to exposure time, which may provide additional empirical evidence that justifies why event marketing is more profitable than conventional mass media advertisements. Goldstein, McAfee & Suri (2011) describe that time exposure positively correlates with memory of display advertisements. Higher recall consequently correlates with increased brand recognition, which influences purchasing behaviors and increases sales. Jallad (2019) additionally emphasizes the significance of brand recognition for sales increase by reporting that 75% of consumers state that they are more likely to purchase products from companies that they recognize. Sports games offer an excellent opportunity for prolonged exposure time, as spectators are exposed to the sponsorship companies' advertisements for the entire duration of the games. In the case of football, for example, exposure time would be a little over an hour and a half, as opposed to conventional mass media advertisements that typically last between 15 and 30 seconds (Maher, 2016). The difference between sports events and conventional advertisements, however, is that consumers may be exposed to conventional advertisements more frequently despite them being characterized by shorter exposure time.

Abrahamsson, Forsgren & Lundgren (2003) further explain that the exposure time of sports sponsorship advertisements depends on the amount of monetary contribution. While financial investments are high, ROI is high, too. Sponsor companies and sports clubs must carefully consider their sponsorship budgets, as this affects their exposure time and ultimately purchasing intentions and sales.

Another benefit of sports sponsorship in marketing is that it reaches two potential markets: the player (i.e., participants) and the spectator. This

expands the pool of prospective customers and increases the likelihood of boosting sales. Not only does it reach two potential markets, it effectively holds the existing prospective customer base for a prolonged period of time, which once again increases the total exposure time and thereby, has the capacity to influence brand awareness and long-term purchasing behaviors (Abrahamsson, Forsgren & Lundgren, 2003).

As previously stated, sports sponsorship is a subset of event marketing (Abrahamsson, Forsgren & Lundgren, 2003); the difference is that sports sponsorships can occur outside of event premises, which further benefits the sports club and sponsor company. The consumer will simultaneously associate the advertised products with the sports club, which increases exposure and brand recognition for both parties. Additional channels for sports sponsorship advertisements include digital marketing, for example through Instagram or Twitter. The implementation of digital marketing tools for sports sponsorships during the COVID-19 pandemic will later be discussed and characterized as highly beneficial for both parties' brand image and finances.

Finally, Abrahamsson, Forsgren & Lundgren (2003) add that the reason why sports sponsorships are such an effective marketing tool is because spectators identify with sports individuals or teams, and these individuals or teams inadvertently identify with the sponsor companies' products. The consumer preference for specific individuals or teams thus translates into preference for sponsored products, and sports club loyalty translates into customer loyalty through these associations. Therefore, personal interests of targeted consumers are leveraged to fulfill corporate interests of sports clubs and sponsor companies.

## **2.6 Indirect and direct objectives of sports sponsorship**

When discussing the objectives of sports sponsorships, they can be classified into two categories: indirect and direct objectives (Abrahamsson, Forsgren & Lundgren, 2003). It is important to distinguish between these objectives as they influence the choice and implementation of marketing strategies and they produce different outcomes. Namely, the aim of indirect objectives is to influence long-term consumer behavior (i.e., by increasing

brand awareness, creating a desired, positive brand image and building relationships with prospective customers and clients). Ultimately, by influencing long-term consumer behavior sales are predicted to increase and the positive brand image and increased brand awareness offer more sustainable competitive advantage both to the sponsor and sponsee companies (Abrahamsson, Forsgren & Lundgren, 2003; Kapoor & Kulshrestha, 2011). Conversely, the aim of direct objectives is to influence short-term consumer behavior - that is, to increase sales (Abrahamsson, Forsgren & Lundgren, 2003). Indirect and direct objectives share identical final outcomes, but indirect objectives may be more nuanced due to their long-term effects on both brand perceptions and income, as opposed to solely income when it comes to direct objectives. Both, however, must be implemented to maximize the effectiveness of sports sponsorships for both parties.

### **2.6.1 Indirect objectives**

Objective I: Brand awareness

Section 2.2, *Common sectors of sports sponsoring organizations*, outlines the kinds of brands that sports companies choose to associate with. These primarily include financial services, cars, soft drinks, sporting goods and beers and somewhat of an outlier - Russian gas company Gazprom. Within all of these categories, sports companies choose to associate with the most influential sponsors in their industries, as increased brand (or club) awareness is mutual when it comes to sponsor and sponsee companies (Fehérvári, 2021). Considering this, having a sponsor that already has high local (e.g., Jelen beer for Serbia) or global (e.g., Gazprom for Belgrade's Crvena Zvezda) brand awareness, increases the customer base that will be exposed to the sporting event or club that is sponsoring that specific consumer goods company. Simultaneously, the spectators of sporting events such as football games present prospective consumers of advertised consumer goods due to being exposed to their advertising. The chances of developing a loyal customer base that originates from the sporting events are likely to increase in the case of regular sports fans and stadium visitors.

The stadium capacity is also an influential factor for brand awareness. For example, the Rajko Mitic stadium in Belgrade, Serbia has the capacity to seat 53,000 people, while the Olympic Athletic Center of Athens in Greece has the capacity to seat 69,918 people (The Stadium Guide, 2022). Popular global brands such as Gazprom, Qatar Airways, Etihad Airways or Fly Emirates would have higher exposure in Athens and would perhaps generate higher brand and club awareness for the sponsor and sponsee companies. Under the ideal circumstances in which both stadiums are filled to their full capacities, more sports spectators would be exposed to these brands in Athens and there will be a higher chance of building a larger customer base and generating more income, which satisfies both indirect and direct objectives in the long-run (Sports Illustrated, 2019).

It should, however, be noted that a popular local brand (e.g., the previously mentioned Serbian brand Jelen beer) would be far less successful in generating revenue in Athens despite the larger stadium seating capacity, as Greek sports fans are less exposed to this Serbian brand and may be less inclined to purchase it over already popular Greek beer brands (e.g., Mythos) who have built strong brand awareness over a long period of time. This portion connects to the importance of choosing the right sponsors, which was discussed in Section 2.5; for maximizing the effectiveness of sports sponsorships and building the highest possible mutual brand and club awareness, it is mandatory to find corporate sponsors that are both large and relevant to the target audience to whom they are advertised.

In addition, Abrahamsson, Forsgren & Lundgren (2003) suggest that sports sponsorships generate higher levels of awareness in comparison to regular corporate advertising, when the desired target markets are properly selected and addressed. This places further emphasis on the importance of selecting the right sponsors for building brand awareness, and inadvertently it influences the image that the selected sponsor companies build for the sports club, and vice versa, the image that the sports club builds for the sponsor.

Objective II: Image building

Image building is considered one of the most important aspects of sports sponsorships, as the sports clubs have the opportunity to build their desired brand image depending on what sponsors they choose for their sporting events, jerseys or other ways and channels of advertising. By associating with large corporate entities, sports clubs are offered a chance to create a positive brand image of an important, influential and large industry player. Sports spectators are subsequently inclined to associate both the sports club and the sponsor company as successful and relevant, which increases the likelihood of positively influencing long-term purchasing behaviors. It is important that the image of the sponsor remains congruent with the desired image of the sports club, which is why selecting sponsors that are characterized by positive public perceptions should be the desired target group. This is particularly important when considering that consumers make purchasing decisions based on their perceptions of the brand to a much larger extent than based on realistic product features or quality. The sponsors' reputation influences the reputation of the sports clubs, and vice versa (Zhang, 2015).

Similarly to brand awareness, a positive brand image increases the sports club's sustainable competitive advantage and ultimately increases the chances of generating higher revenue and profits. There is also the chance of associating the consumer goods of sponsor companies not only as influential, but bringing it values such as fitness and excellence, too (Abrahamsson, Forsgren & Lundgren, 2003).

#### Objective III: Relationship marketing

Relationship marketing may simply be described as socializing and building relationships with prospective customers with the aim of influencing their purchasing intentions and behaviors by offering a positive experience with the company. A specific relationship marketing tool which this section will focus on is relationship selling (Abrahamsson, Forsgren & Lundgren, 2003).

Upon scanning literature, it became apparent that past research was more favorable to relationship marketing (Foster & Cadogan, 2000; Reynolds & Arnold, 2000; Yoho, 1998; Jolson, 1997; Boles, Barksdale & Johnson,

1997; Doney & Cannon, 1997). Late 1990s marked the time period for pioneer research in relationship selling as a seemingly effective relationship marketing tool. With the rapid rise in digitization during the twenty-first century, relationship selling became somewhat of a secondary marketing strategy which, while not proven ineffective, was replaced by a diverse set of digital marketing tools. In the context of the COVID-19 pandemic, the implementation of digital marketing tools also appears more favorable than face-to-face marketing and in-person communication.

Despite its potentially declining efficacy, relationship selling may be beneficial to sports clubs and sponsor companies when combined with said digital marketing tools (e.g., social media advertising to target groups) by strengthening or further securing customer loyalty. Foster & Cadogan (2000) propose that customer loyalty is influenced by relationship selling at two levels: customer-salesperson relationships and the overall relationship customers have with the company. Sporting events present an excellent opportunity for salespersons to scout prospective customers and build relationships with them. The establishment of strong customer-salesperson relationships aids in the creation of positive customer-company relationships, as the customer associates their experience with the salesperson with the overall company experience. Both types of relationships positively correlated with customer loyalty, implying that relationship selling may influence long-term purchasing behaviors and increase sales, revenue and profits.

More recent literature warns that building relationships does not always cause long-term purchasing behaviors and customer loyalty. A singular purchase subsequent to relationship selling may increase chances of long-term purchasing behaviors if the prospective customer positively perceives the salesperson or product, but Oliver (2021) emphasizes that relationships do not always lead to work opportunities, meaning that the singular purchase that may cause long-term purchasing behaviors may not even occur. A contrasting perspective is that, if no relationship exists, it becomes harder to sell goods and services. It could thus be concluded that the optimal marketing strategy would be to include relationship selling in

addition to digital marketing strategies, and monitor and evaluate the success of individual strategies to maximize marketing success.

### **2.6.2 Direct objective**

Objective I: Sales increase

Sales increase constitutes the eventual or final outcome objective for virtually all sponsoring organizations, whether through a hierarchy of effects (e.g., brand awareness, brand image and relationship selling) or in isolation (Abrahamsson, Forsgren & Lundgren, 2003). In some circumstances, sponsorship agreements are made for the sole purpose of making a profit. While indirect objectives of brand awareness and brand image are considered the most important in sports sponsorship, it is indisputable that profit remains a primary concern for all parties who are involved in the sponsorship agreement. In addition, without sponsorships, the event would likely lose or reduce its ability to be profitable in its entirety. The objective of sales increase is straight-forward; financial resources allow sports clubs and event venues to continue with their regular business operations, and they allow sponsor companies to continue advertising their goods and services in exchange for long-term purchasing behaviors that ultimately generate profits, too (Abrahamsson, Forsgren & Lundgren, 2003).

## **2.7 Adapting to the pandemic**

The structure and practice of sponsorship have changed, which brings with it new obligations and responsibilities for football players and other athletes. First of all, this way of sponsoring has grown on social networks (López-Carril & Anagnostopoulos, 2020), where some athletes have become more active. Counting on sponsorship agreements becoming modified, advertising had to be digitized in some way and redirected to digital media channels (Westmattmann et al., 2021). This does not mean that other ways of sponsoring and advertising were neglected, but they had to adapt and reorient themselves at an unknown time during the pandemic. Not only has the structure and the way of sponsorship changed, the sponsors who appear at sports competitions have also been replaced. The main example of this is the company Zoom, which before the pandemic

almost did not even exist as a recognized sponsor, and as there was a great need for this application during the pandemic, it found itself at many events (Netimperative, 2021). On the other hand, many companies have chosen other ways and channels of advertising, so these are multiple consequences of the COVID-19 virus pandemic.

## **2.8 Benefits of digital sponsorship agreements**

While the most common forms of sponsor advertisements include billboards and embedded logos on stadium fields and athletes' jerseys, these advertising forms create high exposure but lack engagement which more strongly increases consumers' purchase intentions. The classic, non-digital approach limits the sponsor and sponsee companies from assessing and measuring the exact number of supporters that engage with and purchase advertised products (Frisch & Tawast, 2019). This may hinder profitability and prevent the identification of profitable and non-profitable or less profitable sponsor and sponsee companies which may impede both parties' non-economic and economic outcomes.

Conversely, digital platforms enable higher exposure and engagement, and while COVID-19 has increased companies' tendency to employ digital forms of sponsorship agreements, implementation remains insubstantial (Frisch & Tawast, 2019).

## **2.9 Limitations to current sponsorship practices**

While sponsorship effectiveness should be measured through brand equity, brand equity cannot be accurately measured and assessed since classic, non-digital forms of sponsorship agreements do not allow customer engagement and purchase pattern tracking (Frisch & Tawast, 2019). However, this limitation could be mitigated by prioritizing digital sponsorships, which are particularly important for organizational success and the achievement of direct and indirect objectives during the pandemic due to emptier stadiums (Frisch & Tawast, 2019; Kim, Nauright, & Suveatwatanakul, 2020; Range & Mataruna, 2021). Namely, digital sponsorships would mitigate this limitation by enabling customer engagement and purchase pattern tracking. Enabling the evaluation of

brand equity and thus sponsorship agreement effectiveness is crucial for maximizing the achievement of direct and indirect objectives of sports sponsorships and for recovering from adverse impacts of the COVID-19 pandemic.

### **3 Methodology**

#### **3.1 Research Design**

This paper will rely on the collection of primary data in order to explore the ways in which COVID-19 has impacted sponsor agreements in sports. It is crucial to recognize that a methodological approach to data collection is limited by factors such as research purpose, research questions and the availability of resources (Ponto, 2015).

The research design is of exploratory nature. While impacts of COVID-19 have been frequently studied since its start, there is insufficient research of pandemic impacts in the field of sponsorships. The lack of information on this topic indicates the need for further exploration in order to identify changes and examine strategies for overcoming pandemic impacts (Sacred Heart University Library, n.d.) and reaching the predicted increase in sponsorship agreements in the next five years (Ratten, 2020). The general lack of long-term data on the impacts of COVID-19 in all sectors, including the sports sector and football sponsorship agreements, is another motivator for exploring possible effects - exploration in the early stages may produce preventative strategies for future threats.

Expert interviews have been chosen as the research method. Namely, expert interviews will be conducted with ten different experts from Serbian, Montenegrin, Bosnian and Croatian football clubs. Considering the lack of readily available information, gathering data from experts (i.e., general managers, marketing and general directors, chairpersons and secretaries) will yield the most reliable and holistic representation of pandemic-induced changes. Being qualitative in nature, expert interviews could reveal human behaviors and patterns (e.g., decision making, critical thinking) that are not easily quantified (Tenny, Brannan & Sharts-Hopko, 2021).

It is important to note that all interviewees were informed about the topic and purpose of the study, and all interviewees provided consent for their answers to be analyzed and discussed.

### **3.2 Expert Interview Development, Data Collection and Analysis**

The type of expert interview that will be conducted is the “structured interview”, which is a set of predetermined questions that is distributed to different interviewees. The aim of structured expert interviews is to produce qualitative data that informs the researcher about the experts’ knowledge, awareness and perspectives in regards to the research topic or problem (Young et al., 2018).

Strengths:

One of the main strengths of structured expert interviews is that they allow a thorough analysis from a small sample size of highly knowledgeable subjects. Since structured interviews employ a set of predetermined questions, close comparisons can be made between different interviews. In addition, they provide insight into the values, beliefs and decision-making processes of subjects who represent leaders in certain industries (e.g., the football industry), which can reveal strengths, weaknesses and opportunities for improvement in regards to business strategies and approaches to management. Ultimately, the revelation of these aspects can aid in the development of new research that aims to improve upon current practices (Young et al., 2018).

Weaknesses:

While the ability to make close comparisons due to having predetermined questions is most certainly a strength, it comes at the expense of prohibiting interviewees from shaping the discussion (Young et al., 2018). This may hinder the accuracy of the researcher’s understanding of the interviewees’ interpretative knowledge and levels of awareness about the research problem, as structured interviews do not allow for the same openness and flexibility that is offered by unstructured interviews, such as the problem-centered interview method (Döringer, 2020). In the context of

flexibility, another weakness of structured interviews is that they do not allow the interviewer to ask the interviewees to elaborate on their answers or to ask additional questions (Young et al., 2018).

While the expert interview questions will be designed to examine the influence of the COVID-19 pandemic on both economic and non-economic outcomes, it should be noted that economic outcomes will not be presented in the form of quantitative data. That is, interviewees will not be asked to disclose impacts on profits and revenue, but they will be asked to list sponsors that were present prior to the pandemic and those that were present at the time of answering the interview questions. By taking this approach, the researcher is able to gather qualitative data that indicates impacts on profits and revenue, without having to ask for the exact finances. The decision to exclude quantitative data may be justified by the lack of relevant and sufficient financial data that cannot be obtained from the sampled sponsorship agreements and interviewed experts; such quantitative data is considered private information and does not have to be disclosed to the public upon request.

Considering that ten experts from only four Balkan countries will be interviewed, one may argue that findings may not be highly generalizable to the entire Balkan region and on a global scale. However, the purpose of this study is not to generate a specific theory or to draw definitive conclusions (as qualitative research methods cannot yield cause and effect relationships and do not allow for clear data comparisons). Rather, it aims to gather qualitative data that will be valuable for structuring future quantitative analyses, by revealing the fields that may be the most critical. The aim is thus to facilitate a stronger foundation for narrowing down future research and prioritizing issues within the field, by first identifying the level of awareness and interpretative knowledge of experts within the given field.

The following table presents the ten interviewees, their football club, their position in the football club and the country of origin of the listed football club.

nr.	Balkan country of origin	Football club	Name and job description (expertise) of interviewee
1	Serbia	Crvena Zvezda	Zoran Avramović, marketing director.
2	Serbia	Voždovac	Miloš Mirković, general director.
3	Serbia	Partizan	Jovan Bilčar, marketing director.
4	Serbia	Čukarički	Dijana Petrović Đorđević, general director.
5	Serbia	Vojvodina	Miloš Subotin, marketing director.
6	Croatia	NK Rijeka	Luka Ivančić, general manager.
7	Croatia	Hajduk Split	Julija Hrstić, sales marketing director.
8	Montenegro	Petrovac	Krsto Aramenko, secretary.
9	Bosnia & Herzegovina	Sarajevo	Emir Hadžić, marketing director.
10	Bosnia & Herzegovina	Mladost Doboj Kakanj	Mensur Mušija, club president / chairperson.

*Table 1: Expert interviewee's football club, their names and position in the football club and the country of origin of the listed football club.*

To collect data, each expert was contacted by email and asked to participate in the interview. Experts were briefed on the objectives of the

study and the purpose of their contribution for completing this Bachelor Thesis. Experts were also informed about the structure of the interview and they were asked to set a time slot for the interview to participate. After selecting the time slot and consenting to participate in the study, the experts were sent a meeting request through Skype.

The structured, expert interview consists of twelve questions that examine how marketing and management experts perceive economic and non-economic impacts of the COVID-19 pandemic on sponsorship agreements in their Serbian, Montenegrin, Bosnian and Croatian football clubs. The subsequent section will discuss the relevance of the interview questions in relation to answering each research question and achieving the research objectives. The structured expert interview may be viewed in its entirety in Appendix 1. The researcher strongly advises you to read the questions before reading the subsequent section, as only their chronological placement within the expert interview will be referenced (i.e., “question one” instead of writing the full question).

Research Question 1: Did the COVID-19 pandemic influence the amount of sports sponsorships to decrease?

This research question is addressed in interview questions one and two.

Namely, the first two questions aim to reveal differences in the pre-pandemic and current amount of sponsor companies that the interviewees' football clubs are in agreement with, to reveal whether the COVID-19 pandemic caused sponsorship agreements to decrease. A decrease in the amount of sponsorship agreements simultaneously implies adverse impacts on the achievement of both direct and indirect objectives of sponsorship agreements.

Research Question 2: Contextually to sponsorship agreements, what measures, if any, did sponsor companies implement to mitigate the risk of further economic harm that was caused by the pandemic?

This research question is addressed in interview questions three and four, and it aims to expand upon previous inferences drawn from examining differences in the amount of sponsorships. If experts report that the amount

of sponsorships did decrease, then the answer to question three would be that one of the mitigating measures was to cancel sponsorship agreements. If experts report that the amount of sponsorships did not decrease, it is possible that experts would report in question four that agreements were signed for a shorter period of time to mitigate economic risks. A more extreme case that would imply a stronger pandemic influence would be for experts to report both sponsorship losses and shortened agreements.

More specifically, by asking question three, the researcher is attempting to understand whether the experts believe that the cause of sponsorship cancellations was related to the economic instability in a specific company or country. It is possible that more economically strong countries (e.g., Croatia) could report fewer cancellations than economically weaker countries (e.g., Bosnia & Herzegovina or Montenegro). Considering that a lack of spectators may hinder a club's ability to advertise its sponsors in the same manner or as frequently as before the pandemic, the fourth question aims to explore whether COVID-19 restrictions influenced agreements to be signed for shorter time periods to allow clubs and sponsors to more easily adapt to uncertainties of the pandemic.

These two questions thereby examine how the COVID-19 pandemic influenced risk mitigation strategies of sponsor companies, and how these strategies were reflected in the interviewed football clubs' amounts and durations of sponsorship agreements.

Research Question 3: When considering differences in the sponsor companies' economic stability, how asymmetric are consequences of the COVID-19 pandemic on sponsorships across different football clubs?

This research question is addressed in interview questions three, four and eight.

As previously mentioned, some sponsor companies will be more or less economically stable based on their country of origin or whether they operate locally or globally. Small, local companies may be financially weaker, which may hinder their ability to participate in sponsorships.

Question five thus explores the extent to which economic stability influences reactions to the COVID-19 pandemic. If some experts report that sponsorship agreements are of higher financial value than before the pandemic and some do not, the researcher should think about factors that may have influenced different answers. This may provide further insight into the extent to which the COVID-19 pandemic influences the achievement of direct and indirect objectives of sponsorship agreements based on different situational factors; for example, economic circumstances of the country of origin of a football club.

In addition, answers to this question will inform the researchers about the interviewees' perspectives on the value of sponsorship agreements, by examining the extent to which they depend on their benefits for economic gains even during times of crisis.

Moreover, question eight circles back to the first portion of the expert interview and directly asks about adverse impacts of the pandemic on the day-to-day functioning of the interviewees' business. This is done to establish reliability, further inquire about how the experts experienced consequences caused by the pandemic, and examine the asymmetry of these consequences by comparing the experts' answers.

Research Question 4: To what extent are experts aware of indirect objectives (i.e., non-economic outcomes) of sponsorship agreements?

This research question is addressed in interview questions six and seven.

Answering this research question is important because it informs the researcher about the experts' holistic understanding about the influence of sports sponsorships on business success. If experts are aware of both indirect and direct objectives, they are essentially aware of more sponsorship benefits and may make greater efforts to improve current sponsorship practices or combat pandemic impacts more effectively. From a different perspective, being aware of indirect objectives could also mean that the expert perceives impacts of the COVID-19 pandemic as more severe, as they are able to recognize a larger amount of factors that are adversely affected.

Question six aims to examine the interviewees' awareness about indirect objectives of sponsorship agreements, by asking them whether they believe that their football club has any benefit from their sponsors except monetary. While both indirect and direct objectives ultimately lead to the same outcome (i.e., generating more income), it is important to understand whether the interviewed experts are aware of how the COVID-19 pandemic may influence long-term consumer behavior and their football club's sustainable competitive advantage (Abrahamsson, Forsgren & Lundgren, 2003).

Question seven expands upon the previous question by asking interviewees to elaborate on specific benefits and drawbacks of sponsorship agreements. The researcher essentially aims to establish reliability by re-examining the experts' level of awareness in regards to indirect objectives or non-economic benefits.

Research Question 5: To what extent did the absence of a physical audience incentivize sports sponsoring companies to increase their digital presence?

Research question five is a little different from the preceding four questions, because it inquires about promotion strategies with a clear emphasis on digital marketing. This research question aims to examine whether the COVID-19 pandemic influenced football clubs to implement new sponsorship promotion strategies, particularly digital ones, to more effectively achieve direct and indirect objectives of sponsorship agreements. Considering the inference from the literature review that emphasizes the importance of digital sports sponsorships, especially during COVID-19 when stadiums are a lot emptier, this question informs the researcher about how effectively football clubs were able to adapt to rapid changes in the football industry (Frisch & Tawast, 2019; Kim, Nauright, & Suveatwatanakul, 2020; Range & Mataruna, 2021). Strong ability to adapt may imply more effective achievement of direct and indirect objectives of sponsorship agreements.

This research question is addressed in interview questions nine through twelve, which focus on promotion strategies and adaptations. Question

nine explores whether football clubs implemented new promotion strategies to examine how the football clubs adapted to rapid changes, while question ten explores whether the football clubs received any requests in regards to specific advertising channels to examine how sponsor companies adapted. Question eleven introduces the idea that digital marketing is an effective recovery tool in times of the COVID-19 pandemic, and lastly, question twelve explores whether the football club received any requests in regards to specific digital promotion techniques. Understanding the experts' and sponsor companies' perspectives and beliefs about the importance of digital marketing, especially considering the prohibition of spectators on stadiums, may help reveal the clubs' and sponsor companies' adaptivity and ability to recover from pandemic impacts.

## **4 Results**

### **4.1 Zoran Avramović (Marketing Director of Crvena Zvezda, Serbia)**

This expert provided the researcher with short, straight-forward answers which differed from the expected answers based on the literature review. Namely, in the literature review it is emphasized that due to frequent event cancellation, postponement and prohibition of spectators, global markets for sports sponsorship agreements suffered a \$ 17.2 billion loss in 2020 (Dixon, 2020). In juxtaposition, Zoran Avramović reported that the football club's sponsors remained the same during the pandemic.

In regards to the first research question, Avramović's answers to the first two expert interview questions reveal that there were no differences in the pre-pandemic and current amount of sponsor companies that the interviewees' football clubs are in agreement with. In the case of the Serbian football club Crvena Zvezda, these findings suggest that the COVID-19 pandemic did not cause sponsorship agreements to decrease. This inference signifies that the achievement of both direct and indirect objectives of sponsorship agreements was not hindered by economic adversities caused by the COVID-19 pandemic.

In regards to the second research question, Avramović reported that companies did not cancel any sponsorship agreements and that sponsorship agreements are not being signed for a shorter period of time. Thus, it seems that the sponsor companies who are in sponsorship agreements with Crvena Zvezda did not implement any measures to mitigate economic risks. This finding further supports the previous inference that the pandemic did not adversely influence the achievement of direct and indirect objectives of sponsorship agreements.

In regards to the third research question, Avramović emphasized that the sponsorship agreement between the football club and sponsor company Gazprom is financially larger now than before the pandemic. It will become evident in subsequent expert interview answers that there is a trend of larger, primarily international companies receiving larger sponsorships, while the local sponsor companies' sponsorships most often remained unchanged. This supports the idea that was previously outlined in Section 3.2, *Expert interview development, data collection and analysis*; a large international company like Gazprom is economically stable enough to endure pandemic impacts and continue benefiting from sponsorship agreements. It would be reasonable to infer that sponsor companies that are more economically stable are able to achieve direct and indirect objectives of sponsorship agreements more effectively, and are in turn less affected by adverse economic impacts of the COVID-19 pandemic. This inference may be further supported by the fact that the other two companies which are less influential than Gazprom (i.e., international company Carlsberg and Serbian company Telekom), but are still economically stable, did not receive financially larger sponsorship agreements. However, it should be re-emphasized that the financial value of their agreements has not decreased either, which further implies economic stability. Overall, it could be inferred that Crvena Zvezda values sponsorship agreements and depends on its benefits for economic gains even during times of crisis.

In terms of the pandemic impacting the day-to-day functioning of the football club, similarly to other experts, Avramović reported that the pandemic did adversely affect functioning "because of how often matches

were held”. In addition, “even after matches were allowed again, spectators were not allowed which meant that there were no ticket sales [...] and sales in our shop also decreased (jerseys, food, drinks and other stadium goods).” Nearly all experts reported that the pandemic influenced drops in ticket sales, but this expert was the only one to point out the drop in stadium shop sales.

Looking back at the literature review, Avramović supports the finding that Gazprom is one of the primary sponsors within the Balkan region that also sponsors the Crvena Zvezda football team (Fehérvári, 2021). The other two sponsors include a telecommunications company Telekom and a beer manufacturer Carlsberg, which supports the finding that beers are particularly favorable sponsor products and that telecommunications is one of the primary organization sectors for sports sponsorships (Fehérvári, 2021; Baylis, 2021; Gough, 2021).

In terms of awareness about indirect objectives of sponsorship agreements, Avramović did not report any additional benefits from sponsor companies except monetary contributions. It was reported that the main benefits of sponsorship agreements are that “sponsoring allows football clubs to provide equipment for the players, it prepares the players, it enables matches to occur, provides higher match quality and player readiness and with that, a higher probability of successful results.” While monetary contribution is not directly referenced, it is clear that money is the benefit that enables matches to occur. The ability to receive equipment was a common theme throughout all expert interviews, and while it is not a true monetary contribution, there is still no indication that the expert views indirect objectives of sports sponsorships as valuable or beneficial. Similarly to the majority of the remaining expert interviews, this expert reports no drawbacks of sponsorship agreements. This portion of the expert interview reveals low awareness of indirect objectives of sports sponsorships, which was surprisingly a common trend across the majority of the expert interview answers.

In the context of promotion strategies and digital marketing, Avramović reported that the club still uses “their standard promotion techniques”. The

club received specific requests that the sponsor companies' "brand should be visible on the players' jerseys and on the jerseys that were sold in the stadium shops, and that they were being promoted on our TV channel "Crvena Zvezda". Similarly to all other football clubs except Petrovac and Mladost Doboj Kakanj, the club uses social media platforms such as Instagram, Twitter and Facebook, as well as their webpage. All three of these social media platforms appeared in all expert interviews, indicating that they might represent a useful digital tool for combating adverse impacts of the COVID-19 pandemic such as the absence or lower amount of spectators on the stadium bleachers. The fact that digital promotion is already a part of Crvena Zvezda's sponsorship agreement package further supports the idea that digital marketing is an effective tool for recovering from and adapting to the pandemic.

#### **4.2 Miloš Mirković (General Director of Voždovac, Serbia)**

Miloš Mirković's answers to expert interview questions one and two revealed that Voždovac had a higher number of sponsors prior to the pandemic in comparison to Crvena Zvezda. Namely, twelve sponsor companies were reported by Mirković, in comparison to Crvena Zvezda's three sponsor companies. There was no overlap between the companies, either. In addition to having more sponsors prior to the pandemic, Mirković reported that Voždovac gained the sponsor company "EFBet" in 2021, and that all other sponsors from before remained present to this day. In the case of Voždovac, these findings also suggest that the COVID-19 pandemic did not cause sponsorship agreements to decrease, which signifies that the achievement of both direct and indirect objectives of sponsorship agreements was not hindered by economic adversities caused by the COVID-19 pandemic.

Identical to Avramović, Mirković reported that companies did not cancel any sponsorship agreements and that sponsorship agreements are not being signed for a shorter period of time. Therefore, sponsor companies who are in sponsorship agreements with Voždovac did not implement any measures to mitigate economic risks. This finding further supports the inference that

the achievement of direct and indirect objectives of sponsorship agreements was not hindered by pandemic impacts.

The fact that the football club “gained a sponsor partner for work vehicles” implies the economic stability of that sponsor company and additionally supports the idea that economically strong sponsor companies’ ability to make sponsorship agreements was not adversely impacted by the COVID-19 pandemic. It is interesting that Mirković emphasized that the fact that contracts are currently financially larger compared to before the pandemic does not actually correlate with the pandemic, “rather only with business relationships”. Mirković elaborates that in the football industry, when activities that were agreed upon get fulfilled, sponsorships get extended and financially larger. While Mirković stated that this solely correlates with business relationships, the fact that Voždovac was able to successfully fulfill the agreements could imply that there were no significant, adverse pandemic impacts that influenced this football club’s ability to achieve direct and indirect objectives of sports sponsorships.

In terms of the pandemic impacting the day-to-day functioning of the football club, Mirković reported similar findings in comparison to the previous expert interview. Namely, Mirković reported that the pandemic primarily impacted functioning since “stadiums were empty for a long time”. The expert particularly drew attention to a specific target group, “parents with kids”, who may need more time to get used to attending matches again, especially considering that the pandemic is still ongoing. There is a common trend of experts reporting adverse impacts of the pandemic on overall income and thus the achievement of the direct objective, primarily due to empty stadiums and ticket sales, but adverse impacts on sponsorship agreements were rarely reported.

Contrary to Avramović and the majority of other experts, Mirković did report any additional benefits of sponsorship agreements that represent indirect objectives (i.e., the importance of sponsorship agreements for the “status” and “branding” of the club). Mirković added that sponsorships “confirm that as a club, you are a reliable business partner since someone is willing to invest their money in your club”. While described differently than in the

literature review, these answers imply a high level of awareness about the importance of indirect objectives of sponsorship agreements. Mirković re-emphasized this importance when discussing the benefits and drawbacks of sponsorship agreements by mentioning that “sponsorships are not obligatory [...], which means that you can choose the people who you wish to work with and who are recognized for their results and business relationships”. This answer implies the importance of choosing the right sponsors whose brand image will positively influence long-term purchasing behaviors and establish sustainable competitive advantage (Abrahamsson, Forsgren & Lundgren, 2003; Kapoor & Kulshrestha, 2011). Similarly to the majority of other experts, Mirković states that sponsorships have no drawbacks.

In the context of promotion strategies and digital marketing, Mirković reported that “the digital era in which we are situated helped [the club] to maintain the existing fan base, and also to increase it. In addition, since 2021, the VAR system was introduced making it possible for all matches to be broadcasted live on the TV channel Arena Sport, which increased the view counts for the league in general and with that, for matches played by FK Voždovac”. This answer clearly indicates that the expert perceives digital marketing as a highly valuable and effective marketing tool, similarly to the majority of other interviewed experts. This inference is further supported by Mirković’s statement that “due to the importance of digital channels for Voždovac, [the club] makes sure to promote sponsors digitally” through all of its promotion channels.

#### **4.3 Jovan Bilčar (Marketing Director of Partizan, Serbia)**

Jovan Bilčar’s answers to expert interview questions one and two revealed that Partizan had nine sponsors prior to the pandemic, and that the amount of sponsors increased during the pandemic, similarly to Voždovac’s case. However, the difference between Partizan and Voždovac is that Partizan gained two new sponsors instead of one. These two sponsors are Ticketline and Studio Berar. These findings further support the idea that the COVID-19 pandemic had asymmetric consequences on the Balkan region and on a global scale in terms of the amount of sponsorship agreements

prior to and during the pandemic. This could imply that the achievement of both direct and indirect objectives was hindered to a lesser extent in the Balkan region than internationally when observing global statistics (Dixon, 2020).

In regards to the second research question, Jovan Bilčar also reported that companies did not cancel any sponsorship agreements and that sponsorship agreements are not being signed for a shorter period of time. What stood out from the rest of the experts' answers is Bilčar's justification of why the amount of sponsorship agreements did not change. Namely, he states that all of Partizan's "sponsors have been long standing partners and their companies are very financially stable so they had no issues with financial resources". This answer partially contributes to the subsequent research question, by implying that sponsor companies that are economically stable were less impacted by the pandemic.

Bilčar confirmed that "two new agreements with long standing partners" were extended and "their agreed amounts exceed those of the previous agreements", which implies that financially strong sponsor companies did not take measures to mitigate economic risks due to the common fear of the pandemic impacts and uncertainty.

Bilčar additionally supports the inference that was drawn from Mirković's expert interview; experts often report adverse impacts of the pandemic on overall income, primarily since "matches were played without spectators which meant there were no ticket sales", but adverse impacts on sponsorship agreements were rarely reported.

In terms of awareness about the importance of indirect objectives for sponsorship agreements, Bilčar's answer was similar to Avramović's since both experts identified the financial aspect of sponsorship agreements as the most important. An additional benefit which is not connected to indirect objectives but does contribute to the creation of a common trend of these expert interviews, is that Bilčar identified "access and opportunity to use the sponsor companies' products" as a benefit. Answers from experts who answered similarly indicate that free products and discounts are often more

recognized than indirect objectives such as brand recognition or positive brand image.

Bilčar's answer to the subsequent interview question supports his perspective that the financial aspect is the most important benefit, and similarly to other experts, no drawbacks were reported.

In the context of promotion strategies and digital marketing, Bilčar stated that Partizan continued "with all of the ways of promoting until this point, as it was shown through time that those ways are the most effective". The club "maintained [their] TV presence, social media presence and billboard promotions", which implies that Partizan has been implementing digital marketing for a long time. This inference is supported by the fact that Partizan uses Instagram, Facebook, Youtube and Twitter. Since digital promotion is already a part of their sponsorship package, sponsor companies did not specifically request social media promotions or other specific digital promotion strategies. This is an example of another financially stable football club that recognizes the importance of digital sports sponsorships.

#### **4.4 Dijana Petrović Đorđević (General Director of Čukarički, Serbia)**

Dijana Petrović Đorđević's answer to questions one and two was identical to Avramović's, as both experts reported having three sponsor companies prior to the pandemic, and those same sponsor companies remained in sponsorship agreements with them during the pandemic, too. This could imply that the achievement of both direct and indirect objectives was not adversely or noticeably hindered due to the COVID-19 pandemic.

In regards to the second research question, Đorđević's answer was very similar to Bilčar's since both experts explained that contracts were not canceled because all sponsor companies represent "long standing partners". Đorđević further states that agreements are being signed for longer time periods "that exceed two years" which implies that the club was

able to effectively achieve direct and indirect objectives of sponsorship agreements despite the COVID-19 pandemic.

The answer that “sponsorship agreements started to increase steadily which is also reflected in [the club’s] financially larger sponsorship agreement with EFBet”, further reinforces the idea that long standing partners that represent financially strong sponsor companies were not forced to take risk mitigation measures, as the pandemic may have not hindered their economic stability to a large extent. Once again, the inference that overall income was hindered, but sponsorship agreements were not was supported.

In terms of awareness regarding the importance of indirect objectives of sports sponsorships, Đorđević’s answer is very similar to Avramović’s and Bilčar’s, as all three sponsors identified monetary contribution as the primary benefit. This expert also listed free products and discounts as additional benefits, but no indirect objectives were referenced.

In the context of promotion strategies and digital marketing, Đorđević reported that no new ways of promoting were implemented, similarly to Bilčar and Avramović. All three experts, however, regularly employ digital marketing and digital sponsorship promotions both for the club and the sponsor companies. Đorđević was the first expert interviewee to report that sponsor companies specifically “requested promotions through Instagram and Facebook”. The specific social media platforms or other digital promotion techniques were not referenced, but there are clear indications that there is a high level of awareness about the importance of digital sports sponsorships that influenced the club’s promotion strategies even before the pandemic started.

#### **4.5 Miloš Subotin (Marketing Director of Vojvodina, Serbia)**

Expert interviewee Miloš Subotin reported eleven sponsors prior to the pandemic, and emphasized that seven new sponsor companies were introduced during the pandemic. This may imply even stronger financial stability in comparison to, for example, football club Voždovac that gained

only one sponsor. Conversely, it could imply that football club Vojvodina just perceives sports sponsorships as more valuable. The data is insufficient to make a decision between these inferences with certainty.

In regards to the second research question, Subotin reported that no sponsor company canceled agreements. An identical justification was given: the sponsor companies represent the football club's long standing partners. Similarly to all preceding experts, Subotin states that sponsorships are not being signed for shorter time periods. While Đorđević reported that sponsorships were being signed for longer time periods "that exceed two years", Subotin reported that their agreement with Mozzart Bet was extended for another three years, which is the largest time period that was reported until now.

This finding reinforces the idea that financially strong sponsor companies like Mozzart Bet or Gazprom (as reported by Avramović) may be less impacted by the pandemic, and that their financial strength and stability enables them to achieve direct and indirect objectives of sponsorship agreements more effectively. No adverse impacts on sponsorship agreements were reported, similarly to all previous expert interviews.

In terms of awareness regarding the importance of indirect objectives of sports sponsorships, Subotin's answer is similar to Avramović', Bilčar's and Đorđević's, as all four experts identified monetary contribution as the primary benefit of sponsorship agreements. Free services, products and discounts were referenced, but indirect objectives were briefly mentioned, too. Namely, Subotin stated that the club aims to leverage sponsorships to "additionally profile as a socially responsible club through various actions and campaigns that help marginalized groups and the local environment as a whole". This answer implies that the expert is aware of the sponsorships' ability to influence the public image of the football club and thereby more effectively achieve indirect objectives that ultimately increase sales and revenue.

Subotin was the only expert who listed a drawback, which did not turn out to be a drawback to the sponsorship agreements themselves, but rather

the fact that the club “would like for sponsorship agreements to be even larger and financially more robust than they are now”. This answer indirectly implies that sponsorship agreements are solely beneficial.

In the context of promotion strategies and digital marketing, Subotin reported that Vojvodina “became significantly more oriented towards digital marketing, or rather the promotion of the club and sponsors on the internet, especially through social media platforms”. This answer signifies the experts’ awareness about the significance of digital marketing for sponsorships, which is further supported by Subotin’s statement that “digital marketing is important, if not the most prominent portion of [the club’s] marketing, which is realized through the club’s website and the club’s profiles on social media platforms (Facebook, Twitter, Instagram, Youtube, LinkedIn, Viber)”.

While this portion of the expert interview did not inquire about the expert’s awareness about the importance of indirect objectives, Subotin added that the promotion of the portal “Mozzartsport.com” through social media platforms “contributes to the increase in its traffic”, which ultimately leads to higher brand recognition and the achievement of indirect sponsorship objectives. This answer additionally exemplifies Subotin’s high level of awareness in regards to how significant achieving indirect objectives is for the club’s and sponsor company’s success.

#### **4.6 Luka Ivančić (General Manager of NK Rijeka, Croatia)**

Luka Ivančić is the first Croatian expert interviewee, and he reported seven sponsors prior to the pandemic. Ivančić emphasized that NK Rijeka gained three new sponsors during the pandemic (i.e., UniLine travel company, Arriva and Thalassoterapia), and that all sponsor companies who were in agreement with the club prior to the pandemic remained their sponsors during the pandemic, too.

Similarly to preceding experts, Ivančić reports that no companies canceled contracts, and that “all sponsorship agreements are being signed for two to three years, which is the same time period as before the pandemic”. It

should be noted that this is a higher average sponsorship agreement period than that of Serbia's football clubs'. This inference may imply that the achievement of direct and indirect objectives of sponsorship agreements is more effective in economically stable countries like Croatia, which ultimately impacts agreements to be signed for longer time periods. Ivančić is the first expert who reported that contracts are financially larger by 5-10% than before the pandemic with all long standing sponsor companies. This may also be attributed to Croatia's, the football club's or the sponsor companies' stronger financial stability.

In terms of awareness regarding the importance of indirect objectives of sports sponsorships, Ivančić also reports that "the financial aspect is the most important". Free services, products and discounts are referenced, but indirect objectives are not. The expert's belief that monetary contribution is the most significant aspect of sports sponsorships is reinforced by his answer to question eight, and he reports no drawbacks.

Identical to all other experts, Ivančić reported no adverse impacts of the COVID-19 pandemic on sponsorship agreements.

In the context of promotion strategies and digital marketing, Ivančić recognized the importance of implementing digital marketing and interacting with fans on popular social media platforms. The club generally uses Facebook, Instagram, YouTube, TikTok and Twitter. Due to the prohibition of spectators on the stadium, the club prioritized their YouTube channel and streamed live trainings and matches. The club also "began to post videos on "TikTok", which is currently one of the most popular social media platforms". The recognition of new, popular platforms and the aim to increase the fan base by leveraging the popularity of platforms like TikTok signifies that the expert perceives adaptivity as a significant factor for organizational success.

Ivančić's answer that sponsor companies are digitally promoted voluntarily further implies the recognition of the importance of digital marketing in sports sponsorships "in today's heavily digitized era".

#### **4.7 Julia Hrستیć (Sales Marketing Director of Hajduk Split, Croatia)**

Julia Hrستیć reported the highest number of sponsor companies out of all the expert interviewees. Namely, Hrستیć reported thirty five sponsor companies, and expressed that all of those companies rained the club's sponsors during the pandemic. Similarly to Bilčar, Hrستیć reported that Hajduk Split gained two new sponsors during the pandemic.

It was thus reported that no sponsor companies canceled contracts, and that "all contracts that were ready to be extended were signed again". Similarly to Ivančić, Hrستیć emphasizes that contracts are being signed for longer time periods; "previously [the club] signed sponsorship agreements for two to three year periods, and some were recently extended to four". This turned out to be the case with Hajduk Split's oldest sponsors (e.g., beer company Karlovačko), and this is the interviewee who reported the largest sponsorship period out of the entire interviewee sample. Economic strength is further signified by the fact that "many of [the club's] contracts are financially larger now" in comparison to before the pandemic. This could signify that Hajduk Split is an economically strong football club, which could explain why the pandemic did not impact its ability to maintain or gain sponsors, or to effectively achieve direct and indirect objectives of sponsorship agreements.

Long standing sponsor companies did not attempt to mitigate COVID-19 related risks by canceling agreements; the fact that contracts were extended implies that the club is able to successfully achieve direct and indirect objectives of sports sponsorships.

Similarly to other experts, Hrستیć reported no adverse impacts of the COVID-19 pandemic on sponsorship agreements.

In terms of awareness regarding the importance of indirect objectives of sports sponsorships, Hrستیć also recognized free products, services and discounts as a significant benefit, and mentioned that promotions by sponsors like Radio Dalmacija provide the club with "additional exposure".

This answer implies that the expert is aware of indirect objectives. Namely, it could be inferred that the expert recognizes that brand exposure may lead to the increase of sales, and thus the improvement of economic outcomes of sponsorships. The expert subsequently shows that she perceives sports sponsorships as highly valuable, “as sponsorship agreements have always been mutually beneficial for [the] club and [the] sponsors”.

In the context of promotion strategies and digital marketing, Hrstić recognized the importance of placing a larger emphasis on digital marketing, similarly to Ivančić. Hrstić specifically states that digital marketing was prioritized “because spectators were not physically at stadiums as much, so there were less opportunities for them to see [the] team and [the] sponsors’ products and advertisements”. This statement additionally illustrates the expert’s awareness of the importance of brand exposure for marketing and sponsorship success. It also signifies that the expert is aware of the benefits of adapting to rapid changes in the business environment, such as the absence of spectators in stadiums.

#### **4.8 Krsto Aramenko (Secretary of Petrovac, Montenegro)**

Krsto Aramenko reported the lowest number of sponsors prior to the pandemic (i.e., only two sponsor companies), but results show that the football club was able to obtain an additional six sponsors during the pandemic. This finding implies that the COVID-19 pandemic did not adversely affect the amount of sponsorship agreements, at least in the case of Petrovac. The addition of six sponsors also implies that the club was able to achieve direct and indirect objectives of sports sponsorships more effectively.

Aramenko further suggests that no company canceled their sponsorship agreement, and that the length of sponsorship agreements has not been extended, in comparison to reports by other experts such as Đorđević and Hrstić. However, this expert was the only one to report exact changes in finances, despite not being asked to disclose that information. Nevertheless, the revelation of exact finances significantly helps the

researcher to form a more holistic understanding about Aramenko's perception of the importance of sponsorships. Aramenko reports that "sponsorship agreements were increased in 2021 from 17,000 eur to 93,700 eur, while for the January-May period of 2022 they amount to 65,000 eur". The significant increase in sponsorship investments between 2021 and 2022 implies that the expert values sponsorship agreements and perceives them to be an effective marketing tool that can increase profits. The drastic increase in sponsorship investments also implies that the football club became financially stronger during the pandemic, which was previously signified by the addition of six sponsor companies during the pandemic.

Aramenko's answer to question eight contributes to the common trend of experts reporting no adverse impacts of the COVID-19 pandemic on sponsorship agreements.

Similarly to the majority of other experts, Aramenko did not report any indirect objectives; only monetary benefits and free products were recognized. In addition, monetary contribution was identified as the primary benefit of sponsorship agreements, and no drawbacks were reported.

In the context of promotion strategies and digital marketing, Aramenko reported that the club did not implement any new ways of promotion, and that digital marketing was not used. Aramenko is the first expert so far to report an absence of digital marketing, and dependence on stadium advertisements as the primary or most important advertising channel. In addition to the club not implementing digital sponsorship strategies, sponsor companies also did not specifically request digital promotions, which implies a low level of awareness about the importance and benefits of digital sponsorship agreements. While the club was still able to financially progress during the pandemic without digital marketing, it could be inferred that by implementing digital sponsorship promotions, Petrovac could increase the brand exposure of the club and the sponsor companies and thus maximize the achievement of indirect and direct objectives for both parties.

#### **4.9 Emir Hadžić (Marketing Director of Sarajevo, Bosnia & Herzegovina)**

Emir Hadžić reported nine sponsor companies, and emphasized that Sarajevo gained two sponsors during the pandemic, similarly to Hrstić and Bilčar.

Contrary to all other experts, Hadžić reported that a few companies did cancel contracts at the beginning of the pandemic because they were afraid of the economic situation at that moment. However, “those same companies returned a year later to extend their sponsorship agreements again”, when the economic situation in Bosnia & Herzegovina became more stable.

Hadžić was the only expert so far to report adverse impacts of the COVID-19 pandemic on sponsorship agreements. Cancellations occurred due to economic instability; sponsor companies are allowed to cancel agreements at any point in the case of “epidemics, pandemics, wars or other similar situations” that hinder the country’s economic stability. This finding supports the idea that economic stability does play a significant role in the sponsor companies’ and the club’s ability to create sponsorship agreements, and successfully fulfill the activities that would have been agreed upon. This is further supported by Hadžić’s statement that sponsorship agreements of larger, economically stronger companies are financially stronger than those of smaller, local, economically weaker companies.

Similarly to the majority of other experts, Hadžić reported no indirect objectives, but did report benefits such as plane ticket discounts and free hotel accommodation. Contrary to the majority of other experts, Hadžić reported a clear drawback of sponsorship agreements in Bosnia & Herzegovina. Namely, he emphasized that “companies from Bosnia & Herzegovina are less interested in investing into the football club now than before the pandemic”, due to economic instability that was caused by the pandemic.

Similarly to Aramenko, Hadžić reported that the club did not implement any new ways of promotion, but that digital promotion is a strategy that has been employed for a while. Namely, the club uses social media platforms like Facebook, Instagram, Twitter and YouTube. In addition, Hadžić reported that only two companies (i.e., Turkish Airlines and BH Telecom) specifically requested digital promotions. These two companies are larger and financially stronger than the remainder of sponsor companies that did not specifically request digital promotions. This finding contributes to the common trend of larger, international companies like Turkish Airlines being highly aware of the importance of digital sponsorships for organizational success. Smaller, financially weaker companies seem less aware or interested in digital sponsorships. This comparison may indicate that implementing digital sponsorship promotions could increase the sponsor companies' ability to achieve direct and indirect sponsorship objectives, and thereby become financially stronger.

#### **4.10 Mensur Mušija (President / Chairperson of Mladost Doboj Kakanj, Bosnia & Herzegovina)**

Lastly, Mensur Mušija was the only expert who reported a definite decrease in the amount of sponsorships now in comparison to before the pandemic. Namely, Mladost Doboj Kakanj was sponsored by four companies prior to the pandemic, and the club is only sponsored by two of those companies now.

In terms of economic stability, Mušija supports the idea that some sponsor companies will be less economically stable if they are small and operate locally in countries that are characterized by economic instability, such as Bosnia & Herzegovina. This inference is supported by the answer that many companies canceled contracts "since Bosnia & Herzegovina is a very small and economically weak country, so companies were afraid that their economic circumstances were not going to be sufficient to cover the costs of sponsorship agreements".

This is also the first expert who reported that sponsorship agreement amounts “are actually a bit lower now than before the pandemic”, which further reinforces the idea that economic instability hinders the sponsor companies’ and the club’s ability to create sponsorships and fulfill the actions that would have been agreed upon.

Mušija was the second expert who directly referenced sponsorship cancellations as an adverse impact of the COVID-19 pandemic. Similarly to Hadžić, Mušija reported that the main drawback of sponsorship agreements “is that sponsor companies do not wish to invest into Bosnian football as much anymore”, perhaps due to the country’s economic instability and thus lower profitability of sponsorship agreements.

In regards to awareness about the importance of indirect objectives, Mušija did not report any indirect objectives, but did report the benefit of receiving free products, similarly to Hadžić. Since two Croatian football clubs and two Bosnian football clubs were sampled, the researcher observed a particular pattern that experts from more economically stable countries like Croatia were more aware of the importance of indirect objectives. Namely, both Croatian experts explicitly mentioned the importance of indirect objectives like brand exposure, while Bosnian experts did not. The combination of economic instability, weaker sponsorships and a lower level of awareness about the importance of indirect objectives may have contributed to Bosnian football clubs’ poor adaptation to impacts of the COVID-19 pandemic on sponsorship agreements.

In the context of promotion strategies and digital marketing, Mušija was the first expert who reported that the football club used digital promotion channels before, but that they “do not do this anymore”. The expert clarified that there is “no specific reason, it is just not [the club’s] priority right now”. It could be possible that economic instability represents the club’s most prominent priority, but by raising the level of awareness about the importance of digital marketing, the club may be able to mitigate adverse economic impacts of the COVID-19 pandemic to some extent. The fact that sponsor companies also did not specifically request digital promotions, but

did request billboards reinforces the idea that there is a low level of awareness in regards to the importance of digital sponsorships.

## **5 Conclusion and Recommendations**

The research objective of this bachelor thesis was to examine the influence of the COVID-19 pandemic on the achievement of direct and indirect objectives of sponsorship agreements in the football industry in the Balkan region. The fact that the expert interview was designed so that the purpose of each question or a group of questions was to answer the five research questions, helped the researcher achieve the research objective in a more organized, effective manner.

It was essential to interview experts from different football clubs in order to ensure that the collected data could reliably inform the researcher about answers to the research questions. It should be noted that the unequal distribution of expert interviewees across different Balkan regions, especially Montenegro that was represented by only one expert, could impact the generalizability of the conclusions. Nevertheless, the researcher will now examine the extent to which the research aim was achieved, by summarizing findings from the results in the context of each individual research question.

Research question 1: Did the COVID-19 pandemic influence the amount of sports sponsorships to decrease?

Results showed that the COVID-19 pandemic did not influence the amount of sponsorship agreements to decrease in any sampled Balkan country except for Bosnia & Herzegovina, which seemed to suffer the most intense economic harm from the pandemic. Due to the research scope of this thesis, the conclusion that Bosnia & Herzegovina suffered the most intense economic harm can only be reliably applicable to adverse impacts of the COVID-19 pandemic on sponsorship agreements in the football industry. However, the two Bosnian experts were the only ones to directly reference economic instability, which may imply that this Balkan country was the most adversely impacted beyond the scope of sponsorship agreements.

In the context of achieving the research objective, the fact that Bosnian football clubs reported a decrease in the amount of sponsorship agreements implies that they were less able to achieve direct and indirect objectives of sponsorship agreements and maintain their sustainable competitive advantage. This conclusion is supported by the fact that both Bosnian experts reported that a drawback of sponsorship agreements was that companies are less interested in investing into their clubs in the form of sports sponsorships.

References to economic instability are important to mention when discussing research questions 2 and 3:

2. Contextually to sponsorship agreements, what measures, if any, did sponsor companies implement to mitigate the risk of further economic harm that was caused by the pandemic?

3. When considering differences in the sponsor companies' economic stability, how asymmetric are consequences of the COVID-19 pandemic on sponsorships across different football clubs?

Results revealed that experts from Bosnia & Herzegovina who reported high economic instability, also reported that sponsor companies implemented risk mitigation strategies in the form of sponsorship cancellations. Namely, the expert interviewee of Bosnian football club Sarajevo reported cancellations without disclosing the exact number of sponsor companies that canceled agreements, while the expert interviewee of Mladost Doboj Kakanj reported two sponsorship cancellations.

In terms of research question three, results imply that differences in the sponsor companies' economic stability do cause asymmetric consequences of the COVID-19 pandemic on sponsorships across different football clubs. Bosnian football clubs whose experts reported the highest economic instability were also the ones that suffered the most adverse consequences on sponsorships. Experts from other Balkan countries did not report that the COVID-19 pandemic adversely impacted their football club's ability to make sponsorship agreements and fulfill the actions that were agreed upon in those agreements.

Juxtaposing to Bosnia, experts from the most economically stable country (i.e., Croatia) reported the highest number of sponsor companies, additional sponsors and the lengthiest sponsorship agreement durations, which indicates that they may have been able to achieve direct and indirect objectives of sponsorship agreements most effectively in comparison to the remainder of the sampled Balkan countries.

In the context of the research aim, these inferences and conclusions imply that football clubs from less economically stable countries have lower chances of achieving direct and indirect objectives of sports sponsorships.

Research question 4: To what extent are experts aware of indirect objectives (i.e., non-economic outcomes) of sponsorship agreements?

When analyzing responses from different Balkan countries, Croatia was the only country whose experts both recognized the importance of indirect objectives and directly referenced objectives such as brand exposure. The experts who recognized the importance of direct objectives also recognized the importance of digital sponsorships, which may imply a higher level of expertise overall within the area of sports sponsorships, and thus a greater ability to maximize the benefits of sponsorship agreements.

In the context of achieving the research objective, in addition to economic instability, it could be inferred that awareness of indirect objectives improves the football clubs' chances of achieving both direct and indirect objectives of sports sponsorships and ultimately achieving greater organizational success.

In regards to research question five (i.e., To what extent did the absence of a physical audience incentivize sports sponsoring companies to increase their digital presence?), the majority of experts recognized that digital sponsorships represent an effective marketing tool that could enable a more effective recovery from the impacts of the COVID-19 pandemic on the football industry. Those football clubs whose experts recognized the importance of digital sponsorships (e.g., Serbian football club Crvena Zvezda and Croatian football club NK Rijeka) generally performed better and suffered less consequences on sponsorship agreements in comparison

to football clubs whose experts reported an absence of digital sponsorships (e.g., Bosnian football club Mladost Doboj Kakanj).

In the context of achieving the research objective, football clubs that employed digital sponsorships showed higher adaptivity to the pandemic and thus were able to achieve direct and indirect objectives of sponsorship agreements more effectively.

Research for this bachelor thesis produced insightful recommendations that may be practically implemented by football club managers and directors to their business practices.

Two main recommendations concern an expert's level of awareness in regards to indirect objectives and digital sponsorships. A possible recommendation which could increase the experts' awareness about the importance of indirect objectives is to introduce seminars, training or other educational activities that teach about the benefits of indirect objectives such as higher brand exposure and positive brand image, and about their impacts on the direct objective of sales increase and thus larger profits. Implementing this recommendation would be important to teach experts about how the achievement of indirect objectives significantly impacts financial achievements, in order to maximize sponsorship benefits and increase organizational success of the sports sponsorship industry as a whole. Moreover, teaching experts about the importance of digital sponsorships through similar techniques (i.e., seminars and training) may influence their adaptability and in turn their ability to achieve direct and indirect objectives of sponsorship agreements more effectively.

These recommendations may also be generalized beyond the scope of sponsorship agreements in football, so they may be applied by other experts across different industries. Experts from other industries may benefit from understanding how each part of their business process impacts the final outcome (i.e., in the case of sponsorship agreements this would symbolize indirect objectives), which inadvertently improves the final outcome. In addition, experts should make the effort to maximize their adaptivity and analyze how changes in their current environment may

impact their business practices, in order to respond to changes in a more knowledgeable manner.

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## **Appendices**

### **Appendix 1**

(Full expert interview, translated to English from Serbian)

I would kindly ask you for your First Name and Last Name:

Your Club and your position in the Club:

1. Which companies were your sponsors before the pandemic started?
2. Which companies are your sponsors right now?
3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?
4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?
5. Are contracts currently financially larger compared to before the pandemic?
6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?
8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?
9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?
10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?
11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?
12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

## **Appendix 2**

Expert interview Zoran Avramović (Marketing Director of Crvena Zvezda, Serbia)

1. Which companies were your sponsors before the pandemic started?

Gazprom, Telekom, Carlsberg

2. Which companies are your sponsors right now?

Gazprom, Telekom, Carlsberg

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

No, they did not cancel any contracts. We continued with the same sponsorship agreements.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

Some companies' sponsorships are still ongoing, and for those who signed new agreements, the agreements remained the same.

5. Are contracts currently financially larger compared to before the pandemic?

Only for the company Gazprom, while for the other companies the sum remained the same.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

No, we do not have any additional benefits from sponsors.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

The benefits are that sponsoring allows football clubs to provide equipment for the players, it prepares the players, it enables matches to occur, provides higher match quality and player readiness and with that, a higher probability of successful results.

There are no drawbacks.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

Yes, because of how often matches were held. Even after matches were allowed again, spectators were not allowed which meant that there were no ticket sales. In addition, sales in our shop decreased (jerseys, food, drinks and other stadium goods).

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

No, we still use our standard promotion techniques.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

Their requests were that their brand should be visible on the players' jerseys and on the jerseys that were sold in the stadium shops, and that they were being promoted on our TV channel "Crvena Zvezda".

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

We use social media (Instagram, Twitter, Facebook) and our webpage.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

Yes, that is a part of our sponsorship agreement package.

### **Appendix 3**

Expert Interview Miloš Mirković (General Director of Voždovac, Serbia)

1. Which companies were your sponsors before the pandemic started?

Stadion Shopping Center, coffee & love Kitchen, GamePub, Stadion Medicine, LINGLONG TIRE, SuperLiga, Zajednica Fudbalskih Klubova, Ledena, KFC, ACIBADEM, INTERSPORT, Fudbalski savez Srbije. All listed sponsors on the provided link and at the bottom of the webpage, except for EFBet, were our sponsors even before the pandemic.

2. Which companies are your sponsors right now?

The company EFBet became our sponsor during the pandemic, that is, in 2021. All other sponsors from before are a part of our system to this day.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

No, our relationship with our sponsors did not change during the pandemic. In that period we even gained a sponsor partner for work vehicles.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

The relationship between the partners/sponsors is the same now in comparison to before the pandemic.

5. Are contracts currently financially larger compared to before the pandemic?

Yes, but this has no correlation with the pandemic, rather only with business relationships. In the football industry if a club completes the agreed activities with sponsors they have an expected effect from that collaboration - sponsorships get extended, financially larger, etc.

This is certainly not the case with companies that went bankrupt during the pandemic, but our partners are not from industries that were affected by the pandemic.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

Sponsorships are important for the status and branding of the club. They confirm that as a club, you are a reliable business partner since someone is willing to invest their money in your club. In addition, there are shared marketing and CSR activities.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

Sponsorships are not obligatory, which means that you are free to choose your partners. This means that you can choose the people who you wish to work with and who are recognized for their results and business relationships. Due to all of the above, for football clubs like ours, in which the focus is on the development and young players, there are no drawbacks.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

The pandemic affected the football industry, primarily because our stadiums were empty for a long time. That consequence can still be felt and time is needed for people to get used to attending matches again. Especially parents with kids.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

The digital era in which we are situated helped us to maintain the existing fan base, and also to increase it. In addition, since 2021, the VAR system was introduced making it possible for all matches to be broadcasted live on the TV channel Arena Sport, which increased the view counts for the league in general and with that, for matches played by FK Voždovac.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

Each sponsor provides us with a code of conduct or rulebook based on which their logo and visual identity can be used, while the ways of promotion such as promotion channels and content are defined through joint strategies since we as a club also need to protect our integrity and identity.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

When it comes to paid promotions, the ways in which financial resources are spent to reach the target audience are decided by the club rather than the sponsor. Due to the importance of digital channels for Voždovac, we make sure to promote our sponsors digitally.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

The football club Voždovac uses all of its promotion channels, so this is not a specific point that is emphasized in the agreement. Joint campaigns on the other hand are and they are discussed at the beginning of each year.

## **Appendix 4**

Expert Interview Jovan Bilčar (Marketing Director of Partizan, Serbia)

1. Which companies were your sponsors before the pandemic started?

MTS, Dunav Osiguranje, Soccer, NS Plakat, MediSport, Zepter international, Ktitor, Acibadem Bel Medic

2. Which companies are your sponsors right now?

Our sponsors today are all the same companies as before the pandemic, except now there are two additional sponsors Ticketline and Studio Berar.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

No, all of our sponsors have been our long standing partners and their companies are very financially stable so they had no issues with financial resources.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

No.

5. Are contracts currently financially larger compared to before the pandemic?

Yes, this season we extended two new agreements with our long standing partners and their agreed amounts exceed those of the previous agreements with those same companies.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

The financial aspect of sponsorship agreements is always the most important but yes, we do have additional benefits such as access and opportunity to use the sponsor companies' products (depending on the company and industry in question).

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

The primary benefit is that financial aspect which is the most important today since it is with that money that we conduct all our other mandatory activities so that our team could be the best they can on and off the field. I

would say that there are no drawbacks since the companies that we work with are our long standing partners and we have always maintained a fair relationship.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

In the context of sponsorships with companies no, but in terms of finances yes since matches were played without spectators which meant there were no ticket sales.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

No, we continued with all of the ways of promoting until this point, as it was shown through time that those ways are the most effective. We maintained our TV presence, social media presence and billboard promotions. And as for our sponsors, we continued to advertise them at our matches, on jerseys and on the stadium.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

No, they did not.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

Yes, we use Instagram, Facebook, Youtube and Twitter.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

No, they did not.

## **Appendix 5**

Expert Interview Dijana Petrović Đorđević (General Director of Čukarički, Serbia)

1. Which companies were your sponsors before the pandemic started?

ADOC D.O.O., Oliva, EFBet

2. Which companies are your sponsors right now?

ADOC D.O.O., Oliva, EFBet

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

Fortunately, this did not happen to our club since our sponsors are our long standing partners.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

Agreements are not being signed for a shorter time period. Quite contrary, they are being signed for longer time periods that exceed two years.

5. Are contracts currently financially larger compared to before the pandemic?

Fortunately, yes, sponsorship agreements started to increase steadily which is also reflected in our sponsorship agreement with EFBet which is financially larger.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

For the most part benefits are monetary, but there are other benefits such as being able to use the sponsor companies' products and to receive discounts or free products from them. For example, this is the case with the company ADOC which manufactures medicinal products (medicine, creams,...) and which gives our club all the required medicine, creams and ointments that a football club might need.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

The benefit is that sponsorship agreements provide clubs with money which allows for the regular functioning and conduct of business activities. As soon as money is absent, clubs are unable to function.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

It disrupted the selling of players and finding new players since we were prohibited from traveling outside of the country. The circulation of players was not the same as compared to normal, pre-pandemic circumstances. Of course, I should add that at the start of COVID-19 when entrance to stadiums was prohibited for spectators, the club was unable to make sales from ticket purchases. In addition, due to the large amount and high frequency of lockdowns and quarantines we had issues with delivery of medicine and other required medicinal products from our sponsor company "ADOC".

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

No, since we have had strong advertising for a long time so it was not needed.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

No, they did not.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

Yes, both for the club and the sponsors.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

Yes, they requested promotions through Instagram and Facebook.

## **Appendix 6**

Expert Interview Miloš Subotin (Marketing Director of Vojvodina, Serbia)

1. Which companies were your sponsors before the pandemic started?

Before the start of the pandemic, FK Vojvodina was sponsored by JP Srbijagas, Grad Novi Sad, Bobar Petrol, Kelme, DDOR Novi Sad, Energotehnika Južna Bačka, Univerexport, IDEA, bakery Kao Nekad, Catering Raljić and Antico Sapore.

2. Which companies are your sponsors right now?

Right now we are in agreement with all the same sponsor companies as before the pandemic, plus the companies Mozart Bet, MDD Group, Heba Voda, Mesara Gavrilović, restaurant La Brasa, MK group and KMD Security.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

Despite many firms canceling sponsorships at the start of the pandemic, FK Vojvodina was fortunate to not experience this. Practically all of our sponsors have been working with us for several years and they remained by our side even during critical moments caused by the pandemic.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

Sponsorships are not being signed for a shorter period of time in comparison to before the pandemic. In fact, some sponsorships have been extended. For example, the company Mozart Bet recently extended their sponsorship agreement with us for another three years. The majority of our remaining sponsorship agreements are being signed for a year, which was the case before the pandemic, too.

5. Are contracts currently financially larger compared to before the pandemic?

They are, to some extent. More specifically, there are two or three sponsor companies with whom we signed agreements for somewhat larger sums than before, although the majority of our sponsorship agreements in a financial sense is the same as before the pandemic.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

The most valuable benefit which we receive from our sponsors is certainly the financial stability and ability for the club to continue functioning without disruptions during the year. With that, I do not mean that each sponsor helps FK Vojvodina exclusively through monetary benefits, other benefits include product donations or free services. In the following period, our goal is to additionally profile as a socially responsible club through various actions and campaigns that help marginalized groups and our local environment as a whole. Some of our sponsors have already been implementing social responsibility to a high degree for a long time and in the following period we wish to join them in their efforts.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

Drawbacks do not exist in sponsorships, all sponsorship activities are only beneficial both for the sponsor company and FK Vojvodina. If we really needed to single out a drawback, it could only be that we would like for sponsorship agreements to be even larger and financially more robust than they are now.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

The pandemic certainly affected the functioning of FK Vojvodina, but we believe that we endured that period with stability and without any extensive consequences. The largest consequence that we felt in the season 2020/21, which was played without spectators, we were left without match ticket and season ticket sales just like every other club. If we observed the total annual budget of FK Vojvodina, revenue from tickets does not represent a particularly large percentage of total revenue, but their influence is still substantial for covering the costs of organizing matches, while, when it comes to matches in which the number of spectators is somewhat larger on average (against Crvena Zvezda, Partizan, in Europe), the club is unable to make substantial profits.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?  
Just like all the other clubs and companies, during the pandemic FK Vojvodina became significantly more oriented towards digital marketing, or rather the promotion of the club and sponsors on the internet, especially through social media platforms.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

Everything related to the promotion of our sponsors is agreed upon prior to signing the agreements and football club Vojvodina always respects this guideline, which is why we are able to provide an annual report upon request of how the agreed sponsorship activities were fulfilled. Of course, considering that with our sponsors and business partners we aim to build friendly, and not just business relationships, we like to make exceptions when they ask us to implement strategies that are not defined in the agreement, although we receive these requests relatively infrequently.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

Digital marketing is important, if not the most prominent portion of FK Vojvodina's marketing, which is realized through the club's website and the club's profiles on social media platforms (Facebook, Twitter, Instagram, Youtube, LinkedIn, Viber).

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

None of our sponsors specifically requested promotion from FK Vojvodina on social media platforms, but with certain sponsors we do this voluntarily anyways. For example, with the company 'Mozzart Bet' we collectively organized an open training session for children that reside near or outside of Novi Sad. Those who passed the selection round were provided with free training in their cities for the next six months. This initiative was promoted on our website and social media platforms, and with that we also promoted "Mozzart Bet" as a socially responsible company, which not only helps children to train football for free, but also helps the club to scout new

talents and include them in our youth school. In addition, considering that “Mozzart Bet” already has their media platform in the form of a sports portal “Mozzartsport.com”, on our webpages and social media platforms we always share some texts written about FK Vojvodina which are published by “Mozzart Bet” on the portal. We simultaneously offer our players the opportunity to read something interesting about their club and promote the portal “Mozzartsport.com” and contribute to the increase in its traffic.

## **Appendix 7**

Expert Interview Luka Ivančić (General Manager of NK Rijeka, Croatia)

1. Which companies were your sponsors before the pandemic started?

Before the start of the pandemic, our sponsors were Sava osiguranje, Super Sport, Joma, Erste Banka, Leda, MediSport and Segafredo.

2. Which companies are your sponsors right now?

We are currently sponsored by all the same sponsor companies as before the pandemic, and a few additional ones. New partners include: UniLine travel company, Arriva and Thalassoterapia.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

This was not the case with our club; despite the fact that some contracts expired during the pandemic, our sponsors decided to extend the sponsorship agreements.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

In our case, no. All of our sponsorship agreements are being signed for two to three years, which is the same time period as before the pandemic. It seems to me that companies are not as fearful of the pandemic now, which may be influencing their decision to continue signing the agreements.

5. Are contracts currently financially larger compared to before the pandemic?

With our old partners, they are 5-10% larger than before the pandemic.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

We do but the financial aspect is still the most important. For example, our sponsor "UniLine" provides us with cheaper hotel accommodation during tournament preparations two times a year. From the companies "Leda" and "MediSport" we receive free products. "Leda" provides us with water, while "MediSport" provides us with the necessary medicinal products.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

There are no drawbacks, and the main benefit is the financial contribution.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

Yes, spectators were prohibited from entering the stadiums which adversely affected our revenue during those periods.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

Of course, considering that spectators were not allowed to watch their favorite players in matches and trainings, we prioritized our YouTube channel and streamed live trainings, as well as matches. We also began to post videos on TikTok, which is currently one of the most popular social media platforms so we managed to gain a large following base fairly quickly.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

No, they did not.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

Of course, we use Facebook, Instagram, YouTube, TikTok and Twitter.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

No, but we digitally promote them voluntarily because we recognize the value of digital marketing, especially in today's heavily digitized era. We usually promote them on social media platforms like Instagram by tagging them in posts, adding hashtags of their company name or writing about them briefly in the post descriptions.

## **Appendix 8**

Expert Interview Julija Hrtić (Sales Marketing Director of Hajduk Split, Croatia)

1. Which companies were your sponsors before the pandemic started?

TOMMY, SuperSport, Macron, OTP Banka, Karlovačko, Adriatic Osiguranje, Toyota Auto Čondić, Max & Morris, OMP, Slobodna Dalmacija, Vulkan Automat Klub, apfel, arriva, MEDISPORT, Leda, EURODAUS, Radio Dalmacija, Babić Pekara, HEP, SmartNet, "IngAtest", Rudan, Joker, Bar caffe, Sinclair, Hilton Garden Inn, Jadran Hotels & Camps, ASPIRA, Objekt Art, Electronic Security Split, Kamiks Eko, Komis, Dollar Thrifty, RIWAL and Palihnić Vina.

2. Which companies are your sponsors right now?

All companies who sponsored us before the pandemic are still our sponsors now, and companies VOX and ULTRA became our sponsors during the pandemic.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

No, none of the companies canceled contracts. All contracts that were ready to be extended were signed again.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

No, contracts are actually being signed for a longer time period. Previously we signed sponsorship agreements for two to three year periods, and some were recently extended to four. This is especially the case with our oldest sponsors, such as Karlovačko.

5. Are contracts currently financially larger compared to before the pandemic?

Yes, many of our contracts are financially larger now.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

We have benefits such as free products for staff and the football team, discounted stays in hotels from sponsors like Jadran Hotels & Camps and Hilton Garden Inn and free food from companies like Babić Pekara. Our matches, results, player achievements and other football club updates also get promoted on the radio by the company Radio Dalmacija, which gives us additional exposure.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

The main benefit is certainly the financial contribution provided by the sponsor companies. Without this, the club would not be able to function. I would say that there are no drawbacks, as sponsorship agreements have always been mutually beneficial for our club and our sponsors. This is why we always made the effort to have as many sponsors as possible.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

Yes, there were fewer matches and even when matches were allowed to happen, spectators were prohibited from entering the stadiums and watching the matches in person. As a result, there was a significantly lower amount of ticket sales, especially during the 2020 season.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

We did not implement any new ways of promoting our club and sponsors, but we did place more emphasis on digital marketing especially because spectators were not physically at stadiums as much, so there were less opportunities for them to see our team and our sponsors' products and advertisements. We

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

As I mentioned before, we placed more emphasis on digital marketing so we do use a variety of digital channels to promote our club and sponsors. We use our website, but we realize that Hajduk Split fans, as well as the general public, are more inclined towards using social media platforms. Because of this, we make sure to use platforms like Instagram, Twitter, Facebook and YouTube.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

Yes, Radio Dalmacija requested for their radio station to be advertised on Instagram posts and stories and on Twitter, and Palihnić Vina also requested promotions through Instagram.

## **Appendix 9**

Expert Interview Krsto Aramenko (Secretary of Petrovac, Montenegro)

1. Which companies were your sponsors before the pandemic started?

Mega Promet and Volitrade.

2. Which companies are your sponsors right now?

Mega Promet, Volitrade, Komunalno, Morsko dobro, HG Budvanska rivijera, Turistička Organizacija Budve, Maestral and Pester.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

No, they did not.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

Sponsorship agreements are usually being signed for a year, that is, for the playing year which means the autumn and spring season.

5. Are contracts currently financially larger compared to before the pandemic?

Sponsorship agreements were increased in 2021 from 17,000 eur to 93,700 eur, while for the January-May period of 2022 they amount to 65,000 eur.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

In addition to monetary benefits we receive food and water for the junior and senior teams from Mega Promet and building materials from Pester.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

The benefits are that money from sponsorship agreements covers the tournament costs for junior and senior categories.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

The pandemic only impacted the club in 2020, when we had a smaller amount of donations from the budget of the municipality of Budva, and smaller revenue from Fudbalski Savez Crne Gore.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

No, we did not.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

There were no specific requests made by sponsors. We usually promote our larger sponsors through advertisements on the stadium.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

No, we do not.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

No, they did not.

## **Appendix 10**

Expert Interview Emir Hadžić (Marketing Director of Sarajevo, Bosnia & Herzegovina)

1. Which companies were your sponsors before the pandemic started?

Turkish Airlines, BH Telecom, Adriatic Osiguranje, Lutrija Bosne i Hercegovine, Asa Osiguranje, Franck, Hotel Bigeste, Duljevic and Amko.

2. Which companies are your sponsors right now?

The same companies sponsor us now, plus New Event and Infomedia Group.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

Yes, but those same companies returned a year later to extend their sponsorship agreements again.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

No, just like until now, sponsorship agreements are being signed for periods of 1-2 years.

5. Are contracts currently financially larger compared to before the pandemic?

It depends on the sponsor, some are and some are not. Turkish Airlines and BH Telecom contracts are larger, while other contracts with smaller companies from Bosnia & Herzegovina are financially weaker.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

Of course we do. For example, the company Turkish Airlines provides us with cheaper plane tickets when we travel to tournament preparations and the company Hotel Bigeste provides us with free accommodation during quarantine, as the whole quarantines a day before a match.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

Each sponsorship agreement is beneficial from our perspective and the drawback is that companies from Bosnia & Herzegovina are less interested in investing into our football club now than before the pandemic.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

Yes, our sponsorship agreements emphasize that in the case of epidemics, pandemics, wars or other similar situations companies are allowed to cancel agreements at any point and this happened with a few of our sponsor companies. However, as stated before, they returned a year later.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

No, we did not.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

No, they did not.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

Yes, we have been using digital marketing for a while now. We use social media platforms like Facebook, Instagram, Twitter and YouTube.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

Yes, but only two companies. Those two companies are Turkish Airlines and BH Telecom.

## **Appendix 11**

Expert Interview Mensur Mušija (President / Chairperson of Mladost Dobož Kakanj, Bosnia & Herzegovina)

1. Which companies were your sponsors before the pandemic started?

Kakanj Cement, Opština Kakanj, Heidelberg & Co and MGM Farm.

2. Which companies are your sponsors right now?

MGM Farm and Opština Kakanj.

3. Did companies cancel any contracts with you at the beginning of the pandemic, because they were afraid of the economic situation at that moment?

Yes, many of them since Bosnia & Herzegovina is a very small and economically weak country, so companies were afraid that their economic circumstances were not going to be sufficient to cover the costs of sponsorship agreements.

4. Are contracts currently being signed for a shorter period of time right now in order to avoid risks in the case of newly introduced lockdowns?

Yes, as I mentioned before the country and its companies are economically weak and everyone is afraid of losing money.

5. Are contracts currently financially larger compared to before the pandemic?

No, sponsorship agreement amounts are actually a bit lower now than before the pandemic.

6. Do you as a football club have any benefit from your sponsor except monetary? If yes, please list and briefly explain the benefits.

Yes, only from one sponsor company who is our main sponsor. This company is "MGM Farm" from whom we receive medicinal products for our team.

7. From your perspective, what would you say are the benefits and drawbacks of sponsorship agreements?

The main benefit is the possibility of gaining more financial support, and the main drawback is that sponsor companies do not wish to invest into Bosnian football as much anymore.

8. Did the pandemic adversely affect the day-to-day functioning of your business? If yes, in what way(s)?

Yes, since operating costs were extremely high and a lot of our sponsors canceled their sponsorship agreements.

9. Since COVID-19 has been going on for 2 years, did you implement any new ways of promoting your club and your sponsors? If yes, which ones?

Unfortunately, we did not.

10. Did any of your sponsors request you to promote their companies in a specific way or through specific advertising channels?

Yes, they requested for banners that show their company logos to be placed on the stadium.

11. Do you use any digital channels (e.g., social media) to promote your club and your sponsors?

We did use digital channels before, but we do not do this anymore. There is no specific reason, it is just not our priority right now.

12. Did any of your sponsors specifically request you to digitally promote their companies? (e.g., Instagram, Twitter posts)

For now, they did not.