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**Russian Premier League internationalization: football club choice and entry strategy development.**

Graduation qualification work made by a 4th year student of the International Management bachelor's program

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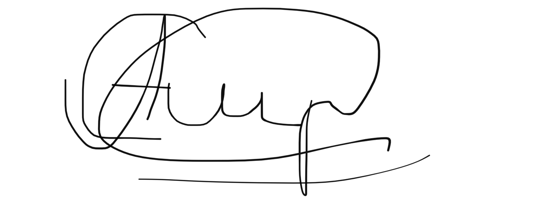
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# INTRODUCTION

“Just like football, business is a game of inches, where the smallest advancement or advantage can mean the difference between winning and losing.” – Lewis Howes. Horizontal integration methods are applicable in a huge variety of sports around the world. Some football clubs create special bilateral agreements conditioned by a privileged choice when transferring players between them, but this cannot be called a real example of expansion or joint-venture. There is such a phenomenon called “farm-team”, which means a reserve team for the main club. This is most widespread in hockey rather than in football, however, in football there are as well second or even third teams of the main club, which mainly provide practice to young or less famous athletes. Farm-teams most often have the same name as the main team, for example, “Krasnodar” football club has its own farm-team called “Krasnodar 2”. Usually, they play in the lower divisions of the hierarchy of championships within Russia, but even these examples cannot be called the expansion of Russian clubs, as this is just another link in the big football system. An example of the expansion of its own network of clubs around the world can be considered the Red Bull company, which can already be rightfully called a football empire. Now the Red Bull network includes five teams – "Salzburg", "Leipzig", "New York Red Bull", Brazilian "Bragantino" and Austrian "Lifering".[[1]](#footnote-1)

The goal of this work is aimed at developing a strategic business plan to create an affiliated football club for one of the clubs of the Russian Premier League outside Russian Federation’s borders through the geographical expansion. Unfortunately, due to the current geopolitical situation, Russian clubs are no longer allowed to participate in international competitions starting from the first quarter of 2022[[2]](#footnote-2). The creation of an affiliated club for one of the leading clubs in Russia could be both a solution to this problem and an opportunity to expand financial and gaming capabilities. To do this, the following objectives are going to be fulfilled:

* Describe the organization and explain the managerial problem.
* Explain the paper’s structure and methodology in detail.
* Analyze the environment of football industry in Russia.
* Analyze the performance of farm-teams and their place in the hierarchy of football leagues in Russian Federation.
* Identify the club for the expansion into a foreign market.
* Identify a host country.
* Conduct environmental analysis of the chosen country.
* Develop a strategic plan for internationalization.
* Identify the philosophy and develop the strategy of the club's development.

The 9 main objectives of this paper are mentioned above and they also show the structure of the project, as they are arranged in a certain order from the beginning to the end. The paper will be divided into three chapters, the first of which is "Russian football industry characteristics", the second - "The choice of potential club & country for internationalization" and the last chapter is called - "Internationalization Plan". The first objective is addressed at an overview of the Russian Premier League as an organization and at explaining the managerial problem which RPL has to solve for today. The second objective includes the detailed explaining of the methodology that was implemented. The third is necessary to identify the main factors influencing RPL and current trends and to draw an overall picture of the organization and the stage of development at which the RPL is at the moment. Next, the analyses the performance of farm-teams in the hierarchy of football leagues in Russian Federation should be conducted in order to identify their role in Russian football today and draw several conclusions as well. The fifth objective is dedicated to choose of the club for the expansion into a foreign market and, to make the choice, the list of criteria to determine which team geographical expansion would be best for will be developed. The next objective is to identify the host country based on the list of criteria developed further. These criteria are going to be based on overall economic situation in the country as well as the level of football development and capabilities will be identified and analyzed. One more step is to conduct deep environmental analysis of chosen country in order to understand the main opportunities and threats which could influence on football now and in future. The 8th objective is to develop a strategic plan for the internationalization, including the choice of entry mode, possible opportunities and risks and so on. Finally, to understand the big picture the philosophy of the club will be chosen and the strategy of its further development, that is, the definition and analysis of the goals that the club must fulfill. After all, as soon as job has been accomplished the final conclusion will be drawn.

# METHODOLOGY OF THE PAPER

It is considered necessary to describe the methodology of the work to be undertaken in terms of structure. During the analysis of the external environment in Chapter 1 such a tool as PEST-analysis was used. PEST-analysis is a measurement technique that evaluates markets for a certain good or service at a specific moment. Political, Economic, Social, and Technological aspects are referred to as PEST. Organizations can make wiser business judgments when these aspects have been thoroughly examined. Despite its triviality, it is best suited for identifying the main trends and tendencies of the external environment in the industry. PEST - analysis was applied in this paper as follows: after reading the literature on factors affecting the football industry in Russia, a conclusion in the form of a choice of factors that have the greatest positive or negative impact on the Russian football industry was drawn. After that they were placed in a PEST table, which contains each of the factors divided into 4 areas (political, economic, social and technological). Given the fact that football industry is quite specific in terms of market, some of the factors may not be sufficiently clear to the reader. In this case, each of the factors was described and explained after the table, and those factors that are quite specific were described in more detail. The extended version of PESTLE-analysis was not chosen, because the legislative and environmental factors do not play a major role for further analysis.

In the second chapter, the Funnel Technique[[3]](#footnote-3) was applied. Usually, this technique is used during an interview, where there are 4 basic elements: Awareness - Interest - Desire - Action (in that order). The main purpose of using this tool is to narrow down the range of candidates, however, in this paper it was adapted in such a way as: first, the selection criteria were established, which were then described in detail in terms of both relevance and importance. The first criteria are the most important, so usually after the first two rounds of selection a large number of candidates were immediately eliminated (in this work the candidates are the RPL clubs; countries considered for internationalization; clubs for acquisition). Then the analysis was done in relation to these criteria and a selection was made among the candidates. Once there were only a few options left, they were examined in more detail in terms of each of the criteria, and indirect reasons in favor of one or another candidate taken into account. The same method was applied to the selection of the country that will be optimal to enter its football market. This technique is most useful for selection because it involves sifting out candidates that do not fit the predetermined criteria.

The data that appears in this paper was taken from secondary sources and was marked throughout with a reference to the primary source. This paper does not include a primary dataset, because this work does not offer a product or service, so such data would be useful if interviewed by club managers or the management of the Russian Football Union, but I didn’t have such opportunity to contact them, so otherwise the primary data taken from interviewers or through the survey is not needed.

# CHAPTER I. RUSSIAN FOOTBALL INDUSTRY CHARACTERISTICS

## 1.1 EXTERNAL ENVIRONMENTAL ANALYSIS OF RUSSIAN PREMIER LEAGUE.

The Russian Premier League is the highest professional football league in Russia. It was founded in 2001 and was then called the Russian Football Premier League, but today the RPL consists of 16 teams. The league operates on a promotion and relegation system with the Football National League (officially Melbet Liga I), the second league in Russian football. The RPL season runs from July to May, with each team playing 30 matches. At the end of the football season, the team with the most points at the end of the season becomes the champion, while the last two teams in last place are relegated to a lower league. The penultimate team in the league reaches the play-offs with the third-placed team in Melbet First League to determine which team will play in the Russian Premier League next season. Among the most successful teams in the Russian Premier League are Spartak Moscow, CSKA Moscow and Zenit St. Petersburg. The Russian Premier League has attracted worldwide attention in its albeit short history and has become an important part of the global football landscape regardless of current geopolitical influences. Unfortunately, the prestige of RPL has dropped a lot recently, meaning the league has dropped 44 positions in the International Federation of Football History and Statistics (IFFHS) ranking of the best leagues in the world. The RPL finished in last place, 80th in 2022. At the end of 2021, Russia ranked 36th. But in the UEFA ranking, Russia is in 23rd place, as the UEFA federation froze Russia's ranking for the 2021/2022 season.[[4]](#footnote-4) Below is a map (Figure 1) showing the geographical locations of each of the 16 RPL clubs for easy reference.

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*Figure 1. Map of all RPL clubs and their geographical location*

The structure responsible for managing football in Russia should also be mentioned. This is the Russian Football Union (RFU). The main objective of this organization is the development and promotion of football in the country, but it is also the responsibility of this organization to deal with the challenges of the RPL in particular. Another important task of the RFU is business communication and negotiation with governing bodies around the world. The RFU chooses the course of development of football in the country and therefore directly affects the future of both clubs and the national team.

*PEST-ANALYSIS:*

In order to conduct external environmental analysis such tool as PEST-analysis is going to be used. This part is needed to identify the external environmental factors that influence the football industry in Russia and to identify the main trends and tendencies in modern Russian football. The below PEST table contains only key political, economic, social and technological external environment factors that have the major impact on the football industry in Russia (Table 1).

|  |  |
| --- | --- |
| **POLITICAL**   1. Financing of clubs by the regional budget. 2. Law on the establishment of Fan ID. 3. Exclusion of Russian clubs and the national team from playing under the auspices of UEFA. 4. Permission from FIFA to suspend foreign specialists and players from their current employment contracts. | **ECONOMIC**   1. Absence of foreign direct investments. 2. Sanctions against big Russian banks. 3. Increase in the inflation rate. |
| **SOCIAL**   1. Media Football development and audience growth. 2. General decrease in the popularity of football among the population. | **TECHNOLOGICAL**   1. VAR system implementation. |

*Table 1.* *PEST – Analysis of Russian football industry.*

P1. Financing of clubs by the regional budget.

State financing has both positive and negative effects on the football industry in Russia. Of course, the state helps develop sports in the regions of the country by bettering the sports infrastructure, reconstructing stadiums, attracting more fans, tourists and attention to football in general. But often the volume of funds invested by the state in the club is not justified by the sports results. Most often, clubs operate at a loss, bringing no profit to the club, much less to the federal budget. For example, the financial statements of FC Rostov [[5]](#footnote-5)showed that the club's profit figure as of December 31, 2022 was minus 218 million rubles. Krylya Sovetov FC[[6]](#footnote-6), for example, finished the same year with a profit of 2 million rubles. These are the clubs, whose budget is entirely formed by state (regional) investment. There are several reasons for this, firstly, it is explained by the fact that player salaries, stadium maintenance and other fixed costs are almost identical to those in Europe, but ticket prices, payments to the RPL for achieving high results, television rights and sponsors bring much less money compared with revenues in Europe. Secondly, spending other people's money is always less efficient than spending your own, plus there are cases of corruption and a reluctance to work as efficiently as possible. In general, state financial support for RPL clubs has a negative impact on the market and on the success of clubs in both the short and long term.

P2. Law on the establishment of Fan ID.

The Fan ID law [[7]](#footnote-7)was signed by Russian President Vladimir Putin on December 30, 2021, and was enforced on June 1, 2022. From the second half of the season 2022/23 Fan ID passports are required to attend the stadiums of all 16 teams in the RPL. This law provides an obligatory condition in the form of a fan passport to attend football matches of the championship of Russia (RPL). Thus, attendance at RPL matches decreased on average by an incredible 70-80% compared to the previous season. This affects both the decrease in the popularity of football in general and the financial balance of RPL clubs, lowering their profits significantly.

P3. Exclusion of Russian clubs and the national team from playing under the auspices of UEFA.

On February 28, 2022, UEFA[[8]](#footnote-8) and the International Federation of Association Football (FIFA) suspended Russian clubs and national teams from participation in international competitions. In September 2022, UEFA excluded the Russian national team from the draw of the qualifying tournament for the 2024 European Championship. This factor indicates that the Russian clubs and the national team have no opportunity since the beginning of 2022 to compete with opponents from other countries, which lowers the level of development of football in general, and also entails a decrease in interest from the audience, as the intrigue and motivation of clubs to fight for high places inside Russia is lost.

P4. Permission from FIFA to suspend foreign specialists and players from their current employment contracts.

"In order to facilitate the departure of foreign players and coaches from Russia, if clubs affiliated with the Russian Football Union (RFU) do not reach a mutual agreement with their foreign players and coaches by March 10, 2022 and unless otherwise agreed in writing, foreign players and coaches will be entitled to unilaterally suspend their employment contracts with clubs affiliated with the RFU until the end of the season in Russia (June 30, 2022)," FIFA[[9]](#footnote-9) said in a statement. This decision led to the departure of 41[[10]](#footnote-10) foreigners who took advantage of the option offered by FIFA. As a result, the clubs lost their assets in the form of key players, and therefore lost the money for which the player was bought.

E1. Absence of foreign direct investments.

Unfortunately, foreign investors have not previously invested money in RPL clubs, and now even less so. In general, there are very few private clubs in Russia, but none of them are run by foreigners, due to the previously mentioned problems of low profits, as well as the lack of benefits and preferences from the state, and now also the geopolitical situation. Direct foreign investment in Russia would raise the level of the championship, the clubs and players sponsored, because the money would be spent efficiently and the football club would earn as a business model, but in the current realities it is difficult to imagine.

E2. Sanctions against big Russian banks.

The sanctions, actually, mean that it is difficult to transfer funds abroad. This has a negative effect on the industry, because the process of transferring players both from and to Russia is thus complicated. For example, if a large European club has a choice between two players: a very talented footballer from Russia and a simply talented footballer from a neighboring EU country, in the end, the club will most likely choose the less talented one, while the Russian will stay in Russia due to the difficulties of transferring money abroad.

E3. Increase in the inflation rate.

Due to the previously mentioned geopolitical reasons, inflation in Russia is also setting new anti-record levels of 20 years ago. Since the beginning of 2022 consumer prices have risen by almost 12%[[11]](#footnote-11), and annual inflation in Russia accelerated to 12.65% as of December 12, 2022. The official inflation forecast of the Ministry of Economic Development for 2023 is 5.5%. Since football is not a necessity for life and is an entertainment, such economic turmoil greatly affects the welfare of the population and some fans will simply be forced to give up attending football matches due to the unstable financial situation.

S1. Media football development and audience growth.

Mediafootball is a phenomenon that a couple of years ago was not seriously considered as a competitor to trivial real football. However, this year, given the introduction of Fan ID, the ban by FIFA and many other things, we can safely say that media football is becoming an alternative for fans, and in some places even more entertaining and interesting. If we talk about the numbers, for example, the final of the media football season was held at the VTB Arena, which is one of the most modern football stadiums in the country. The event attracted more than 10 thousand fans (by comparison, the average attendance of the Russian championship this year is 11,400 spectators) and more than 100 thousand people followed it online.[[12]](#footnote-12)

S2. General decrease in the popularity of football among the population.

This social factor comes from the previously described political and economic factors. First of all, the decline in popularity in football is due to the introduction of Fan ID, as football fans react negatively to its appearance, and some even declare a boycott and directly inform the management of their favorite clubs that they do not intend to attend matches while the law on the introduction of Fan ID is in effect. Secondly, the decline in interest in football is due to the lack of intrigue caused by the non-admission of Russian clubs to international competitions, which means that apart from a small financial bonus at the end of the season and the prize places of clubs, nothing awaits. Therefore, the decline is significant and this social factor, accordingly, significantly affects the industry.

T1. VAR system implementation.

Despite the departure of the previous provider (Hawk-Eye Innovations Ltd.) of VAR in Russia, RPL will still not be without this technological innovation, as this season the VAR technology at RPL matches is provided by the Russian provider Slomo[[13]](#footnote-13). Initially, its functionality did not include offside line drawing technology, but at the moment the system works without interruptions and at the same level as the European alternatives. This is certainly a positive factor.

CONCLUSION:

As a result of the analysis of the external environment of the Russian football industry, the current situation of Russian football and the RPL in particular was explained in more detail. The sanctions imposed on football in Russia are naturally negative and have a negative impact on the industry, as they firstly lead to a decrease in the reputation, level of play and intrigue within the RPL league, and secondly, reduce the level of interest in football on the part of the fan audience. In addition to the sanctions, a political factor in the form of the introduction of Fan ID further contributes to the decline in the popularity and popularization of football in Russia.

Also, the alternatives to trivial football are emerging, for example the Football Media League, which at the moment looks more entertaining and interesting, although it is considered to be less professional in terms of the game. In general, the Russian football industry needs the interaction with world international football and, accordingly, the decision on an exit from this vacuum created at the expense of the factors given earlier.

In general, if clubs continue to conduct their football activities exclusively in Russia, they will get a huge disadvantage in the form of stagnation in development. Players do not have the opportunity to compete with the best, and this is actually the main principle of development. The solution is a gradual return to European football through the opening of affiliated clubs abroad, as in this case, clubs and players will be able to develop by competing with other qualified teams and show true level of their skills.

## 1.2 INTERNAL ENVIRONMENTAL ANALYSIS OF PERFORMANCE OF FARM-TEAMS IN THE HIERARCHY OF FOOTBALL LEAGUES.

The Russian Premier League (RPL), as it was mentioned previously, is a club football championship that takes place annually with the participation of 16 teams from cities all over Russia. Thus, each 16 team must play each other twice a year, beginning in July and ending in May. RPL is currently part of the European Football Association, and respectively FIFA and UEFA, but since March 2022, FIFA and UEFA have imposed sanctions against clubs and the national team of Russia, which prohibit their participation in international tournaments. This factor, of course, is negative, but it can also be profited from, including through geographic expansion in the neighboring countries, but about that in the following chapters. First of all, it is worth delving into the specifics of the football hierarchy in Russia. There is a so-called system of football leagues. Such a system exists in absolutely every country where football championships are held. The system of Russian football leagues consists of four levels and is managed by four organizations: Russian Premier League (RPL), the First League (FNL), the Second League (SL), the Third Division, the Fourth Division and Municipal Championships.

The First League is represented by 18 teams, four of which will compete at the end of this season for admission to the RPL. The Second League is represented by 72 teams separated into 4 divisions according to their geographical location. At the end of football season, 4 clubs will compete at the end of this season for admission to the First League. The level of these leagues is much lower than the RPL, namely the level of quality of play, the level of wages, match attendance, prestige and so on. Also, as mentioned earlier, there are less status divisions in the hierarchy of Russian Football Leagues, but they are amateur level divisions, so they will not be considered in this paper as they are not professional.

Importantly, it is worth to mention in order to understand the difference between a partner club[[14]](#footnote-14) and a farm club in football. In short, the partner club is more status-based compared to the farm club, as usually partner clubs play in different leagues and countries. The main advantages of such partnership agreements are: financial assistance, free transfers of football players, assistance with training conditions, friendly matches and much more. In the case of a farm club, these clubs usually work for the benefit of only the main club and serve as a supplier of new players, coaches, and so on. The purpose of this work is to create an affiliated club, which is something between a farm club and a partner club. This practice is more common in hockey than in football, but it can also be adapted to football in such a way that the status of the club will be quite high at the level of the partner club, but the possibilities that the main club has when opening an affiliated club are close to the case of farm clubs.

Referring back to the farm-teams, they are just as common in Russia as they are all over the world, but each club sets unique goals for its second teams. Some keep them as a reserve team and to gain experience for young or less established players; others set the task of making profit from selling and reselling players to other clubs, but in this case the priority is the result of the team, that is the highest places at the end of the championship. Below is a table (Table 2), which shows the 16 clubs in the RPL, their farm-teams and the divisions in which they play.

|  |  |  |
| --- | --- | --- |
| Zenit Saint-Petersburg | *Zenit-2* | **Second League (Group 2)** |
| Spartak Moscow | *Spartak Moscow U-19* | **Youth Football League** |
| Rostov | *Rostov U-19* | **Youth Football League** |
| Dinamo Moscow | *Dinamo-2 M* | **Second League (Group 2)** |
| CSKA Moscow | *Tekstilshchik Ivanovo* | **Second League (Group 2)** |
| Akhmat | *Akhmat U-19* | **Youth Football League** |
| Orenburg | *Orenburg-2* | **Second League (Group 4)** |
| Krasnodar | *Krasnodar-2* | **First League** |
| Sochi | *PFK Sochi U-19* | **Youth Football League** |
| Ural Yekaterinburg | *Ural Yekaterinburg-2* | **Second League (Group 4)** |
| Krylya Sovetov Samara | *Krylya Sovetov Samara U-19* | **Youth Football League** |
| Pari Nizhniy Novgorod | *Pari NN U-19* | **Youth Football League** |
| Fakel Voronezh | *Fakel Voronezh U-19* | **Youth Football League** |
| Lokomotiv Moscow | *Lokomotiv Moscow U-19* | **Youth Football League** |
| Khimki | *Khimki-M* | **Second League (Group 3)** |
| Torpedo Moscow | *Torpedo Moscow-2* | **Second League (Group 2)** |

*Table 2. RPL clubs, their farm-teams and farm-teams divisions.*

Based on the table, it is immediately apparent that almost half of the clubs in the RPL (7 out of 16) do not have any farm-teams, and have only youth teams (U-19), which play in the Youth League. Last year, for example, at least “Spartak Moscow” and “Lokomotiv Moscow” had very famous “Spartak-2” and “Lokomotiv-Kazanka” farm-clubs, which consisted of promising players from their academies. But due to the current geopolitical situation in the world, the management of these teams decided to disband these clubs because of the difficult financial situation. Generally speaking, in Russia it is extremely difficult or almost impossible to make a profit by owning a football club due to the small revenues from TV broadcasts (although this year clubs began to earn more from the sale of rights to show matches on TV), large expenses on players' salaries (the level of players' salaries in Russia is about the same as in Europe, but the income is several times, or even ten times lower than, for example, in England) and so on. For this reason, over the past 10 years many famous clubs with a long history have closed due to the difficult financial situation and debts. For example, “Amkar” football club in 2018 kept its place in the Premier League, but was unable to undergo licensing due to debts of 0.5 billion rubles[[15]](#footnote-15), which hit the club after a gradual reduction in funding and management crisis; Torpedo Moscow football club in 2015 withdrew from the championship for the same reason due to a lack of funds, and a huge number of other clubs from the lower divisions of the hierarchy of Russian football are disappearing to this day. And in the current reality, even huge football empires with a long history, such as Lokomotiv and Spartak, refuse to finance their farm-clubs because of financial difficulties.

CONCLUSION:

Thus, the first conclusion from this analysis is that it has become financially difficult to keep a team of the First League level. That's why the second clubs were either suspended ("Spartak-2", "Lokomotiv-Kazanka", "Krasnodar-3") or moved to the Second League ("Zenit-2"). On the other hand, the cutback of the farm-teams negatively affects the development of the main clubs, as teams lose the opportunity to develop the potential of talented players in their affiliates. For example, in 2018, “Zenit-2” player Andrey Mostovoy discovered his talent in the second team and transferred to the main team the very next transfer window and to this day is a player in Zenit's main team, which demonstrates the effectiveness of farm clubs. Thirdly, another conclusion is that the most talented young players will now be directly involved with the main team more often, which shortens their career path, but also leads to a loss of quality.

Generally speaking, at the moment, Russia's farm-teams are not fulfilling their main function of developing young players and constantly supplying the main teams with new talented players, because the level of play in the leagues in which they currently consist is inappropriate. So instead of having a farm-team in Russia, a more effective solution would be to create an affiliated club abroad, because that firstly, it will increase the effectiveness of the affiliated club due to the fact that the level of the championship in which the club will participate is going to be clearly higher than the lower leagues in Russia regardless of the country chosen; secondly, as described earlier it will contribute to a smooth return of Russian football to European and World football in general which in turn, will stop the degradation of football in Russia and the level of players' skills.

# CHAPTER II. THE CHOICE OF POTENTIAL CLUB & COUNTRY FOR INTERNATIONALIZATION

## 2.1 CLUB SELECTION ANALYSIS.

**List of criteria.**

In order to determine which club is most suitable for expansion into another market, a list of criteria[[16]](#footnote-16) must be drawn up in order to separate the clubs that are not initially appropriate for the internationalization and in order to determine the favorites at this stage of the analysis. This approach is called The Funnel Technique, which was described earlier in the methodology section. Briefly, the criteria for selecting a club suitable for internationalization will be chosen and described, and then a selection will be made according to these criteria. The use of this tool is driven by the need to screen the clubs for a more accurate analysis of the most suitable clubs. The last stage of the selection process is such if only one suitable club remains if it is applied.

*1) Financial capabilities.*

First and foremost, in internationalization, it is important to consider such a factor as the size of the organization, that is, the financial capabilities of the shareholders and owners of the club. More financially stable clubs have more options given their ability when choosing between one way or another of internationalization; less wealthy clubs, on the other hand, can often only use their acquisition by more status clubs or football empires, either they even don't financial possibilities for expansion at all.

*2) Current position on the market.*

Further, it is very important to understand how reasonable it is to expand the club abroad at the current moment of development, that is, whether the potential of the club in the Russian market is sufficiently revealed. If the club has not yet achieved high success in both domestic and international arena in its history, then internationalization will not be appropriate at least at the current stage of the club's development as an organization.

*3) Brand recognition.*

Having such a valuable intangible asset as a brand name is a very important factor when entering another market, as success at the first stages of internationalization and after project completion directly depends on it. So, as the choice of method of entry mode into a new market is extremely important in expansion, the status of the brand and club image enable more control over the assets, and in general reveal more options in the initial stage of branch development. The concept of brand includes both the results of the club, which will be discussed in the context of the second criterion, but a more important indicator here will be the indicator of recognition of the club on the world stage and at home. For example, historical victories in international tournaments or iconic players, known throughout the world and played for the club, will have an important role in determining the success and awareness of the brand name.

*4) Stability within the club and other indirect factors.*

The last set of factors is indirect, which affects the willingness at this moment to internationalize. For example, the stability within the management hierarchy of the club (change of owners, shareholders), as well as the political influence on the club, temporary difficulties associated with the failure of the club in terms of playing and so on.

In any case, entering another geographical market is always a risk, and the willingness of the club to expand depends on the level of risk acceptance or risk aversion of the management. Clubs with strong risk aversion are likely to avoid important investments at least at this stage (given the difficult financial situation due to geopolitical reasons). In conclusion, the success of internationalization depends on the goals the club wants to achieve through expansion. In the following chapters we will look at the possible objectives and the corresponding strategies that can realize these objectives.

**Club choice.**

In order to filter out the clubs that are initially unsuitable for expansion, the financial capabilities of all clubs in the RPL will be analyzed one by one, as this factor is key when internationalization. After the analysis, clubs with insufficient financial capacity will be excluded from the list of potential clubs for expansion. Below the table (Table 3) including all clubs in the RPL is placed showing the amount of annual investment from investors in them and the level of readiness for expansion from unsuitable to suitable.

|  |  |  |
| --- | --- | --- |
| **CLUB** | **LEVEL OF INVESTMENTS**  *Team value* | annual financial investments | **READINESS**  **low | medium | high** |
| Zenit Saint-Petersburg | *153,8 million euro |* 150 million euro | **High** |
| Spartak Moscow | *86,6 million euro |* 107,5 million euro | **High** |
| Dinamo Moscow | *81 million euro |* 53,1 million euro | **Medium** |
| Krasnodar | *70,7 million euro |* 56,3 million euro | **Medium** |
| CSKA Moscow | *69,6 million euro |* 62,5 million euro | **High** |
| Lokomotiv Moscow | *69 million euro |* 68,8 million euro | **High** |
| Rostov | *46,3 million euro |* 30million euro | **Medium** |
| Krylya Sovetov Samara | *33,5 million euro |* 7,5 million euro | **Low** |
| Sochi | *28,6 million euro |* 27,5million euro | **Medium** |
| Akhmat Grozny | *26,3 million euro |* 12,5million euro | **Low** |
| Ural Ekaterinburg | *19,6 million euro |* 20,6 million euro | **Medium** |
| Pari Nizhniy Novgorod | *18,7 million euro |* 9,4million euro | **Low** |
| Orenburg | *17,7 million euro |* 11,3 million euro | **Low** |
| Khimki | *16,55 million euro |* 9,8million euro | **Low** |
| Torpedo Moscow | *69 million euro |* 17,5 million euro | **Medium** |
| Fakel Voronezh | *10,7 million euro |* 3,8million euro | **Low** |

*Table 3.* *RPL clubs, their level of investments and readiness for the expansion on a foreign market.*

On the basis of open sources[[17]](#footnote-17) from the Internet, in particular the “Transfermarkt”[[18]](#footnote-18) portal and audit reports[[19]](#footnote-19) of companies financing football clubs of RPL, were taken data on their current assets and their annual received financial investments. The total value of the players is necessary for further analysis, since clubs with a more expensive squad will have more effective transfer opportunities from the main club to the affiliate, accordingly in this analysis such clubs will be given greater preference if they are selected for internationalization. Thus, the boundaries in the form of financial investments have been set, dividing the clubs into three segments in relation to their readiness for expansion at the moment. The low readiness is defined as a team with an annual financial investment of between 0 and 15 million euros, medium readiness from 15 to 60 million euros and high readiness from 60 million and above. This scale is due to the following mathematical calculation:

The average annual financial investment is 40.5 million euros if we take into account all clubs in the league. However, the first two clubs (Zenit and Spartak) according to this indicator receive a much larger number of investments from investors than the other clubs; as well as the last two clubs according to this indicator (Krylya Sovetov and Fakel) receive much less investments than other clubs of RPL. Therefore, the calculation was based on the average number of investments of the 12 clubs from the 3rd place to 14th inclusive, which equals EUR 31.65 million per year (rounded EUR 30 million per year). Thus, to maintain a competitive football club **at least** in the home market requires an amount twice as much - 60 million euros per year (to invest in an existing club and a new one).

So, based on the analysis of the current financial capabilities of RPL clubs can be identified only six clubs, to different extents financially ready for expansion: Zenit, Spartak, CSKA, Lokomotiv, Dynamo and Krasnodar. Next, it is necessary to consider each club in terms of how successful they are in the home market to date, which will accordingly indicate how well-known the name of the brand is and how status it is. For this purpose, such indicators will be analyzed as: the club's place in the RPL championship and success in international competitions (UEFA Champions League, UEFA Europa League) over the past 10 years. The tables (Table 4 and Table 5) indicating the results of this analysis are based below in Appendix section.

The information presented in these tables is taken from public Internet resources, namely the official site of the UEFA Champions League[[20]](#footnote-20) and UEFA Europa League[[21]](#footnote-21). Based on this data, the analysis of success on domestic and international arena of each of these clubs, one by one, is going to be conducted further.

**Zenit St. Petersburg** is a club with a great history and results during the past 10 years. This club for the last 10 years became the champion 5 times and is confidently going to win the current season. The club is a shining example of stability and constantly occupies the top lines in the RPL table at the end of each season. As for success in the international arena, Zenit has played 4 times in the most prestigious tournament in the world - the UEFA Champions League. Yes, the team managed to play in the playoffs of this tournament only twice (2014 and 2016), but nevertheless it is the best indicator among all the RPL clubs presented in the table and in general the team is quite prestigious and recognizable in the world. In addition to this analysis, it is worth mentioning that Zenit football club won the UEFA Cup in 2008, that is the strongest team in Europe in the season 2007-2008, which certainly adds prestige to the brand name of the club and makes it absolutely recognizable and famous not only in Russia, but all over the world. So, according to the indicators of the current position in the home market and the brand recognition in the international aspect we can conclude that Zenit as an organization was quite successful in the last 10 years and is ready for expansion to another geographical market.

**Spartak Moscow** is a club with even greater history and is actually considered as “people’s club” in Russia with the largest fan-base in Russia. However, the results on domestic arena are not as good as they could have been or were in 20th century: The club became champion only once in the 2016-2017 season, and in 2022 it finished in 10th place in the RPL standings, and these figures are absolutely not what fans across Russia expect from this club. As for success in the international arena, respectively, the results are also not very successful, since the club has not participated in the main international tournament (UEFA Champions League) for more than 10 years and has taken part only 3 times in the second strongest European tournament - the UEFA Europa League, which managed to reach only the 1/16 stage of the playoffs. Thus, we can conclude that at the moment it's not the best time for expansion, as the club first needs to rise to its previous level of success and prestige.

**CSKA Moscow** as well as Zenit can be attributed to the cohort of clubs with a great history, as it is the second of two football clubs from Russia, which is a UEFA Cup winner (2004/2005 season). In the last 5 years CSKA, unfortunately, could not win the title of Russian football champion, but during all this time it ranked high in the table and never dropped below 6th place; as for the period in the last 10 years, CSKA from 2013 to 2018 has become the national champion twice and three times ranked second, which shows the high level of prestige of the team in the home arena. On the international scene CSKA also showed pretty good results, as in 8 out of 10 seasons the club participated in European competitions (7 times in the UCL and once in the UEFA Europa League, where the club managed to reach the quarterfinals of this European tournament). Thus, taking into account the huge history of the club and quite successful results in both the domestic and international arena, we can conclude that CSKA is also suitable for further consideration as a candidate for expansion.

**Lokomotiv Moscow** is a Moscow club with as much history as CSKA or Spartak, but the results of this club are less stable and successful than the previously described clubs. Lokomotiv in the last 10 years became the champion only once in the season 2017/2018, also twice the club managed to take the second place in the championship and the same number of times finished in third place. Lokomotiv is quite a well-known and prestigious club in the home arena, it has a large fan base, however, the same success the club cannot boast in the international arena. The maximum achievement in the same successful season 2017/2018 is the 1/16th stage of the playoffs of the UEFA Europa League. In addition, the team is only in 13th place in the championship at the time of the analysis, so at this point the club needs to "get back on the same rails" and only after that start thinking about the expansion on another market.

**Dynamo Moscow** is a club with the worst results both at home and internationally, so despite the good financial performance of the club, at the moment this club does not need expansion.

**Krasnodar** is the youngest of the presented clubs, as it appeared only in 2008 and is a private club sponsored by Mr. Galitsky. Krasnodar has established itself very well in the top five clubs in Russia, consistently ranking in the top half of the table. However, the club from Krasnodar has not yet managed to win a championship, despite its rapid growth and the right vector of development. As for the results in the international arena, Krasnodar showed quite good results, often reaching the playoffs of the UEFA Europa League. In general, Krasnodar could be considered a candidate for expansion in this work, if it had at least one Russian championship title. Unfortunately, so far, the club has not been able to accomplish this, so at least for the time being the club does not need expansion.

CONCLUSION:

To summarize, the only 2 of the 16 clubs were chosen, namely the club Zenit from St. Petersburg and CSKA club from Moscow. In order to determine which of these two clubs is most suitable for expansion, it is necessary to go back to each of the established criteria and determine which club wins it. First, Zenit's annual financial injections are much higher than CSKA's ($150 million and $63 million, respectively). Second, if we take the average position over the past 10 seasons, Zenit is on average ranked 1.9 (approximately second), while CSKA is on average ranked 3.2, so Zenit leads CSKA in this indicator as well. In the international arena, both clubs show about the same result, achieving maximum success in view of the quarterfinals of the UEFA Europa League. Thirdly, the brands of both clubs have about the same prestige, as both clubs won the UEFA Cup in 2008 and 2005 respectively, but in this regard, I would give preference to the club from St. Petersburg, because more famous players (for example, Hulk, Danny, Axel Witsel, Malcom and some others) have played and are playing for this team. All in all, the club for expansion is chosen and it is Zenit St. Petersburg).

## 2.2 COUNTRY SELECTION ANALYSIS.

**List of criteria.**

In order to select a geographically suitable market for the internationalization of Zenit St. Petersburg football club, it is necessary to apply the previously mentioned tool The Funnel Technique, which will also select one country, which will be in theory the most effective and practical to enter its football market. Below will be a list of criteria with their explanations and confirmations of their relevance in the framework of this analysis.

*1) Membership in the European Football Association UEFA.*

This is a mandatory criterion for selecting a suitable market for internationalization for two reasons. Firstly, the clubs belonging to the UEFA European association are currently the strongest when compared with Asian clubs or clubs in South and North America. The main objective of the internationalization of a football club from Russia is to maintain the level of skill of Russian players through constant competition with the best players, so only those countries that are members of this association fit into the framework of this selection. Second, despite the closeness with Asian football, Russia and in particular the Russian Football Union aims to return to Europe[[22]](#footnote-22). It is not yet known when this will happen and if it will happen at all, but this work must correlate with the goals and objectives set by the main governing body in Russian football.

This list is represented by 54[[23]](#footnote-23) countries, which include: England, Spain, Germany, Italy, France, Netherlands, Portugal, Belgium, Scotland, Austria, Serbia, Turkey, Switzerland, Ukraine, Czech Republic, Norway, Denmark, Croatia, Greece, Israel, Cyprus, Sweden, Hungary, Romania, Poland, Bulgaria, Slovakia, Azerbaijan, Kazakhstan, Slovenia, Moldova, Kosovo, Liechtenstein, Latvia, Ireland, Finland, Lithuania, Armenia, Belarus, Bosnia and Herzegovina, Luxembourg, Faroe Islands, Northern Ireland, Malta, Georgia, Estonia, Iceland, Albania, Wales, Gibraltar, Northern Macedonia, Andorra, Montenegro and San Marino.

*2) The degree of friendliness of the country toward Russia.*

The notion of friendliness[[24]](#footnote-24) in this paper means at what stage and to what extent there is a strengthening of friendly relations between countries bound by geographical and human proximity, the maintenance of good-neighborly relations and mutual assistance, as well as respect for the principle of equality and friendly feelings. That is, unfriendly countries are those with which bad economic and political relations have been established. This directly affects the possibility of partnership between Russian clubs (in the case of this work of Zenit Football Club) and the clubs of the country that is considered in this analysis. If, politically, the country is currently imposing sanctions on Russia, it will not be considered a candidate, because cooperation in such a case is impossible.

So here is the list of 49 countries[[25]](#footnote-25) that are considered unfriendly by the Russian government: EU countries (all 27 EU member states), Albania, Andorra, Australia, Bahamas, Canada, Iceland, Japan, Liechtenstein, Micronesia, Monaco, New Zealand, Norway, San Marino, North Macedonia, Singapore, South Korea, Switzerland, Taiwan, Ukraine, UK, and USA*.*

Thus, as a result of 2 stages of The Funnel Technique tool made, the pool narrows down to the next set of candidates: Serbia, Turkey, Azerbaijan, Kazakhstan, Moldova, Armenia, Belarus, Georgia. Further, in order to further narrow down the candidates for unfriendliness, we will take into account the data founded by the National Research Institute for Communication Development, which conducts an annual monitoring of the communication regimes of the post-Soviet countries. Based on the results of the study, this institute compiled a rating of friendliness of communication regimes of neighboring countries. The table showing the friendliness ratings of the countries of Post-Soviet Union is located below (Table 6):

|  |  |
| --- | --- |
| **Country** | **Rating score (max 100min -100)** |
| Belarus | **88.4** |
| Kyrgyzstan | 60,6 |
| Uzbekistan | 59,3 |
| Kazakhstan | **58,4** |
| Armenia | **58,3** |
| Tajikistan | 57,9 |
| Azerbaijan | **57** |
| Turkmenistan | 47,1 |
| Georgia | **24,2** |
| Moldova | **8,3** |
| Latvia | -45,8 |
| Lithuania | -49 |
| Estonia | -51,8 |

*Table 6. Friendliness ratings of the countries of Post-Soviet Union toward Russia.*

*Source:* [*https://pressunity.org/archives/28070*](https://pressunity.org/archives/28070)

Thus, such countries as Moldova and Georgia are to be excluded from the list of potential countries for internationalization.

*3) Country coefficient in the UEFA European Football Association.*

This criterion includes the country's position in the UEFA ranking.[[26]](#footnote-26) This ranking is based on how successful each country's football clubs are in the main European championships (UEFA Champions League, UEFA Europa League and UEFA Conference League). The table with the previously selected countries and accordingly their ranking in this table of coefficients over the past 5 years is shown below (Table 7):

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Country/Place** | 2018/2019 | 2019/2020 | 2020/2021 | 2021/2022 | 2022/2023 |
| Serbia | 14th | 12th | 16th | 9th | 22nd |
| Turkey | 17th | 18th | 26th | 16th | 9th |
| Azerbaijan | 34th | 26th | 31st | 24th | 26th |
| Kazakhstan | 23rd | 27th | 50th | 32th | 46th |
| Armenia | 40th | 30th | 48th | 38th | 37th |
| Belarus | 21st | 33rd | 42nd | 53th | 54th |

*Table7. Country and its place in the UEFA ranking during the 2018-2023 period.*

According to the table, the average position of countries in the UEFA ranking over the past 5 years is as follows: Serbia – 14.6; Turkey – 17.2; Azerbaijan – 28,2; Kazakhstan – 35,6; Armenia – 38,6; Belarus – 40,6. Thus, at this stage of analysis the 2 best options for internationalization are chosen: Serbia and Turkey.

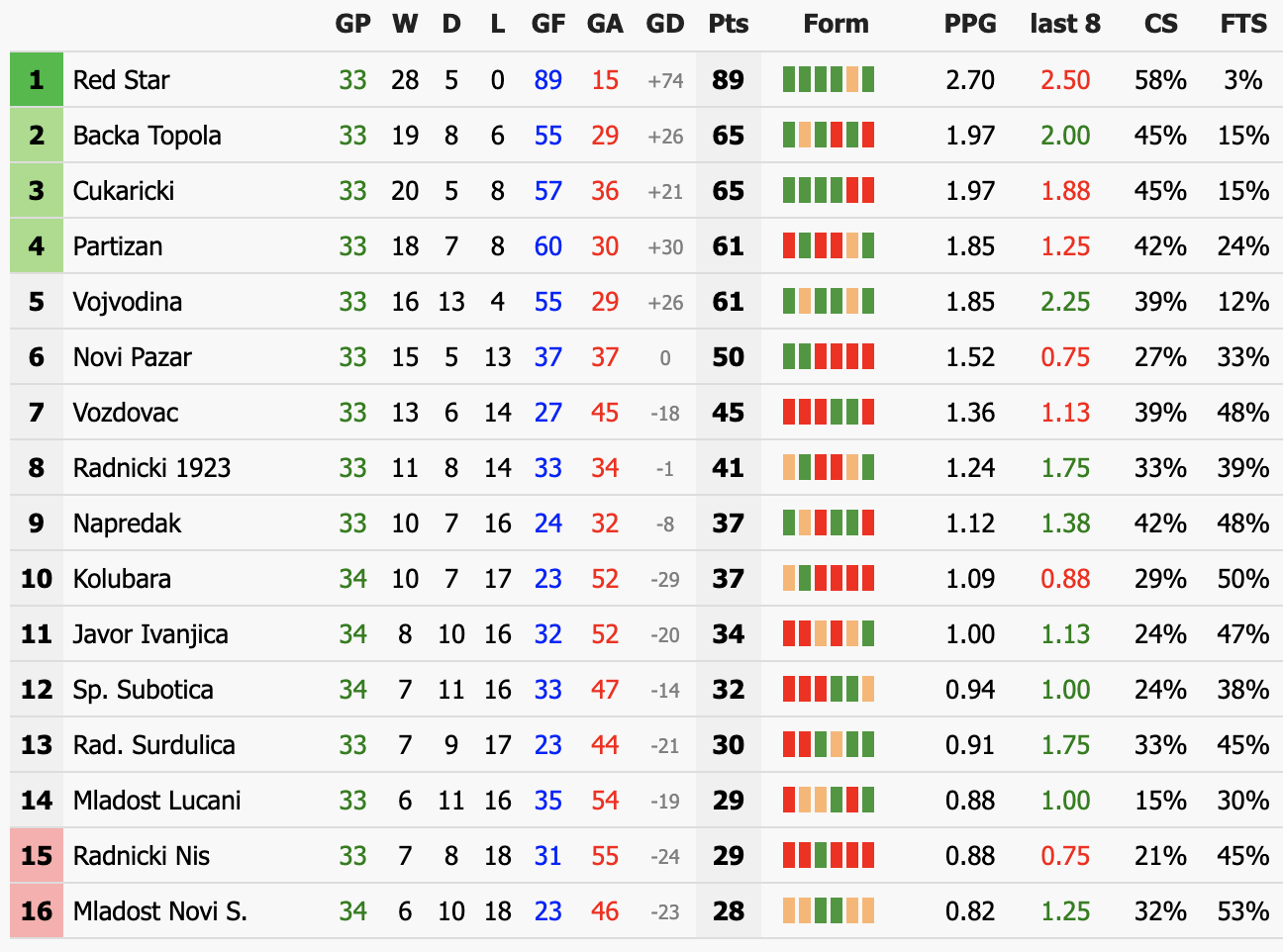
## 2.3 CROSS-COUNTRY ANALYSIS: SERBIA AND TURKEY.

First of all, when choosing the best option of the two, it is necessary to thoroughly study the football industry of both countries, namely a detailed analysis of the leagues and championship formats in these countries in order to understand how the football mechanisms of these countries are arranged. Then, competitive environment will be also taken onto account, i.e. in which country it could theoretically be easier to win the competition given the current level of teams in the whole league. First place or at least occupying the top 3 at the end of the championship guarantees participation in the European competitions, which in turn gives the opportunity to compete with the best teams, thereby increasing the skill level of players, as well as increasing the transfer value of players, increasing the status of the affiliated club.

SERBIAN “Mozzart Bet Superliga”:

The league was formed in 2006, after the dissolution of the State Union of Serbia and Montenegro. Like in Russia, the Serbian Football Championship involves 16 teams, but, unlike RPL, in Serbia the table of teams is divided into two groups of 8 teams based on the results of the regular season: Championship Round and Relegation Round. During the season, each team plays 37 games, 30 of which are regular season games, where each club plays 2 games against each other, and 7 matches of the final stage of the season, where each club plays 1 game against another club from the Championship Round or Relegation Round based on the results of 30 games played during the regular season. At the end of the whole championship two teams from the Superliga move down for the second strongest division of football in Serbia, called Liga I, while the two strongest teams from Liga I qualify for the Superliga.

As for the distribution of places for games in European competitions in 2022/2023 football season, only two teams have the right to participate in the UEFA Champions League, with the team that finishes the season in first place goes straight to the group stage of the UEFA Champions League, and in case of second place the club has to qualify for the UEFA Champions League with other European clubs to get into the group stage, in this case the team starts with the third qualification round. Third and fourth place, respectively, qualify for the third and second qualifying round of the UEFA Conference League. There are no places in the UEFA Europa League. At this point, on May 8, 2023, clubs’ standings in Superliga are shown below in Figure 2.



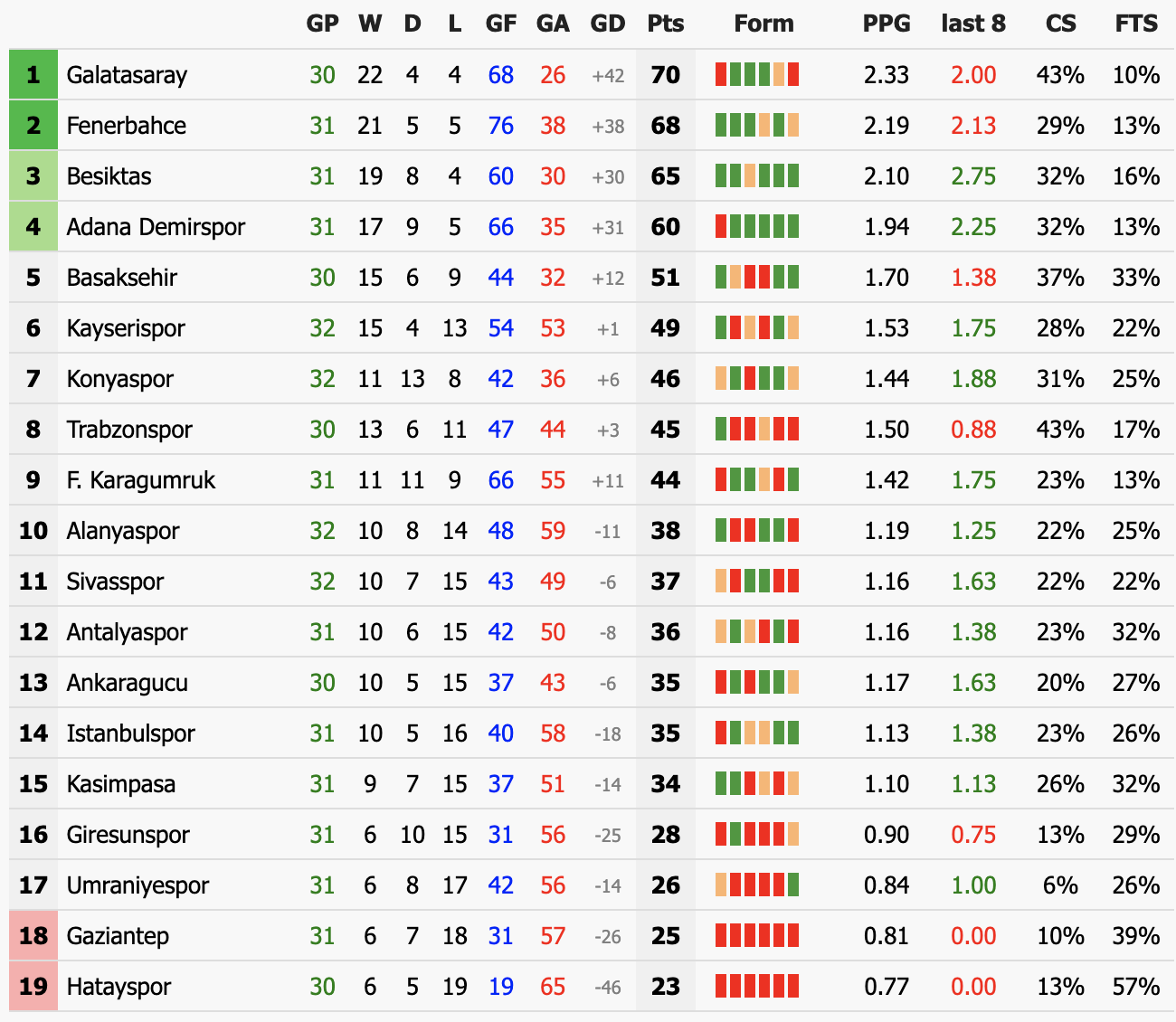
*Figure 2. Mozzart Bet Superliga standings (2022-2023 season).*

Based on the situation in the Serbian football championship, it can be concluded that the club from the Serbian capital Belgrade, Crvena Zvezda (Red Star in English) leads by a wide margin and wins the championship ahead of schedule. This is going to be the 9th[[27]](#footnote-27) victory for the club since the creation of the league, moreover, it is the 6th victory in a row for Crvena Zvezda since the 2017/2018 season. The main and only rival for this club can be considered another team from Belgrade, Partizan. This club became champion 8 times, the best period of which was in the period from 2007 to 2013, when the club took the national championship for 6 years in a row, the last time the club won the first place in the championship only in the season 2016/2017. There have been no other clubs to take the championship in Serbia so far.

TURKISH “Spor Toto Süper Lig.”:

The Turkish League, compared to the Russian and Serbian Leagues, has existed much longer and was formed as early as 1959. At the moment it consists of 19 clubs (from next season 18 clubs). The regular league season consists of 36 games so that each club plays each other 2 times. In contrast to RPL and the Serbian Super League, every year the roster of the league changes not by 2, but by 4 teams, as the worst 4 teams at the end of the season move down to the Turkish Football League First League (TFF 1.Lig) and respectively the best 4 teams from the TFF 1.Lig move up to the Super Lig.

As for the distribution of places for games in European competitions in 2022/2023 football season, not the same as in Serbia, only one team has the right to participate in the UEFA Champions League, with the team that finishes the season in first place goes to the third qualification round of UEFA Champions League, and in case of second and third places the clubs have to qualify for the UEFA Conference League with other European clubs to get into the group stage. There are no places in the UEFA Europa League. At this point, on May 8, 2023, clubs’ standings in Superliga are shown below in Figure 3.

****

*Figure 3. Spor Toto Süper Lig. standings (2022-2023 season).*

Unlike the Serbian Super League, the Turkish Super League is more competitive and unpredictable as to who will be the champion. Even based on the table in Figure 3, it is still unknown who will take first place. We can distinguish three Turkish football giants, these are Fenerbahce with 28 wins[[28]](#footnote-28) in the championship; Galatasaray with 23 wins and Besiktas with 20 wins respectively.

It is also important to roughly predict and compare the costs of buying an affiliated club as well as its subsequent maintenance in both leagues. Total market value of all clubs in the Turkish championship is 984.53 million euros[[29]](#footnote-29), while in Serbia, in turn, this figure is 231.16 million euros[[30]](#footnote-30), which is 4.2 times less than in Turkey. The higher the value of the squad, the higher the wages of players, so it is at least 4 times cheaper to maintain a club in Serbia than in Turkey, exactly the same situation with the price of buying a club, for example, or its foundation from scratch.

CONCLUSION:

As a result, it can be concluded that firstly, the Serbian clubs have more opportunities to get into the main European tournament UEFA Champions League, as the top two teams have the right to play in it, while in Turkey there is only one club. Secondly, the level of competition in the Serbian Superliga is lower, since only 16 clubs take part in it, only two of which are truly grandees of Serbian football (Crvena Zvezda and Partizan). In Turkey, however, the environment is more competitive, since over the past 3 football seasons 3 times the country's champion has changed, moreover, in the championship this year participated as many as 19 teams, while the "density" in the table is quite high, given that the gap between 1st and 3rd place is only 2 points. In Serbia, the gap between first and third is 23 points as of May 8, 2023, which means that the “density” is not that high, which consequently means, that the competition is not that tough.

In addition, although it was not mentioned in this part of the chapter, it is still worth understanding and taking into account that Serbian culture is closer to Russian than Turkish culture. Firstly, the countries are historically closer politically, secondly, the religion in Serbia is Orthodox Christianity, just like in Russia, and thirdly, there are great similarities in language. The social factor is an important aspect in the case of internationalization, because the sport exists for the fans, no football match takes place without them, so it plays an important role and influences the choice of country for internationalization.

Thus, based on the above analysis and a careful selection of candidate countries, the choice remains with Serbia and its football Superliga.

# CHAPTER III. INTERNATIONALIZATION PLAN

## 3.1 EXTERNAL ENVIRONMENTAL ANALYSIS: SERBIA.

After making the final decision that the geographical market for the internationalization of Zenit is Serbia, it is necessary to conduct an in-depth analysis of the external environment of this country in order to determine the main factors that positively or negatively affect the football industry in Serbia, as well as whether and if so, what problems Gazprom may encounter when entering the Serbian market.For this purpose, the PEST analysis tool will be applied, but since it has already been mentioned earlier in Chapter 1, its methodology and application will not be described in detail in this part. So, there is a PEST analysis table below, which includes political, economic, social and technological factors influencing on football environment in Serbia (Table 8):

|  |  |
| --- | --- |
| **POLITICAL**  1. Absence of limit on foreigners in Superliga.  2. The Football Association of Serbia strives to improve the economic and financial capacity of clubs.  3. The current visa-free regime in Serbia for Russian citizens.  4. Sponsorship of clubs at the expense of the state and regional budgets. | **ECONOMIC**  1. Increase of trade turnover between Russia and Serbia by 53% in 2022.  2. High annual growth of GDP per capita in Serbia.  3. High inflation rate in Serbia. |
| **SOCIAL**  1. Friendly relations between Serbian and Russian football fans.  2. A great influence on the popularization of football from the mass media in Serbia.  3. Perceptions of football as a social elevator in Serbia.  4. High concentration of people and events in the capital Belgrade (Centralization). | **TECHNOLOGICAL**  1. Lack of application of the VAR system in the Superliga. |

*Table 8. PEST-analysis of Serbian football industry.*

P1. Absence of limit on foreigners in Superliga[[31]](#footnote-31).

In the Serbian Superliga there is no limit on foreign players, unlike, for example, in the RPL. This means that clubs in Serbia have the right to recruit players of any nationality. The absence of the limit on foreign players opens up many new opportunities, the most important of which is the freedom to choose the club's development strategy. Some teams develop with the help of homegrown players, thereby contributing to the development of domestic football and making money from the subsequent sale of Serbian players. Others achieve results by inviting qualified players from abroad in order to resell them at a higher price, or, if there is a financial cushion, simply invest in players capable of bringing value to the team and thus results.

P2. The Football Association of Serbia strives to improve the economic and financial capacities of clubs.[[32]](#footnote-32)

The Football Association of Serbia (FSS) is the governing body of the football industry in Serbia, similar to the Russian Football Union in the RPL. One of the main goals of the FSS is to help improve the financial stability of the Superliga clubs. This means that the league is open to cooperation with foreign investors who would be able to financially support Serbian clubs by investing in team development and clubs’ football infrastructure.

P3. The current visa-free regime in Serbia for Russian citizens.[[33]](#footnote-33)

Serbia has a visa-free regime for tourists from Russia for 30 days. This certainly creates more favorable conditions for Russian players playing in Serbia, because firstly, it simplifies the process of obtaining documents for residence permit (in the case of football players usually they are welcome to make the process easier and consequently wasting even less time). Secondly, football fans from Russia, if necessary, also without too many problems have the opportunity to attend particularly important matches of Serbian teams in European tournaments in order to support players from Russia.

P4. Sponsorship of clubs at the expense of the state and regional budgets.

Serbian football, as well as Russian, has a complicated organizational structure. Most of the clubs are in fact still state-funded[[34]](#footnote-34), in particular in the field of sponsorship deals. It means, that almost all of the clubs have to sell their players in order to have a surplus and thus, to survive. Consequently, Serbian football is also needed in attraction of funds through private investment, however, football clubs from Serbia are more attractive to foreign investors than clubs in Russia, since the demand for Serbian football players is much higher. The more information regarding the demand for Serbian players is described under the social factor 3 - "Perception of football as a social elevator in Serbia".

E1. Increase of trade turnover between Russia and Serbia by 53% in 2022.[[35]](#footnote-35)

For geopolitical reasons, Russia is now one of Serbia's main trading partners, which explains the increase in trade turnover between these countries by as much as 53%. Consequently, this indicates that Serbia is also open to investment from Russia. Given that Serbian clubs need new sponsors, Russia is one of the main candidates to attract foreign investment in Serbian football.

E2. High annual growth of GDP per capita in Serbia.[[36]](#footnote-36)

Serbia's Gross Domestic Product increased to 63.08 billion USD in 2022. And in dynamics, the figures are even more impressive, as in 2018 Serbia's GDP amounted to 37 billion dollars, and today this figure has almost doubled. This shows that the Serbian government has chosen the right course for the development of its economy, which makes the country a little more attractive for foreign capital, as progress can be seen.

E3. High inflation rate in Serbia.[[37]](#footnote-37)

However, along with the rapid growth of the country's GDP, the inflation rate has also increased, and today it is about 15%. This problem exists not only in Serbia, it generally affects most countries in the world, but still this factor negatively affects both the population of the country and the football clubs. Prices of goods and services increase with inflation, which leads to a significant or slight decrease in attendance at football matches, because ticket prices have also increased. This factor must be taken into account when developing an internationalization plan and pricing strategy.

S1. Friendly relations between Serbian and Russian football fans.[[38]](#footnote-38)

The relationship between Serbian and Russian football fans has developed in such a way that it can be considered friendly. This is confirmed, for example, by the action held in the fall of 2022, when Crvena Zvezda and Zenit played each other in St. Petersburg. At that time Serbian fans marched with a 600-meter-long banner, on which, because of the arrangement of the stripes on the flags of both countries, it looked like a Serbian on one side and a Russian on the other. This gesture was made to show their friendly attitude toward Russia and Russian fans. This factor means that the Serbian football community has a favorable attitude toward Russian players, fans and Russia in particular.

S2. A great influence on the popularization of football from the mass media in Serbia.[[39]](#footnote-39)

As the most popular sport, football attracts the attention of millions of people who are informed daily through the media. Serbia can be considered as a perfect example in this regard, because the role of the media in professional football in Serbia is enormous. Regardless of the results that Serbian players have had, whether at club or national team level, football has always been covered on the front pages of the press with the largest number of articles and photos. This indicates that the football market is very attractive in Serbia, because it has a huge fan base, which is supported by great media attention. Popularization of football in Serbia is beneficial for the industry as it attracts new fans, has a positive impact on the development of youth football and attracts private investment.

S3. Perceptions of football as a social elevator in Serbia.

Football in Serbia, in addition to the business aspect, plays a big role in the football aspect, as a football career in Serbia means the opportunity to become not only a fan favorite, but also a rapid growth of well-being. Eighteen of the 25[[40]](#footnote-40) players in the Serbian national football team currently play for clubs in the top five European football leagues (England, Germany, Spain, France and Italy), which is an indicator of the effectiveness of clubs and the football union, and in general it is an indicator of the effectiveness of the football system in Serbia. This in turn serves as a real example for young players whose path is just beginning and makes a huge contribution to the popularization of football.

S4. High concentration of people and events in the capital Belgrade (Centralization).

Five clubs from the Superliga are based in the Serbian capital of Belgrade (Vojvodina, Radnicki, Čukaricki, Partizan and Crvena Zvezda) and two of them are the giants of Serbian football. And about 20% of the Serbian population lives in Belgrade. This shows that there is a tight centralization and concentration of everything in the capital.

T1. Lack of application of the VAR system in the Superliga.

In Serbian football there is no VAR system, while in most European countries, including Russia, this system is integrated and has a certain influence on the game process during matches. This factor has an adverse effect on the football industry, as it creates difficulties during the performances of the national team and clubs from Serbia in international competitions due to the lack of adaptability of players to this system of video replays.

CONCLUSION:

It follows from the analysis of the external environment that Gazprom will not face serious problems in Serbia when expanding into this market, which, in turn, excludes the possibility of making the wrong choice based on the previous chapter. Also, the analysis reveals a number of positive factors that favorably affect the internationalization of this market, so::

First, the absence of a limit on foreign nationals means that Zenit's management will not have the restrictions and problems associated with applying for players with Russian passports to play in the Superliga and other international football tournaments. This is a huge advantage and directly helps circumvent sanctions from UEFA and FIFA to ban Russian clubs from participating.

Secondly, the FSS claims that the league and clubs in particular need sponsors in order to improve the financial situation of clubs due to the fact that most of the clubs are still state-funded. This means that the league is open to cooperation with foreign investors, which means the management of Zenit represented by Gazprom will be considered a prime candidate.

Thirdly, the increased trade turnover between Serbia and Russia and friendly relations of both countries and the football public in Serbia and Russia testify to the same.

Finally, the factor of centralization in the Serbian capital Belgrade indicates that the most effective solution would be the establishment of an affiliated club for Zenit in that city.

Overall, Serbia, due to the current geopolitical circumstances and given the high level of football development in this country, is still remaining the best option for internationalization and was proved by analysis done.

## 3.2 ENTRY MODE CHOICE ANALYSIS.

This part of the paper includes an analysis of the methods of entering a new market in order to determine the most appropriate option for Zenit's expansion into the Serbian market. In the context of the football industry, there are only 3 possible methods of entry: foundation of a club from scratch, the acquisition method and the joint-venture club. To determine the most effective method for Zenit to enter the Serbian market, it is necessary to analyze each of the above-mentioned methods of entry and based on this analysis to choose accordingly.

FROM SCRATCH:

The most famous example in the 21st century of creating a club from scratch can be considered a football club Krasnodar. Football club from the city of Krasnodar was created in 2008 by a private entrepreneur from the Forbes list Sergey Galitsky. Three years later, the club entered the RPL and today is one of the top 5 strongest clubs in Russia. However, to achieve this result, about $65 million was spent to build a youth football academy, about $400 million to build the stadium and about $60 million to build a park next to the stadium. And that's not even counting the spending on transfers of the main team playing in the RPL.

Thus, this method of entry presupposes firstly, a large financial capacity of the investor (investors), because in order to create a club from scratch and comply with the rules of the application of the club to the Serbian Superliga must have infrastructure of the appropriate level. That is, the construction and arrangement of the stadium with a seating capacity of at least 4000, if renting a stadium, then it is also a significant increase in costs.

Secondly, reaching the expected level (1-2 place at the end of the Superliga season) will take a long time, because the new club has no right to apply for the Superliga. It is necessary to start from the lowest amateur football league of Serbia and win one league after another every year. It will take at least three years, and that is if the club performs extremely well every year.

Of course, there are pluses in this method of entry, and the main one is the fact that the investor or investors in the club from scratch have the opportunity to create a club development strategy based solely on their vision, without taking into account the opinions of third parties. However, this is a very risky, costly and not time-consuming process, so for Zenit, represented by the management of Gazprom, this option is not suitable.

JOINT-VENTURE:

Usually clubs enter into joint-venture agreements in the field of youth academies, as for example FC Bayern Munich and Los Angeles Football Club (LAFC) announced[[41]](#footnote-41) in March 2023 a global football development cooperation called "Red&Gold Football," which will provide a platform for young, highly developed talent and a path to the first football team.

The way the football market works today is that even if a club is sponsored by several individuals, only one party still owns a majority stake. The main problem is that the main sponsor has the key word and makes the key decisions, which creates conflicts of interest for the parties. In Gazprom's case, this option can also be considered insufficiently effective, since the main purpose of creating a affiliated club is to create opportunities for Russian players to play in the Serbian Superliga. However, if the club has a second equal owner from Serbia, there could be problems with the implementation of this development strategy.

Therefore, joint-venture would not be suitable for the internationalization of Zenit football club.

ACQUISITION:

At the moment, this method of entering a new football market is the most common and the most effective. This method, for example, was used to build the football empire of Red Bull. [[42]](#footnote-42)The brand's football integration began in 2005 with the purchase of Austrian "Austria", essentially creating a new club, "Salzburg".

The main advantage of this method is that by acquiring a club, the new sponsors do not need to build a stadium, attract fans, move from the lower leagues to the elite and other difficulties that investors face in the case of creating a club from scratch, for example. At the same time, the initial investment in the case of an acquisition is if not less, then at least equal to the amount of investment if the club is created from scratch.

CONCLUSION:

Based on the analysis of the methods of entry into the Serbian football market, it was concluded that the acquisition method is the most attractive and potentially effective for Zenit, because:

Firstly, unlike joint-venture and clubs from scratch foundation, acquisition would not require as much time to participate in the Serbian Superliga and accordingly compete for the right to participate in the UEFA Champions League. Participating in the Champions League means competing with the best teams, which in turn increases the competitiveness of both club and players. For Russian players it is an opportunity to participate in the strongest tournament again, thereby increasing their skill level and price on the transfer market. Thus, given that this objective is a priority, the acquisition is most suitable for the internationalization of FC Zenit.

Secondly, the management of Zenit, being the major sponsor, will have the right to create the development strategy of the club-partner, based on its own vision and interests, which cannot be achieved, for example, when applying the method of joint-venture to enter the market.

Thirdly, the acquisition method simplifies or even relieves, in some cases, the investor from the problems associated with the construction of the stadium, the involvement of the fan base and the bureaucratic intricacies of the club's application to play in the Superliga, as it was done by the previous management of the club. Depending on the terms of the agreement, Gazprom, as the sponsor, may need to invest in upgrading the stadium, or in improving infrastructure conditions, for example, but these costs would in any case be less than creating a club from scratch.

To summarize, a merger is chosen as a way for Zenit to enter the Serbian football market. In the next part of the chapter there will be an analysis related to the choice of club for acquisition and the choice between full acquisition and partial acquisition.

## 3.3 ACQUISITION: TYPES AND CLUB CHOICE ANALYSIS.

Before proceeding to the analysis of merger candidates, it is necessary to choose the type of acquisition: full or partial. Since the majority of Serbian Superliga clubs are sponsored by the state and regional budgets, a partial acquisition would not be considered appropriate because it would have to take into account the opinion of the other side in the creation and implementation of the club's development strategy. Since the implementation of the plan for the application of Russian players in the starting lineup of the club is a priority of this work, it is necessary to apply the method of full absorption of the club. Moreover, in the case of a partial acquisition of the Serbian Superliga club, Zenit will not have the opportunity to rebrand the club. This is also considered an important brand promotion move, not only for the Gazprom brand, but also for the Zenit football brand. Brand promotion is an important advantage for both the investor and the affiliated club, as it immediately increases brand awareness in Serbia and raises the status of the club, as Zenit and Gazprom are global brands. Otherwise, it would not be much different from the way to enter the joint-venture market, which is ineffective according to the analysis done in the last part of the chapter. Thus, the choice has been made in favor of a full acquisition.

Next, the Funnel technique already used earlier will be applied to identify the most preferred clubs for acquisition, after which the choice will be made in favor of one of them. So, the criteria for selecting the candidates are located and described below:

*1) Location - the city of Belgrade.*

Based on the previous PEST analysis, it was concluded that the factor of centralization is quite strong affecting the Serbian football industry, because Belgrade has about 20% of the population of the country, which means that it is the biggest football market among other cities in Serbia; also, besides a huge fan base, most events and activities take place in the capital city, which creates more space for implementation of different marketing campaigns. Thus, in order to attract as many fans as possible, it is necessary to consider candidates for acquisition in the Serbian capital - the city of Belgrade. The pool of candidates did not include clubs from the Serbian suburbs, which are more than an hour away by car from the capital, on the grounds that this would have a negative impact on match attendance, and therefore on future club profits.

Thus, 10 clubs representing three different divisions of Serbian football (4 clubs from the "Superliga", 5 clubs from the second division of the "Prva Liga" and 1 club from the third division of the "Belgrade" region) were identified. These are: FC Crvena Zvezda, FC Partizan, FC Cukarički, FC Vojdovac, FC IMT Belgrade, FC Zeleznicar Pančevo, FC Graficar, FC Radnicki Belgrade, FC Rad and OFK Beograd.

However, two clubs should be excluded from this list, namely Crvena Zvezda and Partizan. The fact is that since 2010 and to this day, Gazprom is the title sponsor of Crvena Zvezda, which has the Gazprom logo on its kit. As part of this agreement, the club receives about 4 million euros annually. However, Gazprom cannot merge this club for two reasons: first, Crvena Zvezda is the base club of the national team and the main exporter of players from Serbia to the top European championships. The government of Belgrade and the Serbian authorities will not agree to a deal to have Russian players in the starting lineup of the Crvena Zvezda club, because it contradicts their transfer policy and football system as a whole. Second, in theory, this deal would be several times, if not tens of times, more expensive than an acquisition of any other Serbian club from Belgrade. Even though some of the funds previously spent on sponsorship by UEFA or, for example, Schalke 04 club from Germany have been made available due to the fact that these organizations broke their contracts with Gazprom, nevertheless this deal in theory is unjustifiably expensive and carries many risks. As for the Partizan club, it is the main rival of the Crvena Zvezda club, with which Gazprom, as mentioned earlier, has a long-term sponsorship relationship. Moreover, Partizan is also the main supplier of talent for the Serbian national team and an exporter of players to the top European championships. That's why, in theory, this deal would also be much more expensive than for any other club from Belgrade except Crvena Zvezda. Thus, in both cases, the initial investment is too large and carries risks related to the conflict of interest of the parties. Thus, a total of 8 clubs have been selected for further analysis.

*2) Division in the 2023/2024 season.*

Further criterion to be taken into account is the division in which the club will participate during the 2023/2024 season in Serbia. The most preferable option would naturally be the first strongest division of the Superliga, less preferable options would be clubs that will participate in the second strongest division Prva Liga next season. Clubs taking part in the third strongest division will not be taken into account. This gradation is due to the fact that in the Superliga the level of teams is much higher than in the Prva Liga, moreover, in order to move up to the Superliga from the Prva Liga the club will need at least one more season, which distances the club by one year from the potential opportunity to participate in the UEFA Champions League, and this in turn is one of the main objectives of this project. The following table (Table 9) shows the clubs and divisions in which they will participate in the 2023/2024 season:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Cukarički | Vojdovac | IMT Belgrade | Zeleznicar Pančevo | Graficar | Radnicki Belgrade | FC Rad | OFK Beograd |
| 1.Superliga | 1.Superliga | 1.Superliga | 1.Superliga | 2.Prva Liga | 2.Prva Liga | 2.Prva Liga | 2.Prva Liga |

*Table 9. Clubs and leagues during 2022-2023 football season.*

*3) Club value.*

Next, such a criterion as the price of a potential deal for the club’s acquisition will be considered. However, before that, it is necessary to understand how much Gazprom is ready to invest for the merger of the club and the implementation of this project. To do this, several changes that took place in February 2022 are to be taken into account.

Gazprom had long-term sponsorship agreements with UEFA with the German football club Schalke 04. However, on February 28, UEFA unilaterally terminated[[43]](#footnote-43) the contract with Gazprom due to events in Ukraine; Schalke[[44]](#footnote-44) withdrew for the same reason. Gazprom had been sponsoring UEFA club competitions since 2012, and in May 2021 the contract was extended so that the company would sponsor two European championships and remain a partner of the Champions League until 2024. Under this agreement, Gazprom was to pay UEFA around 40 million euros annually. Schalke was contracted until 2025 and under this agreement the company paid 9 million euros annually if Schalke played in the second division of Germany and 15 million euros annually if the club played in the first strongest division of Germany, plus a bonus of 3 million euros.

Thus, taking into account the fact that the contracts were terminated, Gazprom managed to keep about 90 million euros from UEFA sponsorship and from 28.5 to 49.5 million euros from Schalke sponsorship, depending on the potential success of the team in Germany. In total, Gazprom retained between 118.5 million and 139.5 million euros of its budget.

Of course, the entire amount will not be taken into account when considering potential candidates for the acquisition, but this analysis of the distribution of funds is useful for understanding the big picture and the order of figures that Gazprom was willing to invest in football.

So, in order to determine the price of a potential deal in Serbia, the club value from the Transfermarkt web-site was taken into account. Also, to understand the pricing of acquisition deals, the case of the merger of Newcastle United club in 2021 by the Sovereign Investment Fund of Saudi Arabia can be given as an example.

In October 2021, the club was merged and the deal amounted to about £300 million. For ease of comparison, the amount is translated into euros at the exchange rate at the beginning of October 2021 (1 GBP = 1.1683 EUR),[[45]](#footnote-45) hence about 351 million euros. The value of the club at that time according to the portal Transfermarkt was about 250 million euros[[46]](#footnote-46). That is, the price of the deal to take over Newcastle was equal to the cost of the club + 40%, in further analysis the price of the potential deal will be added by 50 percent, not 40 percent, in order to eliminate the risk of volatility over time. It is important to understand that the Serbian clubs do not have shares that could be acquired freely, just as in the case of Newcastle United. This certainly simplifies the process of calculating the value of a potential deal and makes the prediction more accurate.

So, below are the tables (Table 9 and Table 10) with the clubs and the price of a potential acquisition deal based on conducted analysis (club’s market value – club’s market value + 50%):

|  |  |  |  |
| --- | --- | --- | --- |
| **Cukarički** | **Vojdovac** | **IMT Belgrade** | **Zeleznicar Pančevo** |
| 17,9 – 26,9 mln. euro | 9,4 – 14,1 mln. euro | 4,9 – 7,3 mln. euro | 5,2 – 7,8 mln. euro |

*Table 9. Clubs and estimated prices for the deal (Superliga).*

|  |  |  |  |
| --- | --- | --- | --- |
| **Graficar** | **Radnicki Belgrade** | **FC Rad** | **OFK Beograd** |
| 2,3 – 3,5 mln. euro | 2,3 – 3,4 mln. euro | 2,7 – 4,1 mln. euro | 0,33 – 0,5 mln. euro |

*Table 10. Clubs and estimated prices for the deal (Prva Liga).*

Source: <https://www.transfermarkt.us/vereins-statistik/wertvollstemannschaften/marktwertetop?kontinent_id=0&land_id=215&plus=1>

*4) Stadium: condition, capacity and attendance in the 2022/2023 season.*

This criterion is important to consider to understand the level of investment after the initial. Usually, the club acquisition deal can be implemented in case if the investor promises to build/upgrade the stadium depending on its existence/condition. The club's match attendance rate will also be taken into account, as it directly affects the club's future revenues. Thus, depending on the condition of the stadium, its capacity and how many tickets are sold on average on a match day, will form a clear picture of the feasibility of a potential acquisition deal for each of the clubs, depending on this criterion. The table (Table 11) containing all mentioned aspects is located below:

|  |  |  |
| --- | --- | --- |
| **CLUB** | STADIUM | *ATTENDANCE* |
| **Cukarički** | NAME: Stadion Cukaricki  TOTAL CAPACITY: 7000 seats  BUILT IN/RECONSTRUCTED: 1969/2007  SURFACE: Natural Grass  UNDERSOIL HEATING: NO | IN AVERAGE:  1184 |
| **Vojdovac** | NAME: Stadion Voždovac  TOTAL CAPACITY: 5174 seats  BUILT IN/RECONSTRUCTED: 1965/2013  SURFACE: Artificial turf  UNDERSOIL HEATING: YES | IN AVERAGE:  1058 |
| **IMT Belgrade** | NAME: Stadion IMT Beograd  TOTAL CAPACITY: 1150 seats  BUILT IN/RECONSTRUCTED: 1968  SURFACE: Artificial turf  UNDERSOIL HEATING: NO | IN AVERAGE:  434 |
| **Zeleznicar Pančevo** | NAME: SC Mladost Pančevo  TOTAL CAPACITY: 1200 seats  BUILT IN/RECONSTRUCTED: 1967  SURFACE: Artificial turf  UNDERSOIL HEATING: NO | IN AVERAGE:  679 |
| **Graficar** | NAME: Stadion Rajko Mitić - Jug  TOTAL CAPACITY: 1000 seats  BUILT IN/RECONSTRUCTED: 1963  SURFACE: Hybrid grass  UNDERSOIL HEATING: NO | IN AVERAGE:  271 |
| **Radnicki Belgrade** | NAME: Radnicki Beograd  TOTAL CAPACITY: 3000 seats  BUILT IN/RECONSTRUCTED: 1962  SURFACE: Natural grass  UNDERSOIL HEATING: NO | IN AVERAGE:  283 |
| **FC Rad** | NAME: Stadion Kralj Petar Prvi  TOTAL CAPACITY: 6000 seats  BUILT IN/RECONSTRUCTED: 1977  SURFACE: Natural grass  UNDERSOIL HEATING: NO | IN AVERAGE:  325 |
| **OFK Beograd** | NAME: Omladinski Stadion  TOTAL CAPACITY: 19000 seats  BUILT IN/RECONSTRUCTED: 1957  SURFACE: Natural grass  UNDERSOIL HEATING: NO | IN AVERAGE:  486 |

*Table 11. Clubs and their stadiums’ conditions, capacity and attendance in 2022/2023 season.*

Source: <https://www.transfermarkt.us/super-liga-srbije/startseite/wettbewerb/SER1>

*5) History of the club: current owner & achievements and results.*

This is the last evaluation criterion to be taken into account when choosing a club for a acquisition. The understanding of the current owner of the club is important in order to predict how the negotiations for the purchase of the club will go. History of the club is important because it can be effectively integrated when solving marketing problems. Moreover, the history of the club is important for the fans, which in turn is also an opportunity to attract more fans and therefore more money for the club. Each club will be considered in detail and individually.

**Cukarički:**

* Was founded in 1926;
* Bronze medalist of Serbian Superliga (2014/2015, 2015/2016, 2020/2021, 2021/2022, 2022/2023 seasons);
* Serbian Cup Winner (2014/2015 season);

Cukarički is the first football club in Serbia that was privatized in 2011, when the construction and wholesale company ADOC bought up Čukarički and invested in the club's infrastructure and closed the existing debts at the time. Today, the club is also owned by the CEO of the company Dragan Obradović, who is also a former footballer who played for this club. Given such circumstances, negotiations for the takeover of the club by Gazprom may be difficult or not take place at all, because the management will not agree to sell the club for any money.[[47]](#footnote-47)

**Vojdovac:**

* Was founded in 1912;
* Champion of the Republika Srpska Football League (1963/1964 season);
* Bronze medalist of the Serbian and Montenegrin football championship (2005/2006 season);

Vojdovac is currently funded by the state. Given that the FSS aims to ensure the stable financial condition of clubs by attracting investment, the club's management would be interested in selling the club to Gazprom.[[48]](#footnote-48)

**IMT Belgrade:**

* Was founded in 1953;
* Champion of Prva Liga (2022/2023 season);

IMT Belgrade has belonged and belongs now to the factory of the same name since the founding of the club. On the one hand, negotiations on the purchase of this club will be difficult, as the company may refuse to sell the club, but on the other hand the company cannot provide high funding for the club, so if Gazprom makes a substantial offer, then IMT may agree.[[49]](#footnote-49)

**Zeleznicar Pančevo:**

* Was founded in 1947;
* Prva Liga Silver Medalist (2022/2023 season);

Zeleznicar Pančevo is currently funded by the state as well. Given that the FSS aims to ensure the stable financial condition of clubs by attracting investment, the club's management would be interested in selling the club to Gazprom.[[50]](#footnote-50)

**Graficar:**

* Was founded in 1922;
* Prva Liga Bronze Medalist (2022/2023 season);

At this point in the analysis, it became known that in 2017, Graficar became an affiliated team[[51]](#footnote-51) of Crvena Zvezda Belgrade. This means that its main role is to develop Crvena Zvezda's young players, so from now on the club is not considered as a candidate for acquisition.

**Radnicki Belgrade:**

* Was founded in 1920;
* Bronze medalist in the Yugoslavian Football Championship (1955/1956, 1957/1958 seasons);

Radnicki Belgrade is currently funded by the state as well. Moreover, the club has experienced and is experiencing difficulties with funding, so, for example, the club was relegated to the 3rd division of the Serbian football in 2005 due to lack of funds. Given that the FSS aims to ensure the stable financial condition of clubs by attracting investment, the club's management would be really interested in selling the club to Gazprom to make the financial situation better.

**FC Rad:**

* Was founded in 1958;
* Bronze medalist in the Yugoslavian Football Championship (1988/1989 season);

FC Rad is also sponsored from the state treasury, but what is remarkable is that the general director of this club is Nenad Popovic, who also serves as the Minister of Innovation and Technological Development of Serbia. Moreover, he also has ties to Russia, as he studied there and later received his PhD, and also has businesses in the energy sector in Cheboksary, Moscow and St. Petersburg. On this basis, Gazprom's acquisition deal negotiations for this club are potentially the most uncomplicated. [[52]](#footnote-52)

**OFK Beograd:**

* Was founded in 1911;
* Yugoslavian champion (1930/1931, 1932/1933, 1934/1935, 1935/1936, 1938/1939 seasons);
* Yugoslavian cup winner (1933/1934, 1952/1953, 1954/1955, 1961/1962, 1965/1966 seasons);

OFK Beograd is currently funded by the state as well. Given that the FSS aims to ensure the stable financial condition of clubs by attracting investment, the club's management would be interested in selling the club to Gazprom. [[53]](#footnote-53)

CONSLUSION:

In this analysis, eight clubs from Serbia, which are located in the city of Belgrade, were considered according to the criteria for evaluating candidates for acquisition by Gazprom. As a result, an indicator of the current club level (division in which the club will take part next season), the value of the club (respectively, the value of the potential deal to acquire the club), the stadium conditions of the club (year of construction/reconstruction, its condition, capacity, coverage and attendance) as well as the club history (results, achievements, national popularity) and its current management (to predict the intensity of potential club acquisition negotiations) have been analyzed. Given that the management of clubs for various reasons may refuse to sell them, instead of choosing just one club, a more logical solution would be to make a list of all the clubs located in order of priority with reference to their acquisition by Gazprom. For better understanding, below is a pool of options (clubs) put in sequence of priority for their purchase in accordance with the analysis done and with respect to the selected criteria for the selection.

**I II III**

2023/2024 – **SUPERLIGA (I)** 2023/2024 – **PRVA LIGA (II)** 2023/2024 – **SUPERLIGA (I)**

Price: **9,4 – 14,1 MLN. EURO** Price: **0.3 – 0,5 MLN. EURO** Price: **17,9 – 26,9 MLN. EURO**

Stadium (2013) – 5200 seats Stadium (1957) – 19000 seats Stadium (2007) – 7000 seats

**MINOR CHANGES RENOVATION MINOR CHANGES**

Difficulty of negotiations: Difficulty of negotiations: Difficulty of negotiations:

**LOW LOW VERY HIGH**

**IV** **V VI VII**

2023/2024 – **SUPERLIGA (I)** 2023/2024 – **PRVA LIGA (II)** 2023/2024 – **SUPERLIGA (I)** 2023/2024 – **PRVA LIGA (II)**

Price: **5,2 – 7,8 MLN. EURO** Price: **2,7 – 4,1 MLN. EURO** Price: **4,9 – 7,3 MLN. EURO** Price: **2,3 – 3,4 MLN. EURO**

Stadium (1967) – 1200 seats Stadium (1977) – 6000 seats Stadium (1968) – 1150 seats Stadium (1962) – 3000 seats

**RECONSTRUCTION RENOVATION RECONSTRUCTION RECONSTRUCTION**

Difficulty of negotiations: Difficulty of negotiations: Difficulty of negotiations: Difficulty of negotiations:

**LOW VERY LOW HIGH LOW**

## 3.4 AFFILIATE CLUB: PHILOSOPHY & STRATEGY DEVELOPMENT.

Since none of the clubs for acquisition is a leader in Serbia, the basis of the philosophy of the club is the development of talent, rather than winning trophies and achieving high results. However, before describing the development strategy of the affiliated club, it is necessary to immediately point out a few basic rules from the club's philosophy:

* Talent development for later resale;
* At least 50% of the players are citizens of the Russian Federation;
* A positive ROA at the end of each year.

Developing talent for the next resale has two positive consequences, first, given that Serbian clubs know how to sell players profitably, this strategy is financially effective. For instance,[[54]](#footnote-54) in the 2018/2019 season, Crvena Zvezda earned €13.6 million from player transfers, the main sale in this transfer window being Nemanja Radonjic, sold for €12 million. Secondly, players who reach the top level, first in mid-tier teams, then in top teams (Crvena Zvezda, Partizan) need to change not only the club, but also a league to stronger one in order to continue developing their talent. Therefore, this strategy is beneficial for both the club and the players. This is how the football system works in Serbia, and this is how an affiliated club should work.

Further, based on the main goal of this work, namely the development of Russian players and the gradual return of Russian football to European, it is necessary to have at least 50% of the players with Russian passports, as this is how this work initially began. This figure (50 percent) is due to the fact that, firstly, if only Russian players are declared, then there will be no competition for a place in the squad and the reputation of the club will be low. Secondly, if the squad will be less than half of the players from Russia, then the task of developing Russian players becomes impossible or ineffective. Thus, to maintain healthy competition, reputation and skill level of the team requires a figure of 50%.

And lastly, a positive Return on Assets indicator. This indicator can show exactly how much the club does not just earn, but earns specifically from its assets. It is calculated by the formula: Net Income/Average Total Assets ((Total Assets in the beginning of the year + Total Assets at the end of the year) / 2). The main asset of a football club is the players, but in addition to the players, there are a large number of other tangible and intangible assets, for example stadium, sports equipment, vehicles, players' transfer rights, registration rights, etc. The profit and loss of the club is not only in the success and development of the players, but also in other assets. Therefore, the ROA must be positive at the end of each football season, because Gazprom does not need a loss-making club abroad.

Below is a table (Table 12), in which the club's goals are divided into three segments in terms of time (short, medium and long term):

|  |  |  |
| --- | --- | --- |
| **SHORT-TERM GOALS**   * Club rebranding; * Staff formation; * Rotation of the squad; * Retention of the Superliga (2023/2024 season)/relegation to the Superliga (2024/2025 season); | **MEDIUM-TERM GOALS**   * Improvement/renovation/   reconstruction of the stadium;   * Increase match day attendance to 50 percent of stadium capacity; * Take at least 5th place in the Superliga at the end of each season; | **LONG-TERM GOALS**   * Development of the club's youth academy; * Attracting talents from all over the World; * Annual participation of the club in European competitions. |

*Table 12. Affiliated club’s goals in short-, medium- and long-term perspective.*

SHORT-TERM GOALS

*1) Club rebranding.*

After signing the agreement on the acquisition of a Serbian club by Gazprom, the first thing to do is to rebrand the affiliated club, which includes changing the name of the club, its logo, players' uniforms and stadium design. Gazprom as the new investor of the club will also become its title sponsor, which means that Gazprom's logo will be placed on the uniforms of the players. The main colors of the club will also change to white and blue. All this makes it clear that the club is essentially being created anew and will have completely different financing and completely different goals. Moreover, the brand recognition will increase, and the logo of Gazprom in the case of successful performances of the affiliated club will again appear on the TV broadcasts of European cup matches, which is certainly a big plus in terms of marketing. Gazprom is a global brand, so for the club in terms of reputation it will be an advantage, as a huge company invests in the project of development of the club.

*2) Staff formation.*

With the arrival of new management to the club big changes in personnel are logical, especially regarding the higher levels of management of the club. In order to diversify, the most effective solution is to hire both home-country national specialists and host-country national specialists, moreover, third-country national specialists can also be hired if it would be useful and effective.

The club hierarchy is as follows: firstly, there is a Board of Directors represented by Gazprom who set goals for the management of the club and allocate funds for these goals.

Secondly, there is a position of the general director of the club, who reports to the Board of Directors on the results of the club and the state of affairs in it. The most logical thing is to hire a specialist from Russia for this position, and preferably from the structure of Gazprom. Ideally, it is a manager who was directly related to football (former player, coach, sports director of the club). At the moment, the best candidate in my opinion is the current Deputy General Director for Sports Development and also a Director of Development for Youth Football at Zenit Andrey Arshavin.[[55]](#footnote-55) He has extensive experience of playing in Europe, also for several years was a functionary in the Zenit system and he is an expert in youth development, which is a huge plus in the case of an affiliated club, since one of the main objectives of the club is the development of talent and their subsequent resale to gain profit.

Thirdly, there is the position of sports director at the club, whose responsibilities include scouting work to find suitable players for the club, as well as organizational issues regarding the management of the club and so on. It should also be a person from the football world, and best of all it should be a Serbian specialist with knowledge of the Russian language and experience in management due to the fact, that he will be responsible for organizing matches, team moves, and so on, which means negotiating with locals in Serbia, as well as contacting the Board of Directors. Again, in my opinion, the candidacy of former Chelsea, Zenit and Serbian national team player, and currently unemployed[[56]](#footnote-56) Branislav Ivanovic is very suitable for this position. He is a player with extensive experience of playing in Russia and Europe and with knowledge of the Russian language.

Next in importance is the position of head coach, but it should be the choice of the club's future management based on their vision for the team and based on the roster, which will be relevant at the time of preseason preparation for the season 2023/2024.

*3) Squad rotation.*

Returning to the philosophy of the club, it is obvious that in order to have at least 50% of the players in the club from Russia it is necessary to thoroughly rotate the squad of the club. Rotation of the roster is the prerogative of the general manager of the club, sport director and head coach. Given the people in these positions based on the past goal above, it can be predicted that only balanced and considered decisions will be drawn by taking into account the interests of each side.

Since the club will be part of the ecosystem of Gazprom, it means that some players with a desire to play in Europe can freely transfer in the nearest transfer window from Zenit to affiliated club for free, since the owner of the club is one. Some players with expiring contracts with Zenit can be signed by an affiliated club as free agents. Other Russian players can either be bought from other clubs or signed as free agents for free. Most likely it will be young players, whose talent is not yet fully developed and they have not been able to get enough playing practice at Zenit. Another reason is the salary of the players; it is much lower in Serbia than in Russia, so it will be difficult to bring the top players from Zenit to Serbia, but also Gazprom will not go for broke and leave their main club without star players.

The players who were at the club before the acquisition and whose contract with this club is expiring probably will not be extended by the new management. Only in exceptional cases, when a player not from Russia is a key player and is of great benefit to the team, his contract may be extended. Non-Russian players whose contract does not expire at the end of the 2022/2023 season remain with the club under the terms of their contract. However, as time passes, some of them may be sold or loaned to other clubs.

The main goal here is to achieve a competitive squad, consisting of at least 50% Russians, which would be able to produce results due to the quality of the players.

*4) Retention of the Superliga (2023/2024 season)/relegation to the Superliga (2024/2025 season).*

The last global goal in the short term, I highlight the obligatory place in the Superliga. Depending on which club will be chosen for the acquisition, the goal will be set to enter the Superliga in the season 2023/2024 or to stay there if the club has already guaranteed itself a place there in the season 2023/2024. This is a big project, so to implement the plans and goals set at the beginning of this work it is necessary to play in the Serbian top division, only in this case, the club development strategy will work properly and bear fruit.

Since these are short-term goals, they are expected to be met for up to 1 year, which is until the next season 2024/2025. However, as for the rebranding and hiring, these are goals to be accomplished first, before the start of the 2023/2024 season. Once the positions of general manager, athletic director and head coach are approved, we can begin to rotate the roster and analyze the transfer market by then.

MEDIUM-TERM GOALS

*1) Improvement/renovation/reconstruction of the stadium.*

Depending on the condition of the stadium of the affiliated club, it will be necessary to renovate, reconstruct or slightly improve the stadium, because this is firstly the goal of the Football Association of Serbia, and thus will be dictated as a condition for the purchase of the club, and secondly, improving the stadium means a greater influx of fans, which in turn affects positively the profit of the club. Reconstruction of the stadium is the most expensive option, sometimes it is easier to build a new stadium than to reconstruct the old one. Depending on the size of the future arena the price ranges from 40 to 100 million euros, which is a huge investment that is unlikely to pay off in the next 5 years. Renovating the stadium is much less costly because it only requires upgrading the stadium infrastructure, seating, field and other stadium components. Here, depending on the conditions of the stadium the price can range from 1 million to 10 million euros approximately, which is quite recoupable in the near future with the right course of development of the team.

*2) Increase match day attendance to 50 percent of stadium capacity.*

Based on the earlier analysis, we know that match attendance in the Super League and Prva Liga is extremely low, about 1,000 and 500 people, respectively, given that stadiums hold about 5-7 thousand people. So, it's necessary to attract more fans through various match day events, prize draws, promotions and of course first and foremost through good team play. 50% stadium occupancy is a realistic number that can be achieved on average in 3 years.

*3) Take at least 5th place in the Superliga at the end of each season.*

The game aspect appears in every time segment of the goals, and is probably the main area in which the affiliated club needs to develop immediately, because with a good selection of players and successful play all other factors like profit and attendance will increase in this case. The goal that must be met within three years is to consolidate in the top half of the Superliga and to occupy a position no lower than fifth. This will ensure a higher status of the club, and therefore opens up the possibility of attracting more high quality and talented players.

LONG-TERM GOALS

*1) Development of the club's youth academy.*

In the long term, it is definitely worth paying attention to the development of the children's and youth academy of the affiliated club, which would be able to constantly supply the club with young talented players. The idea is to create an environment where young people could develop freely and reach a level where they could gradually play in the main team. One or two transfers from the academy to the main team a year is an ideal goal to strive for. Also, in addition to young Serbian talents, it is worth recruiting from Russia and other Balkan countries besides Serbia. For that purpose, it is necessary to develop the club's scouting network which could provide quality selection of young players.

*2) Attracting talent from all over the World.*

In addition to the academy and through the development of the club's scouting network it is also necessary to acquire young talented players from other clubs all over the World. Of course, majorly players are going to be bought from Serbian and Russian football markets, as these two countries will be fully understood and studied by the club. However, the affiliated club should be a place for talent development not only for talents of these two countries, in turn, young talented players from all over the World who did not get their chance to play at a high level in their own clubs can continue to develop their careers at the affiliated club. The club, in turn, would be able to make money by acquiring players at low or no cost by selling them later for a higher price. It will require a large expenditure on the scouting network, but it can also increase the profits of the club many times over, as the opportunities and the selection of players will expand.

*3) Annual participation of the club in European competitions.*

After all, for the players to be able to develop it is necessary for the club to compete with clubs whose squads are of higher quality, for this it is necessary to provide constant practice in playing in the European big tournaments (UEFA Champions League, UEFA Europe League and UEFA Conference League). Participating in these competitions will benefit the club in terms of talent development, television revenues, ticket sales and prize money from UEFA. To achieve the goal to break through and continuously participate in these tournaments will need to be in the top 3 of the best clubs in Serbia, as well as to impose a fight for the championship to Crvena Zvezda and Partizan. This goal may take about 5 years to achieve, so this goal is a long-term, but nevertheless very important.

IN SUMMARY:

In this section of the chapter, the philosophy of the club and the strategy for the development of the affiliated club after the moment of its acquisition by Gazprom were described. Despite the fact that it is an affiliated club, nevertheless the goals and objectives set for it are serious and ambitious. Firstly, the philosophy of the affiliated club consists of 3 rules: Talent development for later resale, At least 50% of the players are citizens of the Russian Federation, A positive ROA at the end of each year. This set of key rules is due to the fact that the club must operate as a business, that is, be profitable. Profitability is based on the development of young talents through a small investment in their purchase/development and their subsequent sale at a higher price both within Serbia and abroad. Achieving the development of players is only possible if the club performs well in Serbia and has a continuous growth at home and subsequently internationally. To implement these plans, goals have been set divided into 3-time segments for their implementation (short-term, medium-term and long-term).

Short-term goals set for the future club for up to 1 year mainly include the tasks to change and build the system of work of the club with the arrival of a new investor. They include image goals (rebranding of the club), the creation of an effective organizational structure and culture of the club (staff formation), the selection and hiring of players suitable for the objectives of the club (squad rotation), as well as the most important sports goals, namely ensuring a place in the top division of Serbian football (Retention of the Superliga (2023/2024 season)/relegation to the Superliga (2024/2025 season).

The medium-term goals relate to the stadium and its attendance. Depending on the quality of the stadium of the affiliated club, the stadium will need to be reconstructed or upgraded. Also, in order to gain popularity of the club in Belgrade and Serbia in general, as well as for the purpose of profit, it is necessary to raise the stadium attendance rate on match day to at least 50% of the stadium capacity through the implementation of various marketing campaigns. Further, it is necessary to maintain the development of the club, that is, the level of skill of the squad, and thus the improvement of club results, which can only guarantee constant growth in the Serbian Superliga. The goal is to be among the top 5 football teams in Serbia in the medium term. All these goals are for a period of up to 3 years.

Long-term goals are mostly designed to increase the popularity of the club, as well as increasing its status and reputation. For this purpose, the management of the future club has the task to improve the system of selection of young players from Serbia, Russia and the Balkan countries and from the academy by improving the conditions for their development. And also, the most important goal in the long-term perspective is to get and stay in the top 3 of the best Serbian teams and impose the championship fight against Crvena Zvezda and Partizan. By achieving this goal, the club will be able to ensure their participation in major European tournaments, which will bring the club additional opportunity to develop the talent of its players by competing with more famous and stronger rivals, thus increasing the market value of the club's players, as well as additional funds through the sale of TV rights for matches involving the affiliated club, ticket sales on match day, merchandise and prizes from UEFA.

# CONCLUSION

The goal of this paper was to develop a strategic business plan to create an affiliated football club for one of the clubs of the Russian Premier League outside Russian Federation’s borders through the geographical expansion. To achieve the goal the 9 objectives identified in the introduction were achieved:

* Describe the organization and explain the managerial problem.
* Explain the paper’s structure and methodology in detail.
* Analyze the environment of football industry in Russia.
* Analyze the performance of farm-teams and their place in the hierarchy of football leagues in Russian Federation.
* Identify the club for the expansion into a foreign market.
* Identify a host country.
* Conduct environmental analysis of the chosen country.
* Develop a strategic plan for internationalization.
* Identify the philosophy and develop the strategy of the club's development.

Thus, based on the objectives of this work, it was divided into 3 chapters, the first of which is "Russian football industry characteristics", the second - "The choice of potential club & country for internationalization" and the last chapter is called - "Internationalization Plan". The methodology of this work did not involve a large number of different analysis tools, however, the most important of them can be highlighted The Funnel Technique, which was adapted specifically for this adapted. Since a huge number of clubs and countries were considered, this technique helped to narrow down the selection of candidates at each of its stages, based on the criteria established for this selection. In addition to this technique, a thorough analysis of the external environment of the football industries in Russia and subsequently Serbia was necessary, which was carried out by applying the PEST analysis tool.

The Russian Premier League (RPL), as mentioned at the beginning of the work, is the highest professional football league in Russia and it as an organization faced the following managerial problem: due to the current geopolitical situation, Russian clubs are no longer allowed to participate in international competitions starting from the first quarter of 2022. In turn, this problem has led to a number of other problems within the Russian football industry, chief among them is the stagnation of the industry and the gradual decline in the skill level of players, and with it, the level of all football in Russia. Thus, this work aimed to find a way to solve this problem and describe it in detail.

To do this, it was first necessary to find out the main factors influencing the external environment on the football industry in Russia by applying the PEST analysis tool. Based on this analysis, two more main factors were identified, in addition to sanctions, which have a negative impact on the popularity and demand for football in Russia. In addition to sanctions, the introduction of the Fan ID system has dramatically affected matchday attendance at RPL games, reducing it several times in the season 2022/2023. Also, the emergence and rapid growth of the popularity of media football has lured a significant proportion of fans to its side, which has also reduced the awareness and popularity of football in Russia. Thus, it was concluded that Russian football needs a gradual return to European one in order to halt and reverse the downward trend in the level of football excellence in Russia and to once again attract interest and increase the popularity of football in Russia. Since Russian clubs and the national team are not allowed to participate in European competitions, it means that an affiliated club needs to be established abroad.

However, inside Russia clubs already have affiliates in the lower leagues, so it is necessary to understand their current level and mission through an internal analysis of the hierarchy of football leagues and teams within them in Russia. Based on this analysis, it became clear that only Krasnodar football club has a well-established system of affiliates in its hierarchy, while half of the RPL clubs do not have affiliates in the lower leagues at all due to the current financial difficulties. Thus, if affiliates in Russia are not fulfilling their function and are unprofitable, it was again concluded that the creation of an affiliated club could be a solution not only to the problem of stagnating skill levels of players, but could also be less unprofitable or even profitable in the future.

It was then necessary to select a club for internationalization and the creation of an affiliated club abroad. For this purpose, all 16 clubs which took part in the RPL in the season 2022/2023 were taken into account. For this purpose, the already mentioned The Funnel Technique was applied in which the criteria for the selection of candidates were selected. The first criterion of selection was the indicator of the financial stability of the club, as internationalization is primarily an investment, as a result, 10 clubs were eliminated at once. Next, 3 criteria were considered together, namely the current position on the market, brand recognition and stability within the club and other indirect factors. The highest priority option was FC Zenit from St. Petersburg and it was selected for internationalization.

Once the club for expansion had been determined, it was necessary to decide on the country to enter its football market. The Funnel Technique was also applied, with 3 criteria, which subsequently reduced the selection to 2 candidates: Turkey and Serbia. The first criterion was the mandatory membership of the country in the European Football Association UEFA, such countries are 54. Next, such an indicator as the rating of friendliness of the country in relation to Russia and vice versa was considered, again given the difficult geopolitical situation. As a result of this selection there are only 6 candidates left. Among them were chosen two main candidates who are currently much preferable to others based on the level of football development of these countries. After the pool was narrowed down to 2 candidates, an analysis of the football industries of these two countries was conducted, which considered the indicator of the competitive environment and the level of initial investment. Here, internationalization in Serbia was chosen much more effectively than in Turkey.

Once the choice was made in Serbia, it was necessary to analyze the external environment of this country by applying the PEST analysis tool in order to verify the choice and consider the main opportunities and threats that could be faced by Gazprom's management in Serbia. It turned out that Serbia is ideal for the internationalization of a Russian club because, first, the Serbian Superliga has no limit on foreign players, which means a problem-free application of Russian players to participate in the tournament, and second, the Serbian Football Union (FSS) claims that they need to improve the financial situation of Superliga clubs through investments from both within the country and from Russia, given the increased volume of trade between these countries. Another important conclusion from this analysis is that in Serbia there is serious centralization in the capital, so the affiliated club should be based precisely in Belgrade. After choosing the country and city to enter, it was necessary to determine the method of entry into the Serbian football market. For this purpose, the options of creating a club from scratch, joint-venture and the option of absorbing an existing club were considered. As a result, the choice was made in favor of absorbing an existing club from Serbia, because the other options are more costly and risky.

For the takeover it is necessary to choose a club from Belgrade, so again The Funnel Technique was applied, however, in this selection the pool was not narrowed, but a list was created in order of priority based on the criteria:

1. FC Vojdovac
2. OFK Beograd
3. FC Cukarički
4. FC Zeleznicar Pančevo
5. FC Rad
6. FC IMT Belgrade
7. FC Radnicki Belgrad

This decision was due to the fact that if one club is chosen, then there is a risk of rejection of the sale of the club by management. The list was compiled in that order based on the division in which the club will compete next season, the potential deal price, the club's existing stadium and condition, and the club's history and achievements. At the end, the philosophy of the affiliated club and its development strategy were described by setting goals in the short, medium and long term.

To summarize, it is necessary to highlight the opportunities and advantages that all parties to this transaction will receive.

Serbia:

Firstly, it gets another club with ambition and decent financing, which will be able to impose the championship fight against Crvena Zvezda and Partizan, which means more intrigue in the Serbian championship, and thus increased interest in the league within the country. Secondly, it solves the problem of poor financing of at least one football club in the country, since it will be sponsored by a foreign investor, as well as improved infrastructure of the club at the expense of Gazprom. Third, it attracts a huge fan base from Russia, which consequently increases the popularity of the league and profits from the sale of TV rights. The only disadvantages may be discontent on the part of the fan base of the merged club, but this situation will stabilize over time and given the good results of the club.

Russia:

Firstly, FC Zenit (Gazprom) gets the opportunity to develop its talents in Europe, thus overcoming sanctions from UEFA and thus solving the problem of Russian players' admission to European competitions. Second, it increases its presence in Europe, opening up opportunities to diversify its assets, which leads to the possibility of a more effective strategy for developing its talents. Third, by integrating into a more successful and stronger football market, it opens up opportunities for the exchange of experience between specialists from Russia and Serbia.

As a result, the opening of the affiliated club will help stop the stagnation of Russian football and contribute to a gradual return to European one, while offering benefits to both the Serbian and Russian football markets.

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# APPENDIX

**Domestic arena.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Club/season** | **2013-2014** | **2014-2015** | **2015-2016** | **2016-2017** | **2017-2018** |
| **Zenit** | 2nd place | 1st place | 3rd place | 3rd place | 5th place |
| **Spartak** | 6th place | 6th place | 5th place | 1st place | 3rd place |
| **CSKA** | 1st place | 2nd place | 1st place | 2nd place | 2nd place |
| **Lokomotiv** | 3rd place | 7th place | 6th place | 8th place | 1st place |
| **Dynamo** | 4th place | 4th place | 15th place | 16th place | 8th place |
| **Krasnodar** | 5th place | 3rd place | 4th place | 4th place | 4th place |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Club/season** | **2018-2019** | **2019-2020** | **2020-2021** | **2021-2022** | **2022-2023**  **(half season)** |
| **Zenit** | 1st place | 1st place | 1st place | 1st place | 1st place |
| **Spartak** | 5th place | 7th place | 2nd place | 10th place | 2nd place |
| **CSKA** | 4th place | 4th place | 6th place | 5th place | 5th place |
| **Lokomotiv** | 2nd place | 2nd place | 3rd place | 6th place | 13th place |
| **Dynamo** | 12th place | 6th place | 7th place | 3rd place | 4th place |
| **Krasnodar** | 3rd place | 3rd place | 10th place | 4th place | 8th place |

*Table 4. Top-6 RPL clubs’ domestic performance during 2013-2023 period.*

**International arena.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Club/season** | **2013-2014** | **2014-2015** | **2015-2016** | **2016-2017** | **2017-2018** |
| **Zenit** | UCL: Round of 16 | UEL: quarter-finals | UCL: Round of 16 | UEL: Round of 32 | UEL: Round of 16 |
| **Spartak** | none | none | none | none | UEL: Round of 32 |
| **CSKA** | UCL: Group stage | UCL: Group stage | UCL: Group stage | UCL: Group Stage | UEL: quarter-finals |
| **Lokomotiv** | none | none | none | none | UEL: Round of 16 |
| **Dynamo** | none | UEL: Round of 16 | none | none | none |
| **Krasnodar** | none | UEL: Group stage | UEL: Round of 32 | UEL: Round of 16 | none |

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Club/season** | **2018-2019** | **2019-2020** | **2020-2021** | **2021-2022** | **2022-2023** |
| **Zenit** | UEL: Round of 16 | UCL: Group stage | UCL: Group stage | UEL: Round of 32 | banned |
| **Spartak** | UEL: Group stage | none | none | UEL: Round of 16 | banned |
| **CSKA** | UCL: Group stage | UEL: Group stage | UEL: Group stage | none | banned |
| **Lokomotiv** | UCL: Group stage | UCL: Group stage | UCL: Group stage | UEL: Group stage | banned |
| **Dynamo** | none | none | none | none | banned |
| **Krasnodar** | UEL: Round of 16 | UEL: Group stage | UEL: Round of 16 | none | banned |

*Table 5. Top-6 RPL clubs’ performance on international arena during 2013-2023 period.*

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