



Department of Business and Management

Chair of International Marketing

**THE EXPLOITATION OF BRAND EQUITY IN
FOOTBALL CLUBS ACROSS COUNTRIES**

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Introduction

Sports are able to create an influence well beyond products and services. Sports go across languages and cultural barriers. Their language is considered to be universal, and whoever practices it or follows it understands them and their rules. Sports metaphors are widely used also in business. If someone tells you to "choose your team wisely" or that you have been "benched" for the moment, they are using sports terms adapted in business contexts. There are sports which can account for millions, sometimes more, of fans. European football, basketball, formula 1, rugby, American football etc., are some of the sports which attract every weekend a great number of viewers in stadiums or in front of a screen. Some events, such as the Football World Cup, Olympic Games, the Super Bowl, or the NBA Finals, draw-in an audience extremely vast, which subsequently leads to substantial corporate financial investments. This phenomenon of human beings wanting to compete against each other in numerous disciplines draws back at least to the first Olympic Games back in Ancient Greece in 776 B.C.¹ Great historic figures relied on sports metaphors in order to explain an idea or a concept. According to Winston Churchill, some nations give more importance to sports than actual wars: "*Italians lose wars as if they were football matches, and football matches as if they were wars.*"² Sports create a strong bond of loyalty with their fans (customers) which is stronger than in any other industry, leading the latter wanting to invest in it. This process would have been carried out in a way to enhance their visibility, since they would be reaching an audience of a size probably unreachable in other terms. A con of using sports as a marketing platform is their unpredictability. Many investors, despite unnumerous tracks of records and studies of results' patterns, are adverse in investing in sports events, but on the other hand, their unpredictability is seen as one of the main reasons why a lot of fans are so passionate about them. Their passion towards some teams and athletes, is hardly found in other contexts, perhaps something that only religious devoted enthusiasts can match. This motive is the reason that brings in the rest of the investors.

¹ <https://www.penn.museum/sites/olympics/olympicorigins.shtml>

² <https://www.theguardian.com/football/2008/apr/01/europeanfootball.sport1>

If we were to pick a sport in particular that attracts crowds from all around the globe, that would be football, with Europe as its birthplace and most prestigious stage. European football clubs are considered to be the beating heart of the football entertainment industry. Thousands of clubs are playing in their respective national leagues, and hundreds compete in the Champions League and Europa League. They draw-in millions of supporters before the screen and in stadiums, having turned, in the past decades especially, into large/medium-sized firms. Although, football is nowadays considered to be “The Global Game”, most of those clubs are not in line with their budget, and stadiums’ attendance is, for the majority, unexploited. This leads to the concept that, nowadays, football clubs have become not only firms but well-defined sports’ brands, and in many cases these brand are not exploited correctly.

How can a firm or a club increase the value of its brand? The answers to such a question could be various. Increase the visibility of the brand, acquiring or developing strong brand icons, augment the level of brand knowledge, increase customer loyalty and satisfaction, and so on. Although, there is only one that resumes all of them, and that is the exploitation of brand equity across countries. Increasing the value of brand equity internationally is not an easy task, since it should take into account a significant number of variables in different sectors, and divides itself depending on which sector the firm in question operates. The purpose of this thesis is to highlight the main variables and strategies that football clubs might use in order to exploit their brand equity at its maximum level.

After introducing the themes about Lovemarks and brand equity, I illustrated how can the football clubs' market segments be included into Kevin Keller's model, and why it would be crucial to exploit these segments in order to obtain a higher level of brand equity, overcoming difficulties such as fulfilling the parameters set by the UEFA Financial Fair Play. It is also compelling to measure the differences in revenues and visibility of football in comparison with other sports, such as American football and basketball, thus revealing if there would be any hypothetical, or already in place, strategy which could enhance revenues or brand value. In pursuance of obtaining these kind of results some real-life example are needed, along with the explanation of the overall strategies to implement.

In order to obtain these type of real examples, in my study, six clubs were picked from three of the top five European leagues. For the English Premier League I picked the two teams from Manchester. Man United has always been one of the most supported teams in the history of this sport. In their past they won 57 domestic titles (20 times the EPL) and 7 international ones (among which 3 UEFA Champions Leagues).³ Their city rivals haven't shared the same glory in the past, in fact they can count only on 17 domestic titles (4 EPL), and only one international trophy in the 70's.⁴ From *La Liga* Española the two giants were analyzed. Real Madrid in its epic past was able to put on its showcase 60 domestic titles (32 La Ligas) and 18 International ones (11 Champions Leagues), granting them the award of "The Best Club of the 20th Century FIFA Trophy".⁵ In Catalunya, F.C. Barcelona was able to compete internationally only during the latest decade, which still saw them winning 64 domestic titles (28 La Liga, 8 of which in the last 10 years), and 17 International trophies (5 UEFA Champions Leagues, 4 starting from 2006).⁶ Of the two Italian teams taken into analysis, only one shares a similar past with the previous clubs, but both have been lately acquired by two financially powerful owners, whom are willing to expand in foreign markets. F.C. Inter Milan in its history won 30 domestic titles (18 times Serie A) and 9 International ones (3 times the UEFA Champions Leagues).⁷ On the other hand, A.S. Roma can only account for 14 domestic titles (3 Serie A) and no international ones.⁸ All the clubs have been deeply analyzed through financial reports, general strategies pursued, history analysis and, in addition, through a survey which highlights their most representing brand icons. The results obtained should be helpful in depicting the most favorable strategies to pursue a higher brand equity, thus a major chance to stay successful in the next future.

³ www.manutd.com

⁴ bluemoon-mcfc.co.uk

⁵ www.realmadrid.com

⁶ www.fcbarcelona.com

⁷ www.inter.it

⁸ www.asroma.com

Chapter 1: Literature Review

1.1 Lovemark: The future beyond brand

Lovemark is a concept in marketing which aims at replacing the perception of brands. This idea was designed by Kevin Roberts, Chief Executive Officer of the worldwide famous advertising agency Saatchi & Saatchi, and it was first publicized in a book also called "*Lovemark: the future beyond brand*."⁹ This issue came along with the concern of the saturated markets in which we operate nowadays. Competitors and substitute products do not allow firms to obtain a significant competitive advantage. According to Roberts, in this type of competitive market environment, customers will be prone in the future to simply buy the most economically favorable product. This situation led to a crisis of the traditional brand, due to the high competition and the wrong assumption that the public would all perceive brand in the same way. Roberts believed that emotions are a much more powerful driver than rationality for people, leading to a new type of marketing called emotional marketing. He theorized that this was based mainly on two values, love and respect. Indeed, these are considered to be the main values for long-term relationship, which is exactly what most firms are looking for in order to stand out from the whole basket of competitors and substitutes. Nevertheless it takes a lot of time to establish a relationship of this sort, and just a few mistakes to destroy it. Saatchi & Saatchi identified three main variables through which a firm could obtain love and respect.

Mystery, this is the first dimension, and it regards mainly the storytelling. A combination of the past, present, and future which helps customers to dream through the creation of myths and identifiable icons, which would last for a long time in the customers' minds.

Sensuality, this variable relies on the fact that senses are the quickest way to reach customers' emotions. It can be carried out through every aspect, such as product development, design, packaging, or advertising. The aim is to understand what people feel and to turn particular sounds, images, or smells into actual recognizable assets.

⁹ Roberts, Kevin. *Lovemark: the future beyond brand*. UK: powerHouse Books, 2004.

Intimacy, is the third and last dimension. It is considered hard to establish, since it would be easy to turn and intimate a relationship with a product to an invasive one. For this reason an intimacy index was created in order to measure the intimacy level between brand and customers.

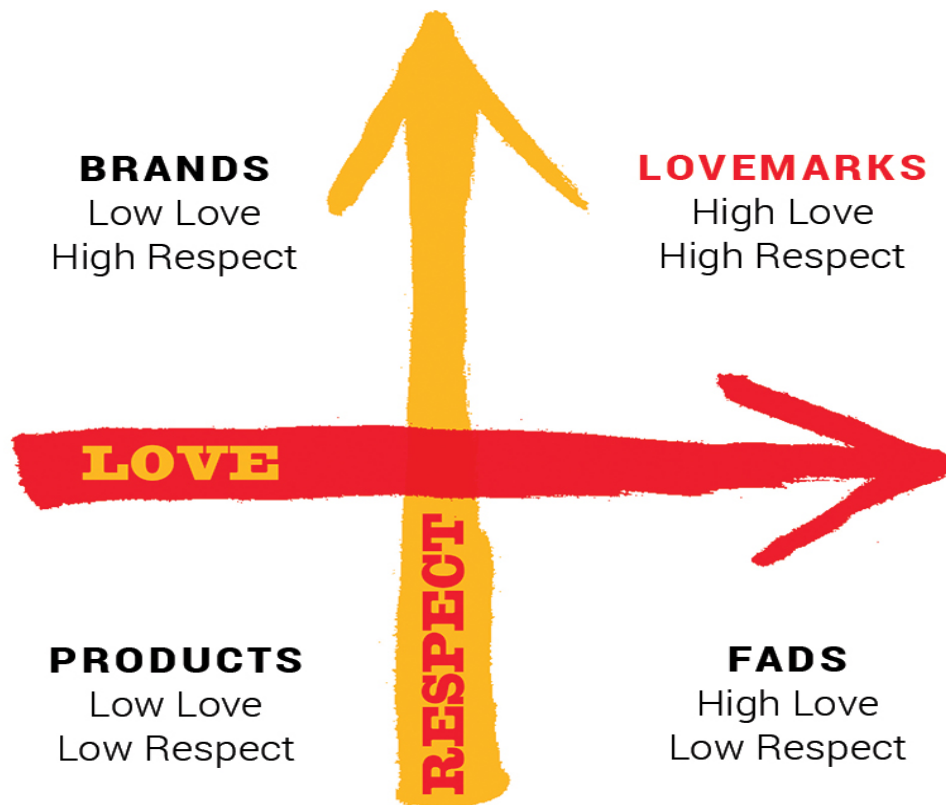


Figure 1- From "Lovemarks: the future beyond brands" by Kevin Roberts. Saatchi & Saatchi 2004.

After introducing the topic about lovemarks, thanks to this graph we are able to identify the four different types of dimensions where each product lays, products, fads, brands and lovemarks. Products present a low level of both respect and love, being the most substitutable one of the four, it can easily be replaced or changed with a similar one. Fads are types of brands and products which possess a low level of respect but a high one of love, making them desirable for a brief amount of time. Brands, on the other hand, are kept in high regards, but low commitment. Last but not least, we have lovemarks, which present high love and high respect, creating a strong bond with customers, and which could ultimately be compared to the love and passion which football fans perceive towards their club. In fact, it would be easy to associate football clubs

with lovemarks. Fans express the highest forms of love and respect towards their clubs, creating a stable, strong and lasting bond.

"Creating Lovemarks is all about the ability to understand consumers' dreams, to know what they want and when they want it and to create great experiences that make your brand a part of their lives."¹⁰

This quote by Kevin Roberts explains the inner concept linked to lovemarks. If analyzed in comparison to football, what lovemarks represent is exactly what football fans demand from their club, and if accomplished strengthens their already unbreakable bond with the club's brand.

1.2 Brand Equity

If there is one thing that all firms and football clubs share in common, that is the willingness of enhancing their customer-based brand equity. Bernard Kelvin Clive, brand strategist at BKC Consulting, and author of *The Art of Personal Branding*, said about brands: *"The investments you make into a brand, makes its name worth it."*¹¹ Brand equity, if built correctly, drives fans into stadiums and in front of the TV to support the clubs, buy merchandising products, and so on. In today's marketing, brand equity represents a milestone in enhancing and exploiting the value of a brand.

"Brand equity refers to a value premium that a company generates from a product with a recognizable name, when compared to a generic equivalent. Companies can create brand equity for their products by making them memorable, easily recognizable, and superior in quality and reliability. Mass marketing campaigns also help to create brand equity."¹²

This is the definition that Investopedia gives to brand equity. Brand equity can be defined as customer based, meaning that the perception which customers have of the brand differentiates it from other similar brands. This is possible thanks to the brand knowledge, possessed by customers, leading them to have a differential effect

¹⁰ http://www.saatchikevin.com/wp-content/uploads/2014/07/Lovemarks-Teaching-Module-3_Teaching-Notes.pdf

¹¹ Bernard Kelvin Clive, <http://bkc.name/whats-brand-name/>

¹² www.investopedia.com

on the response to brand exposure. An example of positive (negative) response to a brand, could be if the same product is provided without the brand to customers. If their response is negative, it might lead to greater future revenues for the standardized (branded) product. Furthermore, it is essential to point out the rule played by brand image. In fact, brand image highlights what the brand stands for in the present, nothing more than a set of beliefs held by customers on a specific brand, which adds up to the overall equity.

“In fact, I argue that the future of advertising, whatever the technology, will be to associate each brand with one word. This is one word equity. It’s the modern equivalent of having the best site on the high street, except the location is in the mind.”¹³

Maurice Saatchi, co-founder of the advertising agency Saatchi & Saatchi, underlines the importance for firms to build a strong brand equity in today’s society. It is considered crucial to exploit the customers' mind perception, through actions or symbolism.

1.3 The Role of Brand Icons

An important aspect, especially when talking about today's sports marketing, is the role played by brand icons. A brand icon is a symbol, generally either a tangible or an intangible asset, which emanates a powerful reconnection to its main brand, a club in this particular case. A symbol widely known from the mass, from the present or past, which can link its affiliation to a particular brand in the customers' perception. Through the analysis of the role of brand icons in team-sports, it is easy to create an association to its relative logo, or in other cases to a specific athlete in its roster, past or present. This is an aspect which will be picked up more in depth during the detailed analysis of the six teams/examples chosen, but it is important to highlight its overall importance in today's sports marketing. Apart from European football, the other wealthiest sports reside in the United States of America. Basketball and American football have in the U.S. their most important and richest competitions globally speaking, and it is interesting to see how some of their future and present athletes are

¹³ Maurice Saatchi, <https://www.ft.com/content/910ada08-ffa5-11da-93a0-0000779e2340>

worldwide driving forces to their relative sports and clubs in the specific. In order to analyze this particular trend, I picked the number of followers on Facebook of the most representative brand icons of the present and past of each sport. Starting with Basketball, Michael Jordan leads with more than 26.5 million followers on Facebook, showing how, 13 years after his retirement, thanks also to his own brand Air Jordan, he is considered still the most powerful brand icon of this sport. Right after Michael Jordan, we find LeBron James and Kobe Bryant, respectively with almost 22.9 and 21.3 million followers. James accounts for almost three times the number of followers that its current franchise¹⁴ has, the Cleveland Cavaliers 7.8 million, while Bryant possesses slightly less than its former one¹⁵, the Los Angeles Lakers, with 21.8 million. Another name directly linked to Los Angeles franchise is Earvin "Magic" Johnson, who also spent his entire career with the Lakers, and who accounts for 3.5 million followers, making him the second most followed basketball player from the past. American Football has with Tom Brady, quarterback of the New England Patriots, its shiniest star with 3.9 million followers, while former legends like Joe Montana and Jerry Rice, account, respectively, for only 635,000 and 370,000 followers approximately. European Football, on the other hand, shows some impressive numbers. Cristiano Ronaldo leads the chart with 118.8 million followers on Facebook, almost 30 million more than its current club¹⁶, and almost three times the entire Spanish population¹⁷. On the second step of the podium sits his eternal Argentine rival, Lionel Messi, with almost 88 million followers. In third position we find the Argentine's teammate, Neymar Junior, with approximately 59 million followers, and from the past we have David Beckham with almost 55 million, and Ronaldinho with 34¹⁸. The numbers presented by European football outmatch by a lot the ones shown by basketball and American football, underlining the importance of brand icons, and how these

¹⁴ The term used in the United States to address a professional team in the NBA, since they are able to use their trademarks for a great number of products.

¹⁵ Kobe Bryant retired the 13th of April 2016, after spending his entire NBA career with the Lakers.

¹⁶ Real Madrid has approximately 94 million followers on Facebook.

¹⁷ 46,624,382 updated in 2014, <https://www.urbistat.it/AdminStat/it/es/demografia/dati-sintesi/spagna/724/1>

¹⁸ all the numbers regarding followers have been taken from: www.facebook.com, on January 2017.

numbers should be exploited a lot more by European top clubs in order to maximize the exploitation of their brands.

1.4 Keller's Model

Most firms invest an important amount of resources in order to enhance customer-based brand equity, seeking an advantage over competitors in the same market. Kevin Keller, marketing professor at Dartmouth College, created a model which helps understanding the process of creating customer-based brand equity. Keller's model states that to build a strong brand firms should shape how clients perceive a product. They need to fabricate the right sort of perceptions around their image, with the goal that customers will have, positive beliefs, emotions, and thoughts about it. The consequences of having a strong brand equity are that customers will be more inclined to buy specific products, to remain loyal, and to spread word-of-mouth (WoM) about a specific brand. According to Keller, there are four steps in order to build a strong brand equity: 1) Identity, 2) Meaning, 3) Response, 4) Relationship. All four steps relate to a particular question which customers are meant to ask subconsciously when exposed to a brand. These steps are themselves divided in six different sections which are considered to be essential in order to create a strong and successful brand.

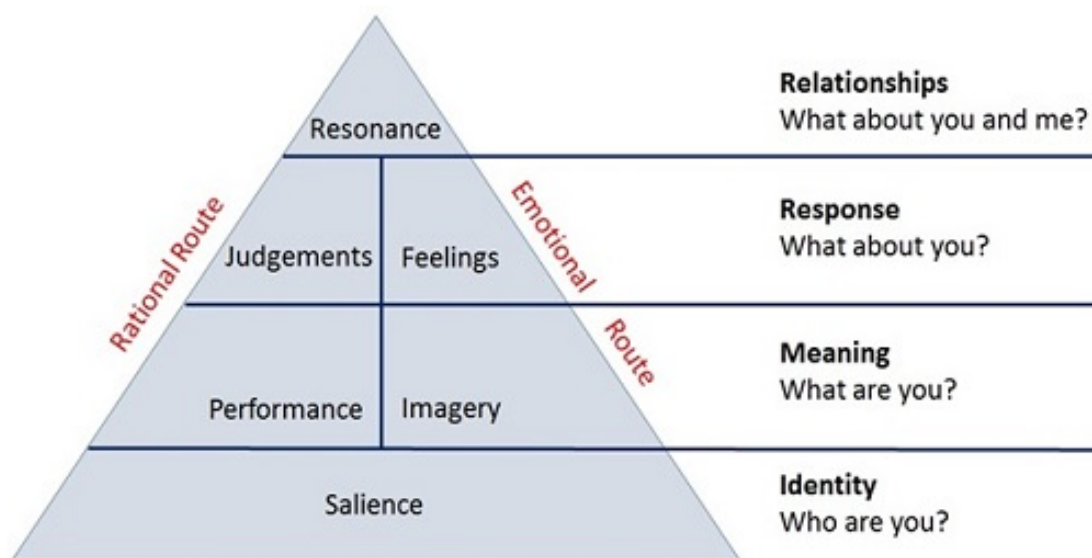


Figure 2- From "Strategic Brand Management: Building, Measuring, and Managing Brand Equity" by Kevin Lane Keller. Pearson Education Limited, 2013.

The first step, Brand Identity, creates brand awareness, which makes sure of customer recognition, and that they perceive the brand correctly. Through a deep market research, the different types of market segments should be analyzed, and hence, the correct fulfillment of customer needs should incur.

Brand Meaning, which is the second step, accounts for performance and imagery. The former relates to several characteristics such as: features, empathy, durability, reliability, efficiency, after-sale services, style, price. The latter relates to how costumers position the product in their mind.

The third step regards Brand Response, which includes two categories, feelings, meaning what kind of feelings it evokes, and judgments. The latter account for credibility, consideration, quality and superiority. Last but not least, there is Brand Resonance. Its goal is to build a strong-psychological chain with customers. Brand Resonance is divided by Keller into four sections, from strongest to weakest: Active engagement, Sense of community, Attitudinal attachment, and Behavioral Loyalty. Active Engagement, the final stadium of Keller's model, could represent what a "360° degrees fan" is for a football club.

"4. Active engagement. *Finally*, perhaps the strongest affirmation of brand loyalty occurs when customers are willing to invest time, energy, money, or other resources into the brand beyond those expended during purchase or consumption of the brand. *For example, customers may choose to join a club centered on a brand, receive updates, and exchange correspondence with other brand users or formal or informal representatives of the brand itself. They may choose to visit brand-related websites, participate in chat rooms, and so forth. In this case, customers themselves become brand evangelists and ambassadors on behalf of the brand, communicate about the brand, and strengthen the brand ties of others. Strong attitudinal attachment or sense of community are typically necessary for active engagement with the brand to occur.*"¹⁹

This could be seen as the typical description of what a football fan does for his club on a weekly/monthly basis. Unlike in other businesses, in football, these fans reach this level of commitment for a brand already at a very young age, and which, generally speaking, lasts for a lifetime, passing from a generation to the next.

¹⁹ p.15-16, Building Customer-Based Brand Equity: A Blueprint for Creating Strong Brands. Kevin Lane Keller. Marketing Science Institute, 2001

1.5 Market Segmentation

This leads to another issue which is considered to be crucial in the recap-introduction, which is the different types of fans' segments present in football. In fact, targeting all the fans, which we assumed as being for the most "active engagers", would not be considered as profitable as it could get if these segments are not targeted with specific marketing strategies. They divide themselves into passionate partisans, champ followers, reclusive partisans, theatre-goers, and aficionados, and they are explained more in depth below.

Passionate partisans: the type of fans who are involved completely with the club. They would attend games, not caring about how the team plays, or if they win or lose, but they will support the team no matter the outcome. They are considered to be extremely loyal, heavy purchasers of merchandising items, and give huge importance to history and traditions.

Champ followers: the type of "occasional" fans. They will attend matches only if the team is performing well, regarding results and style. If the club performs poorly, they might change allegiance.

Reclusive Partisans: passionate fans who are not attending games at the stadium really often. Loyal to the team and might turn into passionate partisans if influenced by others or the media for a big event.

Theatre-goers: are more interested into a sport or quality of entertainment than a particular team. May also attend other games, and are more interested in comfort, stimulation, excitement and unpredictability of a game. Attend more games than a reclusive partisan but are less loyal.

Aficionados: seek an interesting game and high entertainment more than the outcome of a specific club in a match. Show more interest in star players than particular teams, attend a lot, but are more attached to aesthetics and quality than excitement.²⁰

In addition to these "traditional" fans who, generally, are supporting the team from a really young age, and live in the same city or nation where the club is based, we have the new globalized fans. Usually these type of fans live in another country, or continent, and support the team only as long as there is something that attracts

²⁰ Stewart and Smith 1997

them, which could be continuity of results or a specific player. Clubs are meant to target separately each type of fan in order to meet their wants and needs, maximizing future profits and value/positioning of the brand.

“The thing that sport, especially in the Barclays Premier League, offers is loyalty beyond reason, beyond price.”²¹

1.6 UEFA Financial Fair Play

Furthermore, in addition to the complexity of keeping track of the expanding new markets and the all-around changing factors affecting football clubs, another major aspect forced clubs to pick different strategies in order to stay successful over time, the UEFA Financial Fair Play. The UEFA Financial Fair Play Regulations touches several elements through which a club should achieve success. In fact in late 2009, time of their first meeting, an issue deeply discussed, regarded the acquisition of football clubs by wealthy foreign investors, who spent enormous amounts of money for the purchase of top-level players, in order to fill the gap with European top clubs. An example of this trend could be Manchester City and Paris Saint Germain, both purchased by wealthy sheiks who spent huge sums for the acquisition of players, especially in their first transfer windows. The UEFA Committee agreed on finding a way through which clubs were not able to spend more than they actually earned.

“Fifty per cent of clubs are losing money and this is an increasing trend. We needed to stop this downward spiral. They have spent more than they have earned in the past and haven't paid their debts. We don't want to kill or hurt the clubs; on the contrary, we want to help them in the market. The teams who play in our tournaments have unanimously agreed to our principles...living within your means is the basis of accounting but it hasn't been the basis of football for years now. The owners are asking for rules because they can't implement them themselves - many of them have had it with shoveling money into clubs and the more money you put into clubs, the harder it is to sell at a profit.”²²

²¹ Kevin Roberts, <http://online.wsj.com/ad/article/businessoffootball-brand.html>

²² Michel Platini's speech, September 15, 2009. Sports ESPN

These words were pronounced by the former UEFA President Michel Platini, immediately after that the legislation was unanimously approved by the UEFA's Executive Committee. This was an unanimous decision taken by the Committee²³, which created the first edition of the UEFA Club Licensing and Financial Fair Play Regulations. So, as it was discussed earlier, the aim of these regulations was the financial stability and health of football clubs. In order to do so, the Club Financial Control Panel, later in 2012 replaced by the Club Financial Control Body which is a UEFA Organ for the Administration of Justice, was meant to monitor clubs for five seasons starting from the 2013/2014 one, taking into consideration 36 criteria, which can themselves be divided into some main ones such as sporting, legal, personnel, financial and infrastructure. The UEFA document identified the aims with the following:

- *to improve the economic and financial capability of the clubs, increasing their transparency and credibility;*
- *to place the necessary importance on the protection of creditors by ensuring that clubs settle their liabilities with players, social/tax authorities and other clubs punctuality;*
- *to introduce more discipline and rationality in club football finances;*
- *to encourage clubs to operate on the basis of their own revenues;*
- *to encourage responsible spending for the long-term benefit of football;*
- *to protect the long-term viability and sustainability of European club football.*²⁴

Clubs which do not meet the parameters, with the exception of the first seasons monitored, of a maximum deficit of 5 million Euros, could incur into several sanctions, as for example the prohibition to participate in any European competition. The detailed sanctions included in the UEFA document for not fulfilling the parameters and requirements demanded are the following:

²³ 27th of May 2010

²⁴ "Financial Fair Play, Media Information", 25 January 2012. UEFA

- *Sanctions for non-fulfillment of clubs licensing criteria have already been applied including a total of 31 clubs excluded from the UEFA Champions League or Europa League. This includes a number of clubs directly excluded by UEFA for one or more competition seasons as a result of additional compliance procedures;*
- *Sanctions for the non-fulfillment of club monitoring procedures, regarding overdue payables, have also been given, with a number of cases currently at different stages of disciplinary proceedings;*
- *The first sanctions for clubs not fulfilling the break-even requirement can be taken during the 2013/14 season and the first possible exclusions relating to break-even breaches would be for the UEFA competition season 2014/15.*²⁵

According to the UEFA, partial results up to 2015 showed a glance of success. Almost 80% of overdue payables were reduced, and in addition, also more of 900 million Euros of clubs' losses²⁶. Apart from that, the unfulfillment of the established parameters would lead to not being able to participate in European competitions, which is, without doubts, a huge loss of capital for football clubs. In fact, UEFA Champions League allows football clubs to earn a lot of money and visibility across the world. If we analyze the revenues in detail, for the only participation to the group stage every team is given 12 million Euros, with an additional 1.5 for every win and 500,000 for every loss. The qualification for the round of 16s allows every club to earn 5.5 million Euros, quarter of finals 6 million, semifinals 7 million, winners 15 and runners-up 10.5, for a total possible max of 54.5 million Euros. Furthermore, if the winner is coming from one of the major leagues (England, Spain, Italy and Germany) the market pool would allow them to reach almost 100 million Euros.²⁷ This is all without considering sponsors, broadcasting rights and visibility allowed by the most famous competition for clubs in the world. If we analyze the second largest competition for European football clubs, UEFA Europa League, the numbers are inferior but still significant. Participation to the

²⁵"Financial Fair Play, Media Information", 25 January 2012. UEFA

²⁶ <http://www.uefa.org/protecting-the-game/club-licensing-and-financial-fair-play/>

²⁷ <http://www.totalsportek.com/money/uefa-champions-league-prize-money/>

group stage grants 2.6 million Euros, with an additional 360,00 for every win, and 120,000 for every draw. Qualifying for the round of 32s awards 500,000, for the round of 16s 750,000, 1 million for the quarter of finals, 1.6 million for the semifinals appearance, 6.5 for winners and 3.5 for runners-up for a possible max of 15.71 million Euros, without considering the market pool, which in total is 160 million to be divided among all the teams, against 1.3 billion Euros of total market pool for the UEFA Champions League.²⁸

The construction of a strong customer-based brand equity is surely not an easy task. Football clubs might appear to have an edge over standard firms, thanks to a more involved pond of customers. The threat of sanctions issued by the UEFA for not fulfilling the parameters pushes clubs to build new strategies in order to stay competitive on and off the pitch, keeping track of a forever-evolving market.

²⁸ <http://www.uefa.com/uefaeuropaleague/news/newsid=2398584.html>

Chapter 2: Observational Analysis

2.1 "The Global Game"

Since the 90's football clubs have evolved a lot business-wise. Twenty years ago match-day was considered the primary source of revenues, the rest were depending on field's performance since sponsorship deals were not structured well. Today's stadiums have evolved into entertainment venues, which account for more than just the match-day or seasonal tickets. Clubs built marketing strategies which generate revenues also when the season is over, social networks are an addition to the media, which before was monopolized by TV and radio. All these features helped football evolve into more than just a sport. The "Global Game". That's the nickname given to football in the last decades. With over 200 countries affiliated to its governing body, FIFA, if we check the numbers given for the World Cup final match of 2014 more than one billion people watched it, and about 3.2 billion followed the whole tournament.²⁹

A particular question which might arise is, why is football the most popular sport in the world? The answers to such a question might be multiple. An immediate answer could be that everybody plays it. In fact, football requires little to none infrastructure to play it. If we think about other team sports, the comparison to football might appear ridiculous. Water polo would need a pool, specific floating goals and specific balls with a grip which doesn't make them slide off your hands. Basketball requires a proper court where the ball bounces properly, a basket with a blackboard. American Football requires a specific field, with goalposts and horizontal drawn lines to determine the yards. Football, on the other hand, requires a ball and two jackets to determine the end of each goal, and for poor kids in third world countries, but not exclusively, it is considered the ideal sport to practice in every park, street corner, or open field available. This is probably one of the reasons why football became so popular since its early development. In fact, in the late 1800's, football turned to be the favorite hobby after work of the British working class, unlike rugby or cricket, which were sports practiced for the most by the upper class. It soon spread all around Europe for its accessibility, later followed by Latin America first, and quite a while after, Africa. Only in the last 30-40 years it started

²⁹ www.fifa.com

spreading also in the United States , Asia, and Oceania. ³⁰ In addition, Football does not require any particular physical features, such as height or strength like in other sports, making it completely accessible to anyone, at least for a game among friends. All these reasons helped building a popularity which is unmatched by any other sport.

It is also peculiar the fact that football is among the sports which comprehend extremely various nationalities of athletes in the most various leagues. This table from 2010 about European leagues top divisions proves it.



Figure 3- From "Professional Football Players' Observatory", 2011.

From this graph we are able to analyze the data from all the major leagues. About 59% of the players playing in England are not English by birth, Italy about 45% of the players are non-Italian, and Spain about 38%. From the other major leagues, Germany and France, respectively 45% and 30%. The data collected from

³⁰ <http://www.fifa.com/about-fifa/who-we-are/the-game/>

this analysis, even if it is six years old, underlines the huge globalization process that hit football in the last few decades. It should not be forgotten that nowadays there are limitations in signing foreign players. Before the 90's a club could start only three players at the time whom were not originally from its home country. Today a club could have a whole team filled with EU national players, while regarding the non-EU citizens, the rules change depending on the work permit laws of the country where the club is based. One of the most significant steps in the globalization process was made in 1994 when the *Ballon D'Or*, Golden Ball, which was an individual award until that year given to the best European player in Europe, became available to the whole world. In that same year George Weah won it, a Liberian striker from A.C. Milan, who became the first non-European player to win it, and in 1997 the Brazilian striker, Ronaldo, became the first South American player to obtain the coveted individual award.

With the introduction of social media platforms in late 2000's, football clubs saw an enormous opportunity to exploit. To reach fans all around the globe has never been easier. Through official pages on Facebook, Instagram, and Twitter and so on, Clubs are able to share news on the teams, initiatives for the fans, contests, updates, and everything that concerns the club at 360° immediately. Through this way, a Manchester United fan in Australia is able to follow every information he finds useful to follow the Red Devils, in a way that before was not even thinkable. In the table below, we are able to check numbers regarding the amount of fans that every club in Deloitte's "Football Money League" Top 20 has in the major social networks.

2014/15 Money League clubs by social media activity

Club	Facebook likes (m)	Twitter followers (m)	Instagram followers (m)
FC Barcelona	89.6	16.6	26.6
Real Madrid	86.4	18	24.5
Manchester United	67.6	6.8	8.7
Chelsea	44.4	6.4	5.3
Arsenal	34.5	6.8	5.1
Bayern Munich	34.1	2.5	4.9
Liverpool	27	5.2	2.3
AC Milan	24.7	3.1	1.9
Paris Saint-Germain	22.3	3	3.6
Juventus	20.9	2.4	3
Manchester City	20.2	2.9	2.2
Borussia Dortmund	13.7	1.9	1.6
Atlético de Madrid	11.9	1.9	1.2
Tottenham Hotspur	7.2	1.3	0.5
AS Roma	6.3	0.9	0.5
Internazionale	5.7	1	0.9
Schalke 04	2.7	0.4	0.2
Everton	2.4	0.7	0.2
Newcastle United	1.8	0.7	0.01
West Ham United	1.4	0.6	0.1

Figura 4- From "Sport Football Money League". Deloitte UK 2016.

By simply summing the numbers of this table we reach for Facebook 524.8 million followers, Twitter 83.1, and Instagram 93.31, for an overall number of 701.21 followers on the three major social media platforms. Europe's population is of about 740 million people³¹, which would mean that almost the entire European population follows football and those top 20 teams. This is a perfect example of the popularity that football has reached in the last decades. In my study I was able to interview Gianluca Gombar, who works at A.S. Roma since 2013 in the media and marketing department of the club. He was asked about the globalization process which football began in the last decade, replying with:

³¹ <http://www.worldometers.info/world-population/europe-population/>

*" Football has become the most popular sport in the world and much of this is due to the emotional aspect of the game and the development of media over the past decades. Fans around the world can watch their favorite team from wherever they are thanks to television and internet. The UCL Final and the World Cup final are two of the events which have registered the largest audiences in the past years and this is due to the reach and potential of television and most importantly, the internet. Another aspect which has made a significant contribution to the globalization of football is social media. Social media is a powerful tool to engage with fans around the world, no matter the country they are in or the language they speak. It has made it possible for fans to be updated in real time 24/7 about their favorite team and players. Whether it is through official club accounts or through the personal accounts of the players, fans are able to interact and be constantly informed."*³²

With this answer, he basically gave proof to the premise we discussed above regarding football's popularity, appeal and reach, highlighting the role of internet, televisions and social media. Although, football is the most popular sport, it appears not to be the most exploited one in terms of revenues collection, leaving a great margin of improvement on this regard.

2.2 Football vs. American Sports

If we compare the Champions League Final of 2016 and the Super Bowl of the same year we could see some interesting differences. The football event reached an audience of about 350 million viewers in 200 countries across the world, against the 150 million viewers and 180 countries for its American version. Although, looking at the broadcasting rights the Super Bowl earned 3 billion dollars, with 4.5 million for a 30 seconds commercial during half time, against only 1.6 billion dollars of the Champions League final.³³ These numbers show how the Champions League has more than double the number of viewers, but at the same time earns slightly more than half of what the Super Bowl makes in broadcasting rights. Game 7 of the NBA Finals of 2016 beat all records in NBA, they peaked with 44.5 million viewers and averaging 20.1 million viewers through the whole game,³⁴ nothing compared to

³² Appendix I, Interview 1, Gianluca Gombar.

³³ edition.cnn.com

³⁴ time.com

football. The data collected shows how “The global game” has the right to be called such, but on the contrary, is the less exploited financially.

	Teams	Competition	Total Revenues	Overall Weights
20)	<i>Atletico Madrid</i>	<i>Spanish La Liga</i>	164.1M \$	2,22%
	<i>Cleveland Browns</i>	<i>NFL</i>	264M \$	4,26%
19)	<i>AS Roma</i>	<i>Italian Serie A</i>	170.2M \$	2,31%
	<i>Pittsburgh Steelers</i>	<i>NFL</i>	266M \$	4,29%
18)	<i>Fenerbache</i>	<i>Turkish Super Lig</i>	172.9M \$	2,34%
	<i>Tampa Bay Buccaneers</i>	<i>NFL</i>	267M \$	4,31%
17)	<i>Hamburger SV</i>	<i>German Bundesliga</i>	185.2M \$	2,51%
	<i>Miami Dolphins</i>	<i>NFL</i>	268M \$	4,33%
16)	<i>Galatasaray</i>	<i>Turkish Super Lig</i>	214.7M \$	2,91%
	<i>Tennessee Titans</i>	<i>NFL</i>	270M \$	4,36%
15)	<i>F.C. Inter Milan</i>	<i>Italian Serie A</i>	230.9M \$	3,13%
	<i>Seattle Seahawks</i>	<i>NFL</i>	270M \$	4,36%
14)	<i>Tottenham Hotspur</i>	<i>English Premier League</i>	235.3M \$	3,19%
	<i>Carolina Panthers</i>	<i>NFL</i>	271M \$	4,37%
13)	<i>Schalke 04</i>	<i>German Bundesliga</i>	271.1M \$	3,67%
	<i>New Orleans Saints</i>	<i>NFL</i>	276M \$	4,45%
12)	<i>Liverpool F.C.</i>	<i>English Premier League</i>	329.1M \$	4,46%
	<i>Indianapolis Colts</i>	<i>NFL</i>	276M \$	4,45%
11)	<i>Borussia Dortmund</i>	<i>German Bundesliga</i>	350.4M \$	4,75%
	<i>Green Bay Packers</i>	<i>NFL</i>	282M \$	4,55%
10)	<i>A.C. Milan</i>	<i>Italian Serie A</i>	360.4M \$	4,88%
	<i>Denver Broncos</i>	<i>NFL</i>	283M \$	4,57%
9)	<i>Juventus F.C.</i>	<i>Italian Serie A</i>	372.6M \$	5,05%
	<i>Baltimore Ravens</i>	<i>NFL</i>	292M \$	4,71%
8)	<i>Arsenal F.C.</i>	<i>English Premier League</i>	388.8M \$	5,27%
	<i>Chicago Bears</i>	<i>NFL</i>	298M \$	4,81%
7)	<i>Chelsea F.C.</i>	<i>English Premier League</i>	415M \$	5,62%
	<i>Philadelphia Eagles</i>	<i>NFL</i>	306M \$	4,94%
6)	<i>Manchester City</i>	<i>English Premier League</i>	432.5M \$	5,86%
	<i>Houston Texans</i>	<i>NFL</i>	320M \$	5,16%
5)	<i>Paris Saint-Germain</i>	<i>French Ligue 1</i>	545.5M \$	7,39%
	<i>New York Jets</i>	<i>NFL</i>	321M \$	5,18%
4)	<i>Manchester United</i>	<i>English Premier League</i>	579.7M \$	7,86%
	<i>New York Giants</i>	<i>NFL</i>	338M \$	5,46%
3)	<i>Bayern Munich</i>	<i>German Bundesliga</i>	589.8M \$	7,99%
	<i>Washington Redskins</i>	<i>NFL</i>	381M \$	6,15%
2)	<i>F.C. Barcelona</i>	<i>Spanish La Liga</i>	660.1M \$	8,95%
	<i>New England Patriots</i>	<i>NFL</i>	408M \$	6,58%
1)	<i>Real Madrid</i>	<i>Spanish La Liga</i>	709.8M \$	9,62%
	<i>Dallas Cowboys</i>	<i>NFL</i>	539M \$	8,70%

Table 1- "European Football vs. NFL" Data collected from Deloitte and Forbes in 2014.

In this table³⁵ the top twenty richest teams in European Football and NFL are compared on yearly revenues, in red are highlighted the teams which have been picked and will be later analyzed in this study. Even though the data collected is two years old, it helps depict the main differences among the two sports in terms of money earned. In fact, the top 20 football teams, all together, earn almost 7.5 billion dollars per year against the 6.1 for its American counterpart. It's revealing, though, the in depth analysis conducted to measure their overall weights. In football, between the two Madrid's teams, which occupy the first and the last position in this particular chart, there is a range of 7.4% of difference in weight, against the 4.5% of NFL, showing a much more balanced chart for the Americans. The results highlight that out of the 7.5 billion earned each year, 2 billion come from the top 3 teams, and 5 billion from the top 10. Looking at the same data for NFL, respectively 1.3 and 3.5 out of 6.1 billion dollars.

Of course, NFL, and all American National Leagues in general, work with a particular system in order to help the less performing teams to better themselves. In European Football the last three teams of each league get relegated into a lower level division, and the top three of that division get promoted into the higher level one. In the United States, the team that ends up last at the end of the regular season gets the first pick in the next draft, hence most likely, selecting the best player available coming from the college divisions. This process helps these leagues to fill the gap among the top teams and the rest. In fact, analyzing the data collected for the twenty richest teams in NFL we could see, except for the Dallas Cowboys and the New England Patriots, how all the teams could manage to stay in a range of about 100 million dollars of revenues. It is peculiar though to analyze the weights carried by the last ten teams of each league.

	Teams	Competition	Total Revenues	11th to 20th Weights
20)	<i>Atletico Madrid</i>	<i>Spanish La Liga</i>	164.1M \$	7,06%
	<i>Cleveland Browns</i>	<i>NFL</i>	264M \$	9,74%
19)	<i>AS Roma</i>	<i>Italian Serie A</i>	170.2M \$	7,32%
	<i>Pittsburgh Steelers</i>	<i>NFL</i>	266M \$	9,82%
18)	<i>Fenerbache</i>	<i>Turkish Super Lig</i>	172.9M \$	7,44%
	<i>Tampa Bay</i>	<i>NFL</i>	267M \$	9,85%

³⁵ www.businessinsider.com , data collected in 2014 from Deloitte and Forbes

	<i>Buccaneers</i>			
17)	<i>Hamburger SV</i>	<i>German Bundesliga</i>	185.2M \$	7,97%
	<i>Miami Dolphins</i>	<i>NFL</i>	268M \$	9,89%
16)	<i>Galatasaray</i>	<i>Turkish Super Lig</i>	214.7M \$	9,24%
	<i>Tennessee Titans</i>	<i>NFL</i>	270M \$	9,96%
15)	<i>F.C. Inter Milan</i>	<i>Italian Serie A</i>	230.9M \$	9,94%
	<i>Seattle Seahawks</i>	<i>NFL</i>	270M \$	9,96%
14)	<i>Tottenham Hotspur</i>	<i>English Premier League</i>	235.3M \$	10,13%
	<i>Carolina Panthers</i>	<i>NFL</i>	271M \$	10,00%
13)	<i>Schalke 04</i>	<i>German Bundesliga</i>	271.1M \$	11,67%
	<i>New Orleans Saints</i>	<i>NFL</i>	276M \$	10,18%
12)	<i>Liverpool F.C.</i>	<i>English Premier League</i>	329.1M \$	14,16%
	<i>Indianapolis Colts</i>	<i>NFL</i>	276M \$	10,18%
11)	<i>Borussia Dortmund</i>	<i>German Bundesliga</i>	350.4M \$	15,08%
	<i>Green Bay Packers</i>	<i>NFL</i>	282M \$	10,41%

Table 2- "European Football vs. NFL" Data collected from Deloitte and Forbes in 2014.

From the same table³⁶, I was able to calculate the margin of weights of the last ten positions of this particular chart. The difference in the range of weights of revenues among the two leagues is quite compelling. In fact, the range of NFL shifts from a 9.74% of the Cleveland Browns to a 10.41%, for an overall range of 0.67% , against a 8.02% of European Football, which shifts from a 7.06% of Atletico Madrid in the last position to a 15.08% of Borussia Dortmund in 11th. The difference among the ranges is of 7,35% which is considered huge in comparison with the entire chart. This results underline once again the differences in the spread of wealth between the two sports, and the gap could be a lot broader if also other positions were to be added to this chart.

2.3 Sources of Revenues

There are three major sources of revenues for football clubs. The first and “the most ancient” one is match-day. It regards the sale of tickets , food and hospitality that a football club provides to its fans during a game. In fact a thoughtful and specific marketing campaign for tickets sale could be crucial in increasing this type of revenue. In addition, a modern stadium with all the proper facilities, such as restaurants, bookmakers’ agencies, bars, and merchandising’s shops. In England most of the clubs have these “updated stadiums”, but in other football countries such as Italy and Spain, this level of infrastructures are not so common. The second major revenue is commercial rights. These regard advertising and promotion of

³⁶ www.businessinsider.com , data collected in 2014 from Deloitte and Forbes

partnerships or other brands through banners or jerseys' logos and the sale of the club's merchandising. Club's executives with their legal teams are the only ones able to close better deals in order to increase this sector of revenues. As last we can find probably the main source of revenues for clubs nowadays, and it is broadcasting rights. These comprehend all the rights regarding the display on TV of a club. There is an enhancing path that all three sources share in common, and it is more fans. The only ways that a club can increase its number of followers it is trough the enhancement of its brand equity and success on the pitch,

Football clubs could pick among several strategies in order to exploit their brand. Focusing only on one could be seen as a lack of interest on the others, failing to target some specific market segments. The financial performance of each of the major European leagues in the 2014/15 season is reported. Their performance was largely influenced by a small collection of top clubs at a global level which account for most of it. These clubs could justify the additional revenues generated thanks to the participation in Europe's top level competitions for clubs, which also, as a consequence led to sponsorships seeking for worldwide level partners.

2.4 Implementation of Strategies

Every football club tries to implement different strategies in order to generate a greater amount of revenues to reinvest. These strategies differ according to the wealth, popularity and appeal that every club possess. The graph below, shows the difference in revenues' generation among the top five European leagues.

Chart 2: 'Big five' European league clubs' revenues – 2014/15 (€m)

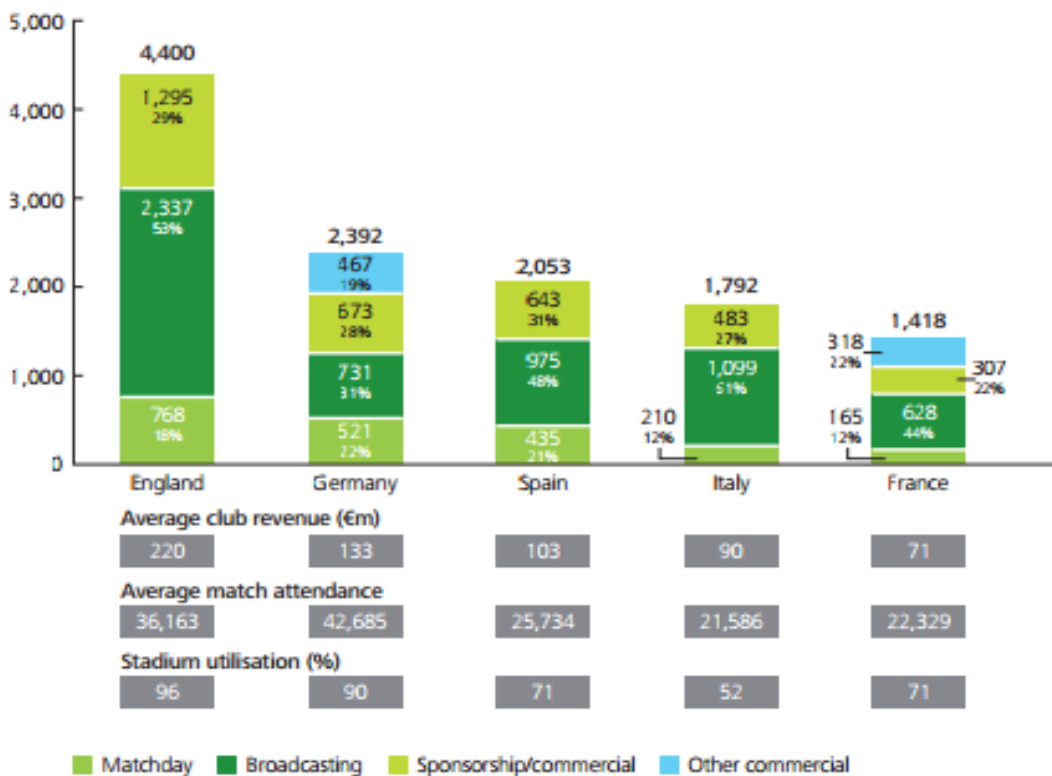


Figura 5- From "Sport Football Money League". Deloitte UK 2016

In order to understand why England generates a lot more revenues than any other European football league, we need to highlight and discuss the several strategies which a club could implement in order to raise its customer-based brand equity, and subsequently its revenues. In order to enhance brand equity, the general rule is to process several strategies such as:

- Collaboration, with other firms or brands, who will increase the appeal and popularity of the brand in question.
- Reputation, regarding reliability and credibility. Having a good brand reputation among past and present costumers will bring in future customers as well. Social networks, for example, could enhance it or destroy it overnight.
- Awareness, such as a clearly defined strategy to which anyone could recall immediately.
- Communication. A successful brand should have a consistent image, and should promote it in a way that all targeted market segments are informed and aware about it.

Every industry and market should have its customized set of rules and strategies to adopt, depending on needs, status, and occasions, but most likely the ultimate goals to reach are similar. Football is no exception. Football clubs should go around four main areas which diversify themselves into different strategies to obtain them, or in other cases, one strategy should be implemented first in order to eventually begin the other.

- Success on the field. It is the "ancient" way to do marketing for football clubs. If a club wins trophies, it will increase its popularity, and eventually enhance its number of fans, perhaps for generations. When jerseys had no sponsors, tours were harder to organize, and stadiums were not meant to have a lot of different facilities, having a successful team on the pitch was one of the few ways to increase popularity.
- Club's identity:
 - Style of play. Having an harmonious game play, devoted to attack is a good way to enhance popularity. If the club's team plays well, creating many occasions during the 90 minutes, despite the outcome of the game, it would motivate a discrete number of people to watch it, fans or non fans. In fact, as we mentioned earlier in the fans segmentation, many fans are mainly attracted by the style that a team has during a match.
 - Investing in the youth squads. Having a strong and successful youth team would bring passion among fans, apart from the obvious future cost saving. A starting player who has spent his entire career in the club would establish a sense of pride among fans, and spread his popularity in the football world.
 - Corporate Social Responsibility. It is of crucial importance despite the brand equity related outcome. Nowadays CSR is a path that all firms should pursue, not only football ones. One of the best ways football clubs are able to accomplish it is through charity foundations. Raising funds for children and people in need is a good way to give them hope. Nonetheless most football players from third world countries were children in need ones, and it is through the hope of eventually follow their steps that provides them the strength to make it out of such poor conditions. In addition, social and ethical

responsibility, has become a popular topic among fans, which pushes clubs to implement it.

- Logo design. Some logos have become a value added of some firms. Football clubs are no strangers to this. The style and design of logos, which in football are sometimes called emblems, reflects the club's identity and image. Sometimes a restyle of the logo is necessary to express a different identity or image, in order to make it quickly recognizable in foreign countries.
- Exploit foreign markets:
 - Purchasing players who attract foreign markets. In order to enhance a club's appeal in a foreign market, many clubs tend to purchase players from "underdeveloped" countries in football terms. In many cases that would push the local news and audience to follow and become fans of the club where their compatriot moved in.
 - Finding sponsorship deals on site. Scanning foreign markets looking for ideal sponsorships deals with popular local brands from other industries, is seen as an excellent way for clubs to increase their popularity in that specific market.
 - Organizing tours. It has nowadays become a trend for European top clubs to spend most of the preseason preparation in tours around the globe playing friendly matches with other top level clubs or local teams, getting the new unexploited audience to experience the club and players first hand.
 - Enter foreign markets with stores. Once a club has identified a specific market they want to enter they should begin by opening club's stores in them, to check how the market reacts. After implementing other strategies in the same market, stores represent good indicators of how well the club's brand is performing in the market. In fact, if the stores' sales increase drastically it might mean that the strategy implemented was successful, and vice versa.
- Modernization and remodeling

- Finding margin for new sponsorship deals. Most teams might find room to increase revenues from sponsorships. Including bonuses and additional clauses to the existing contracts, or expiring ones, would bring more revenues to the club, which could be invested in one of the strategies discussed above or below.
- Partnerships with strong brands. Are made in order to raise a club's international profile. If a club closes a partnership with a strong brand, on global terms perhaps, it will appear to customers as a demonstration that the club as well has a strong brand. On top of that, partnerships open new opportunities for clubs, locally, and abroad, which would increase their brand appeal in the eyes of fans.
- Stadium's modernization. A modernized stadium has appeal for both the fans, and the sponsors, and in addition, it has a broader room for generating revenues. Modern stadiums, as mentioned earlier, do not simply provide a seat for the game, but have several additional facilities which allow customers (fans) to experience the game at 360°
- Acquiring top level players. If they inserted correctly in the team's technical strategies, they would lead to possible immediate success on the field. In addition, as mentioned in the market segments, some of the fans tend to get attached to players more than teams, leading them to start following the team where their favorite player moved in. Top level players raise the popularity of clubs, and their transfers usually are discussed for weeks or even months in the news before they actually happen.

All the strategies above mentioned, are considered the main ones among top level clubs, of the several different kinds that a club could pick in order to enhance its brand equity locally and internationally, nonetheless these cover the main areas where a club should operate in its pursue of success. English Premier League clubs, as it will be proved later in this study, have always been pioneers of most of the strategies which have been mentioned above, allowing them to have more time to implement it, and most of all, obtaining a first mover advantage in some markets. A piece of the interview to A.S. Roma's marketing and social media assistant manager, Gianluca Gombar, highlights the importance of having a recognizable brand

internationally and gives an anticipation of one of the strategies implemented by Roma in this pursue.

"I think is it extremely important to have a brand that is recognizable around the world because your brand is one of the first elements which characterize the team. Roma recently changed its official logo from the previous ASR version to a new and modern version which includes the word ROMA. This was done to leverage the potential of the name of one of the most important and recognizable cities in the world, which is Rome. It is important for the Club to be associated to its home, the city from which it comes. Fortunately for Roma, our home is a city which has been at the basis of the modern world and the Club's strategy is to emphasize this association."³⁷

This is just one of the several strategies which A.S. Roma has implemented over the years to enhance its customer-based brand equity. In the next chapter an in depth analysis of all the clubs picked earlier, along with real example of the strategies discussed, will be provided.

³⁷ Appendix I, Interview 1, Gianluca Gombar.

3 Research Model

In this chapter the research and analysis of the examples chosen will be conducted. The six teams picked play in three of the best five league in the world, and each of them represents one of the best teams in those leagues. They were picked for the different types of strategies conducted over the years, and for the reason that, each with different results, happened to be successful in their recent history. Each club's revenues origin was analyzed, using clubs' income statements and the latest documents on their financial performance, provided by Deloitte and KPMG, available, which were the ones regarding the season 2014/2015. This was also a pondered choice since the sought performance to achieve was, somehow, seen in the subsequent season. A survey was also conducted for each team, where Facebook users were asked to answer, among 9-10 possible choices, which brand icon was the most representative for each team. The answers were thought to contain multiple choices regarding successful managers, legendary players, players who have been purchased recently by the club, historic results or matches, club's nickname, stadium, and emblem. The data put in the answers regards the latest season and transfer window, in a way to obtain an honest answer from the users, who included people coming from several places in the world, such as Italy, Spain, England, France, Germany, South America, and United States. In the graph below, present in the Deloitte document, we are able to see a correlation line between the number of social media followers and total revenues, where clubs like Manchester United and Arsenal end up on the line, and other clubs such as Real Madrid and Barcelona are positioned on the top-right side.

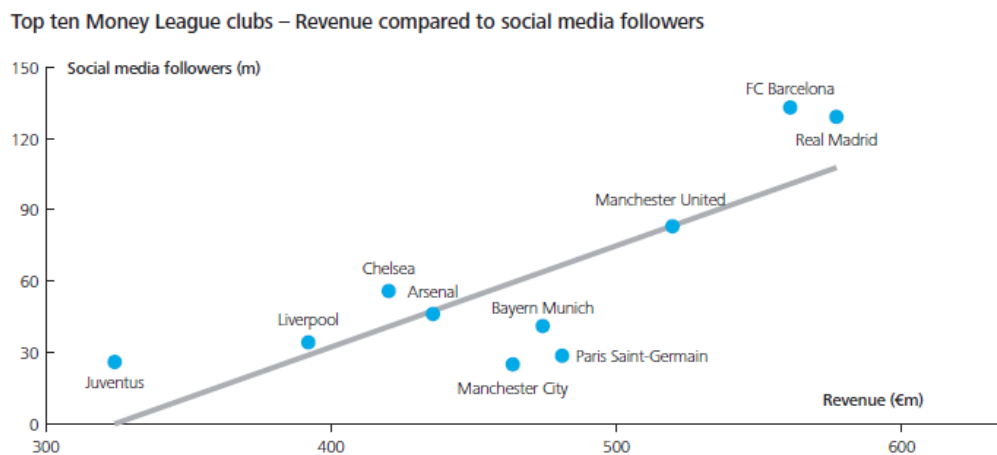


Figure 6- From "Sport Football Money League". Deloitte UK 2016

3.1 The English Premier League

In the last decade, the English Premier League became, according to the experts, the hardest and most competitive football league in the world. This feature of high competitiveness, which before was granted to the Italian Serie A for more than twenty years, helped gaining viewers from all around the world for its unpredictability and continuous turnovers. The major English league, from the season 2016/17, for three years, will be able to generate 1.26 billion Euros per season from foreign markets, making it the world's richest league in sports. In 2014/2015 the broadcasting revenues accounted for 1.1 billion Euros already.

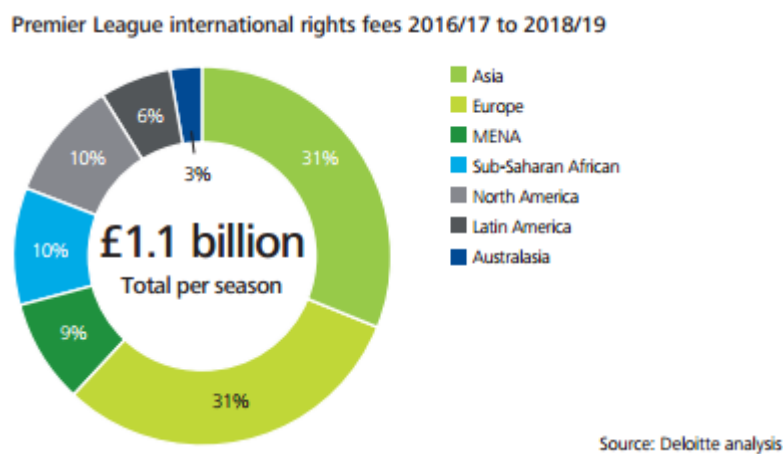


Figure 7- From "Annual Review of Football Finance". Deloitte UK 2016.

This graph shows how EPL international rights (the highest source of revenues for EPL) are spread around the world, with Asia in possess of the same market share as Europe, demonstrating once again the worldwide appeal and reach of English Premier League clubs. All these achievements were obtained over the years with strategies targeting the essential upcoming issues in sports, exploiting and enhancing traits given by both the external and internal environment which will be discussed with the two examples below.

“England has led the way in commercialization of football, increasing the value of the team, getting sponsorships, driving revenue outside of the stadium, using the stadium all the time for other events, looking to expand beyond the domestic market to sell TV rights around the world, English Premier League clubs have been very, very innovative.”³⁸

³⁸ Bill Gerrard, <http://online.wsj.com/ad/article/businessoffootball-acquisition.html>

3.1.1 Manchester United

3.1.1.1 General Information

The first example ought to be analyzed is one of the most successful teams, if not the most successful, in the history of English football. In order to analyze it correctly some raw data is necessary. Man United is one of the most followed clubs in the world, with 67.6 million fans on Facebook³⁹, and 6.8 million on Twitter⁴⁰, and 8.7 on Instagram⁴¹, counting an overall number of 83.1 million followers. On its official website it allows users to pick among seven different languages, English, Spanish, French, Arabic, Japanese, Korean, and Chinese. This is an example of how the club aims at targeting a vast number of fans all around the globe. They are known worldwide with the nickname *Red Devils*, and their motto, according to the team's website is "*Youth, Courage, Greatness.*" which is considered to be also the club's character, aiming at being the best football club in the globe, both on and off the pitch. According to its fans, instead, Man United's motto is "*We'll Never Die!*". Manchester United was purchased by the Glazer family, who also owns the Tampa Bay Buccaneers in NFL since 1995, in late 2005.

3.1.1.2 Sponsors & Revenues

Among the main sponsors Man United can account for Adidas as kit sponsor, Chevrolet (General Motors) as jersey sponsor, and AON as training ground sponsor. Other sponsors are 20th Century Fox, Aeroflot, Abengoa, Aperol Spritz, Apollo Tyres, Toshiba, Epson, DHL, and EA Sports, which all together, for the season 2014/2015, accounted for almost 178 million Euros.⁴²

The home games are played at Old Trafford, nicknamed "The Theatre of Dreams" by Sir Bobby Charlton, which has a capacity of about 76,000 seats. During the season 2014/2015 it averaged an attendance of 75,355 during league matches.

Analyzing the revenues of the club in 2015 we can see how they were able to generate revenues for 519.5 million Euros (395.2 million Pounds), of which divided

³⁹January 11th 2016 www.facebook.com

⁴⁰January 11th 2016 twitter.com

⁴¹January 11th 2016 www.instagram.com

⁴² <http://ir.manutd.com/~media/Files/M/Manutd-IR/Annual%20Reports/2015-20f.pdf>

within 114million of match-day (86.7 million Pounds), 141 million of broadcasting (107.7 million Pounds), and 263.9 of commercial gain (200.8 million Pounds).⁴³

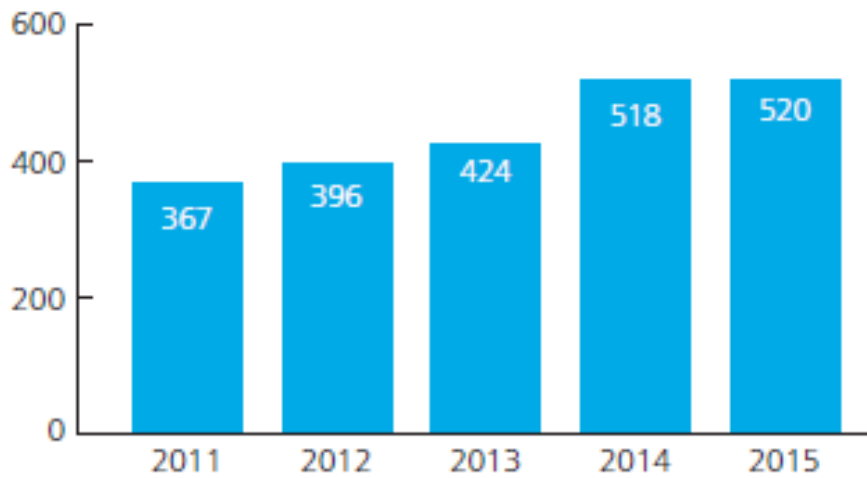


Figure 8- From "Sport Football Money League". Deloitte UK 2016

In this table we can overlook the growth of total revenues generated by Manchester United in the last 5 years. It is peculiar the growth of about two million since 2014, when in reality the total revenue fell of 9%, in fact in Pounds the total revenue of 2014 accounted for 433.2 million, which is 38 million Pounds more than 2015, was due to a decrease of both broadcasting and match-day revenues because of the non participation in European football competitions. This "fake" growth happened thanks to a combination of a favorable exchange rate shift and the stability of its business model, especially in the commercial sector. In fact, compared to the previous season, there was a growth of 4% (7.8 million Pounds), increasing commercial revenues to more than half of the total ones, thanks to the deal signed with General Motors, Man United's new jersey sponsor, and with the addition of other new sponsors, which led to a 14% (reaching an overall 154.9 million Pounds) enhancement of the sponsorship part. This sector is meant to increase even more starting from the season 2015/2016, with a record deal signed with Adidas, bringing in the cash register 750 million Pounds in 10 years for the manufacturing of the Man United's kit, which has been used from this season (2014/2015).

On the broadcasting side, revenues fell by 21% (28.1 million Pounds), due to the lack of the UEFA distributions for not qualifying to any European Competition,

⁴³ Sport Football Money League. Deloitte UK 2016

which would have been worse if it wasn't for the increase in merit payments from the English Premier League. The lack of European competitions had a severe impact also in match-day revenues, with a drop of 17% (17.7 million Pounds), leading Man United to be able to play only 21 home games in relation to the 28 games played the previous year.⁴⁴

3.1.1.3 Survey

Manchester United (65 risposte)

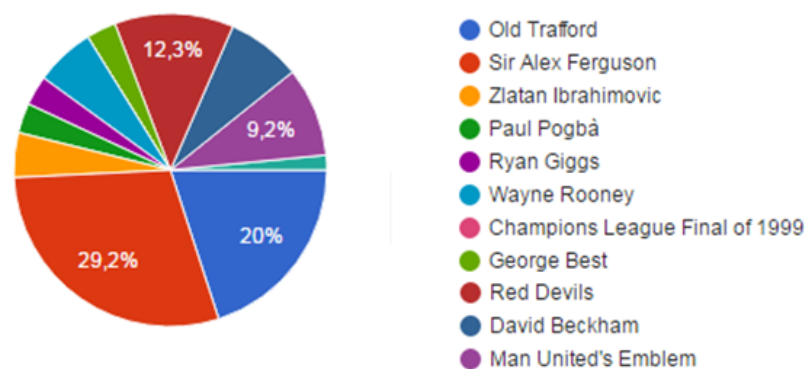


Figure 9- From "Brand Equity in Football Clubs". by Stefano De Angelis. Google Survey 2017.

The survey conducted on the strongest brand icon for Manchester United ended up proclaiming their most successful, if not the most successful ever in football, coach in its history, Sir Alex Ferguson, with 29.2 %. The silver medal was given to "The Theatre of Dreams", the Old Trafford, which scored a 20%. The third and fourth spots were occupied respectively by the "Red Devils" and Ryan Giggs, respectively with 12.3% and 9.2%. Alex Ferguson was a pretty obvious result, since he managed Man United for 27 years and collected 38 titles, among which several international ones. The Old Trafford is another easy choice since it is the largest stadium in England, with an incredible average attendance, and with great champions who played in it. Champions like Ryan Giggs, the Welshman who was a Red Devil for 24 years, sharing most of Sir Alex Ferguson's glory on the pitch.

⁴⁴ Sport Football Money League. Deloitte UK 2016

3.1.1.4 Strategies

Over the years Manchester United was able to remain successful, despite most clubs had to undergo some crisis before they were able to seek glory again. Probably, as of today, Man United is experiencing what could be seen as one of the worst periods in its history in terms of results on the pitch. Although the extremely remunerative sponsorship deals closed, and the forward looking strategies implemented over the years, will make sure that results will come back, it is only a matter of "luck and time".

“It was the first to really engage with local fans in overseas tours. And it brought in genuine merchandise. It even opened a Manchester United store in Singapore. It got a first-mover advantage.”⁴⁵

The exploitation of commercial opportunities, and the foresee that Manchester United obtained by establishing a first-mover advantage in the East, are the reasons of the Red Devils' success. Man United presents a huge engagement with fans, being the most followed club on social networks of the Premier League. About 15%⁴⁶ of the overall followers are Chinese, which came after the agreement closed with Sina Sport, a famous Chinese sports media platform. In fact, Manchester United is going to have a 24-hour special channel, called MUTV, broadcasted in China, as a demonstration of the enormous appeal it was able to gain over the years in the Eastern hemisphere. The main strategy they are implementing is organizing tours all over the world, which would increase their appeal, reach, and as a consequence their number of fans/customers.

“Manchester United have been everywhere from Far East to the U.S. – and it’s not by chance. The tour is the best way that they can launch or re-launch in a particular market into which you’re taking the product, because people can see the brand in action.”⁴⁷

⁴⁵ James Park, manager at Brand Finance PLC

<http://online.wsj.com/ad/article/businessoffootball-acquisition.html>

⁴⁶ Football Money League 2016, Deloitte UK.

⁴⁷ Adam Raincock, [http://www.goal.com/en-gb/news/2896/premier-](http://www.goal.com/en-gb/news/2896/premier-league/2012/07/18/3240600/from-manchester-to-malaysia-why-premier-league-clubs-are-rushing-)

[league/2012/07/18/3240600/from-manchester-to-malaysia-why-premier-league-clubs-are-rushing-](http://www.goal.com/en-gb/news/2896/premier-league/2012/07/18/3240600/from-manchester-to-malaysia-why-premier-league-clubs-are-rushing-)

If we take a look at where Man United has been in the past years, we would be able to see how they were able to enhance their brand equity. The pre-season of 2012 began with a United States summer tour, DHL tour, which followed other games played in South Africa, China, Norway, Sweden and Germany.⁴⁸ In 2013 the Red Devils started from Bangkok playing a game against Singha All Star, for the latter's 80th anniversary. Later, they played a game against A-League All Stars in Sydney, than they moved to Yokohama, Osaka, Hong Kong, and Stockholm, where they played matches against local teams, being sponsored by AON⁴⁹ in every single one. 2014 saw them returning to the United States, where they faced higher level teams. Man United faced Los Angeles Galaxy in Pasadena, A.S. Roma in Denver, Inter Milan in Washington, and Real Madrid in Ann Arbor, sponsored by Guinness⁵⁰. All these tours helped gathering a lot of fans of local clubs to see their heroes in action, "conquering" new fans, sell merchandise, and getting paid by the sponsors in the mean time. If we consider merely the locations where Manchester United has been heading for its summer tours, it is easy to guess the marketing strategy that they are putting in place. In fact, with the trend seen in returning in similar locations over the years, Man United is trying to get the highest number of hypothetical future customers in specific locations to get in touch with the brand, and to strengthen their engagement with it over time. Another strategy which they happened to put in place over the years was purchasing players to attract new segments of audience. After Park Ji Sung, South Korean midfielder which played at Old Trafford from 2005 to 2012, in 2012, Manchester United purchased the Japanese Shinji Kagawa, who, still in 2015 had the tenth most sold jersey in the football world⁵¹, and in 2013, according to the Daily Mail, was the fourth most sold jersey in the Premier League, having up to a 5.8% of the whole share, although most of the units were sold in Japan⁵². But that's not the only way the Red Devils colors are sold around the globe. In fact, in the

⁴⁸ <http://www.manutd.com/en/Tour2013/Tour2013News/2012/Dec/video-summary-of-manchester-united-dhl-pre-season-tour-games.aspx>

⁴⁹ <http://www.manutd.com/en/tour2013>

⁵⁰ <http://www.dailymail.co.uk/sport/football/article-2695725/Manchester-United-USA-tour-2014-schedule-Fixtures-dates.html>

⁵¹ <http://sillyseason.com/football/top-10-highest-selling-football-jersey-names-2015-43000/>

⁵² <http://www.dailymail.co.uk/sport/football/article-2289560/Manchester-Uniteds-Robin-Van-Persie-tops-shirt-sales-ahead-Wayne-Roney-Steven-Gerrard-Luis-Suarez.html>

same chart in 2013, other three Man United players were present in the list. Robin Van Persie first, with 25.4% of the shares, Wayne Rooney fourth, with 6%, and Paul Scholes seventh, with 2.7%. In 2016, Manchester United had the top-charting football jerseys in the world for sales, with 2.850 million units, which happened to be a 40% increase in comparison to the previous season, also presenting three players in the top ten chart for individual jersey sale. Paul Pogbà, Zlatan Ibrahimovic, and David De Gea occupy respectively, the third, fourth, and seventh spot in this particular table⁵³. In fact, the signing of the Frenchman and the Swedish superstar during the summer of 2016, brought new enthusiasm in Manchester and it was reflected in the whole football world.

3.1.2 Manchester City

3.1.2.1 General Information

The "other" team of Manchester doesn't share the same past glory of their city rivals. Although, in recent years, after the acquisition of the club by Mansour in 2007, their awards' shelf started filling up again. On Facebook they have 20.2 million fans⁵⁴, while on Twitter 2.9⁵⁵, and 2,2 million fans on Instagram⁵⁶, for an overall amount of 25.3 followers. In all three cases the amount of followers is about one third of Man United's fans.

On its official website Man City presents versions in 13 different languages, among which English, Spanish, Portuguese, French, Indonesian, Japanese, Korean, Chinese, Malaysian, Spanish, Russian, Indian, and Arabic,⁵⁷ which shows the aim of the club at targeting fans all around the globe, and expanding in unexploited markets.

The club's motto is "*Superbia in Proelio*", which in Latin means "pride in battle", and together with the badge, constituting of an eagle's crest, recalled the original code of arms of the City of Manchester, underlining their willingness of

⁵³ <http://www.totalsportek.com/football/clubs-with-most-shirt-sales/>

⁵⁴ January 11th 2016 www.facebook.com

⁵⁵ January 11th 2016 twitter.com

⁵⁶ January 11th 2016 www.instagram.com

⁵⁷ <https://www.mancity.com/>

representing the City of Manchester, which would differentiate them from their eternal rivals of Man United.⁵⁸

Manchester City is today owned by Abu Dhabi United Group Investment and Development Limited, which purchased the club in 2008 for about 200 million pounds from Thaksin Shinawatra, who between 2001 and 2006 was also Thailand's Prime Minister. The Abu Dhabi United Group is owned by Sheik Mansour, member of the Abu Dhabi Royal Family and considered one of the wealthiest men in the world.

3.1.2.2 Sponsors & Revenues

Among the main sponsors, Man City can count on Ethiad Airways, for jersey and stadium's official sponsors, Nike as kit sponsor, Nissan as official automotive partner, and other minor ones such as Muscle Pharm, Coco Joy, SAP, Nexen Tire, AABAR, EA Sports, and QNET⁵⁹.

The home games are played at the Ethiad Stadium, which from the season 2015/2016 has a capacity of 55,000 seats. During the season 2014/2015 it averaged an attendance of 45,345 during EPL matches.

Looking at total revenues, the Citizens accounted in the season 2014/2015 463.5 million Euros (352.6 million Pounds). These revenues break down into 228.5 million Euro (173.8 million Pounds) of commercial revenues, 178 million Euro (135.4 million Pounds) of broadcasting, and 57 million Euro (43.4 million Pounds) of match-day revenues.

⁵⁸ <http://mcivta.com/history/>

⁵⁹ [http://content.mcfc.co.uk/~media/Files/1516/MCFC_Annual_Report_2014_15_Print_Out_Final.p
df](http://content.mcfc.co.uk/~media/Files/1516/MCFC_Annual_Report_2014_15_Print_Out_Final.pdf)

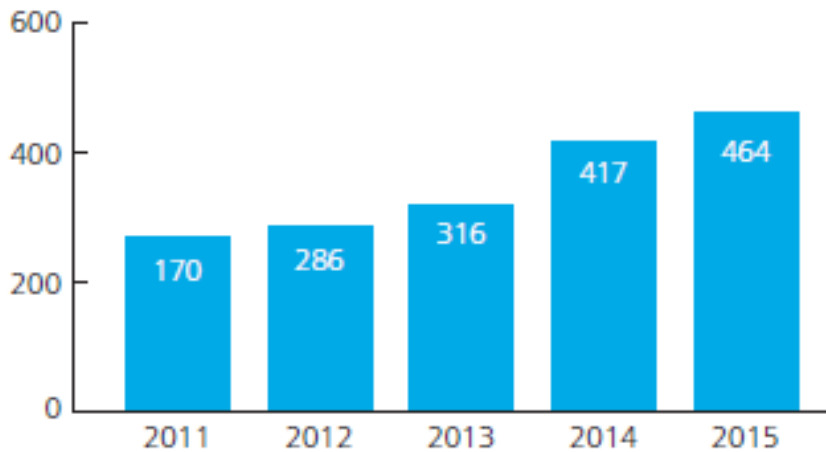


Figure 10- From "Sport Football Money League". Deloitte UK 2016.

Looking at this graph we can depict the perpetual and steady growth path which Man City took regarding revenues over five seasons, which boosted significantly from 2013 to 2014. In 2015 they were able to set a club's record in terms of total revenues generated, despite the "poor" results obtained on the field which brought no trophies to the team led by Manuel Pellegrini, obtaining a second place in the English Premier League, and being kicked out during the round of 16's in the Champions League by F.C. Barcelona. Match-day fell significantly by 9% (4.1 million Pounds) due to the renovation of the Etihad Stadium for the new season, where the Citizens added 7,000 seats to the South Stand, enhancing its capacity to an overall 55,000, and having the possibility to an additional increase to 61,000, placing the Etihad Stadium at the second place in a special chart regarding the largest English stadiums, behind the other Manchester's Stadium, Old Trafford. On the other hand, broadcasting revenues slightly increased by 2% (2.2 million Pounds), together with the commercial ones, which, the latter, accounts for 49% of City's total revenues. Commercial revenues rose by 4% (6.2 million Pounds).

3.1.2.3 Survey

Manchester City (65 risposte)

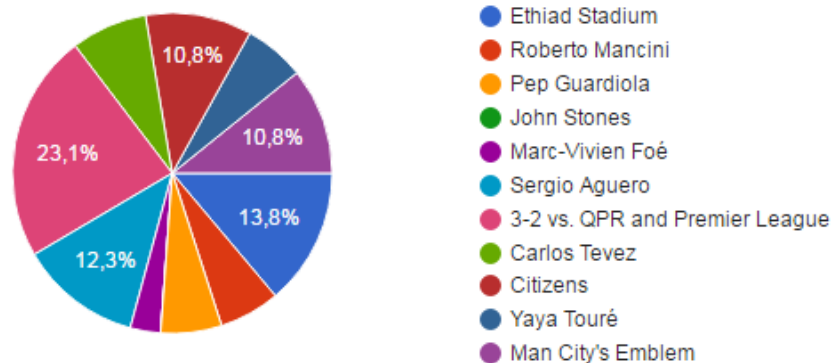


Figure 11- From "Brand Equity in Football Clubs". by Stefano De Angelis. Google Survey 2017.

Manchester City's survey on brand icons revealed surprisingly that the 3-2 vs. Queens Park Rangers in the last game of the EPL of 2012, which delivered the title to the Citizens, it's the most notable brand icon with a strong 23.1%. In fact, the second strongest result was the Ethiad Stadium with a 13.8%, followed immediately by Sergio Aguero with a 12.3%. The fourth spot was an ex aequo among Citizens and Manchester City's emblem with a 10.8%. The 3-2 versus QPR was a surprising result, although it brought the Premier League title back to Man City after almost 45 years, and with a goal scored in full extra time by Sergio Aguero, who in fact, ended up fourth, probably also thanks to that particular goal. The Emblem and the stadium are pretty standard results in brand icons football surveys.

3.1.2.4 Strategies

The Citizens have been following their city's rivals in regards of strategies to use for brand equity enhancement, almost in a specular way. In the pre-season in summer 2013, Manchester City flew all over the world, starting from the United States, in St. Louis and New York, where in both games they had to face Chelsea. Later they have been in Durban, Pretoria and Helsinki. They also participated in the Audi Cup in Munich against Bayern Munich and A.C. Milan, after the Barclays Asia Trophy in Hong Kong⁶⁰. In 2014 after some friendly matches in Scotland, they participated to International Champions Cup in the United States, where in Kansas,

⁶⁰ <http://www.dailymail.co.uk/sport/football/article-2327369/Premier-League-pre-season-fixtures-results-2013.html>

Pittsburgh, New York, Minneapolis, and Miami they faced some high level teams such as Real Madrid, Inter, A.S. Roma, A.C. Milan, and Olympiakos⁶¹. In 2015 it was Australia's turn, where they went against Toronto F.C., A.S. Roma, and Real Madrid⁶². In contrast with Man United, the strategy set up by Man City slightly changes. In fact, always by looking at the destinations of the tours, we are able to identify a trend of visiting a different place every time, in a way to expand the reach of the brand, without trying to strengthen it, but trying to obtain a part of the share of every hypothetical new market.

*“Manchester City’s popularity and brand value in South East Asia has grown exponentially in recent years. Their success and playing style on the pitch has been embraced by millions of young up – and – coming football fans across the region, who aspire to watch beautiful attacking football.”*⁶³

As a consequence of the strategy discussed by Do Quang Hien, Chairman of Saigon Hanoi Commercial Joint Stock Bank, of having on the field a style of play which attracts fans, it can be seen as a reflection in the transfer windows operated by the Citizens. In 2011 Manchester City signed two fantastic attacking players, to improve its forwards, who were Samir Nasri from Arsenal, for 23.8 million Pounds (almost 28 million Euros), and Sergio Aguero from Atletico Madrid, for 30.6 million Pounds⁶⁴ (almost 36 million Euros)⁶⁵. A situation repeated in 2015, where Man City signed two other important attacking players, still with Sergio Aguero in the roster, Kevin De Bruyne from Wolfsburg, for 62.9 million Pounds (slightly more than 71 million Euros), and Raheem Sterling from Liverpool, for 53.13 million Pounds⁶⁶ (about 62 million Euros)⁶⁷. Although strikers are the players who, most of the times, decide results, they are not the only ones whom bring enthusiasm to the fans.

⁶¹ <http://www.manchestereveningnews.co.uk/sport/manchester-city-summer-tour-2014-7319846>

⁶² <http://www.goal.com/en-gb/news/3349/pre-season/2015/05/26/12092492/manchester-citys-2015-16-pre-season-fixtures-in-full>

⁶³ Mr. Do Quang Hien, Chairman of Saigon Hanoi Commercial Joint Stock Bank
<https://www.mancity.com/en/fans-and-community/club/partners/regional/shb-bank>

⁶⁴ www.transfermarkt.co.uk

⁶⁵ Exchange rate as of January 2017

⁶⁶ www.transfermarkt.co.uk

⁶⁷ Exchange rate as of January 2017

Manchester City, as of 2015, over five seasons was the club which spent the most in the EPL during the transfer windows.

#	Net Spend last 5 Years	Purchased Gross	Sold	Nett	Per Season
1	Manchester City	£565,650,000	£163,100,000	£402,550,000	£80,510,000
2	Manchester United	£528,800,000	£160,150,000	£368,650,000	£73,730,000
4	Arsenal	£298,340,000	£92,450,000	£205,890,000	£41,178,000
3	Chelsea	£507,459,000	£315,150,000	£192,309,000	£38,461,800
5	West Ham	£151,300,000	£26,000,000	£125,300,000	£25,060,000
6	Liverpool	£365,600,000	£244,080,000	£121,520,000	£24,304,000
7	Leicester	£129,700,000	£41,300,000	£88,400,000	£17,680,000
8	Sunderland	£124,480,000	£51,050,000	£73,430,000	£14,686,000
9	Stoke City	£86,300,000	£24,000,000	£62,300,000	£12,460,000
14	Watford	£88,400,000	£28,800,000	£59,600,000	£11,920,000
10	West Bromwich Albion	£89,350,000	£30,209,000	£59,141,000	£11,828,200
11	Crystal Palace	£125,535,000	£68,900,000	£56,635,000	£11,327,000
15	AFC Bournemouth	£76,850,000	£24,750,000	£52,100,000	£10,420,000
12	Everton	£191,300,000	£116,316,000	£74,984,000	£14,996,800
15	Hull City	£92,625,000	£45,700,000	£46,925,000	£9,385,000
16	Middlesbrough	£53,725,000	£17,675,000	£36,050,000	£7,210,000
17	Southampton	£221,100,000	£187,850,000	£33,250,000	£6,650,000
18	Burnley	£46,900,000	£23,450,000	£23,450,000	£4,690,000
19	Tottenham	£315,450,000	£309,950,000	£5,500,000	£1,100,000
20	Swansea	£109,875,000	£119,560,000	£-9,685,000	£-1,937,000

Figure 12- From "Premier League Table Last Five Seasons". Transferleague. 2015.⁶⁸

As we can see Man City spent 565.650 million Pounds (approximately 658 million Euros)⁶⁹ from 2010 to 2015 on acquiring players, in order to better themselves on the field, two EPL titles came along, and, metaphorically, on the stands. Indeed, with these enormous transfer campaigns, the Citizens were able to be back, especially during the summer, on the front page of most sports' newspapers, for closed deals or hypothetical deal. In addition, there has been a trend going on for a couple of years, that every player performing well in a medium/high level club, had rumors on a move to Man City. Another factor which has increased the brand awareness of Manchester City over the years, can be seen through the jerseys sale. In 2016, Sergio Agüero had the ninth most sold jersey in the football world, with a 60% increase in sales compared to the previous year⁷⁰, which is a trend that has been going on for many years since it's move to the Citizens. In 2013, Sergio Agüero's jersey was the ninth most sold jersey in England, with 2.2% of the all share. In the

⁶⁸ <http://www.transferleague.co.uk/premier-league-last-five-seasons/transfer-league-tables/premier-league-table-last-five-seasons>

⁶⁹ Exchange rate as of January 2017

⁷⁰ <http://www.totalsportek.com/football/clubs-with-most-shirt-sales/>

same year, if we look only at the Man City players, the first three positions were occupied by, Sergio Agüero, Mario Balotelli, and David Silva, with 24%, 13%, and 8.4% of the clubs' share⁷¹.

During the season 2014/2015, there was a reduction of 9% in match-day revenues, for a 4% decrease on average games' attendance at the Etihad Stadium of Manchester. This happened because of seats' restrictions due to the construction of 7,000 new seats to be added to the South Stand, in a way to increase the stadium's capacity to an overall 55,000. Permissions have already been asked for a further increase in capacity, allowing the Etihad to reach 61,000 seats⁷², which will allow to have, overall, 17,000 more Citizens' fans at the stadium every week. In addition, in late 2015, it was reported an investment of 255 million pounds (approx. 295 million Euros) to acquire 13% of the shares of Man City, by a Chinese consortium, with ahead of it, China Media Capital Holdings, which will allow the Citizens to have ulterior economic power in transfer windows, and to expand better its brand in the Eastern hemisphere.

3.2 La Liga

According to many critics, La Liga, although considered the second best league in the world after EPL, lacks competition despite the big two, Barça and Real Madrid, and Atlético Madrid, which compete for the top three spots every year. Clubs like Sevilla, Valencia and Athletic Bilbao usually contend the remaining European qualifying spots. In comparison to the previous season, in 2014/2015 La Liga, increased its overall revenues by 11.4%, reaching an overall 2417.2 million Euros.

If we analyze the breakdown of the total revenues generated by La Liga BBVA, we can see how the main source of revenues like in other leagues is always broadcasting, reaching 785.9 million Euros.

⁷¹ <http://www.dailymail.co.uk/sport/football/article-2289560/Manchester-Uniteds-Robin-Van-Persie-tops-shirt-sales-ahead-Wayne-Roney-Steven-Gerrard-Luis-Suarez.html>

⁷² "Football Money League", Deloitte UK, 2016.

LaLiga · Evolution of INCN components

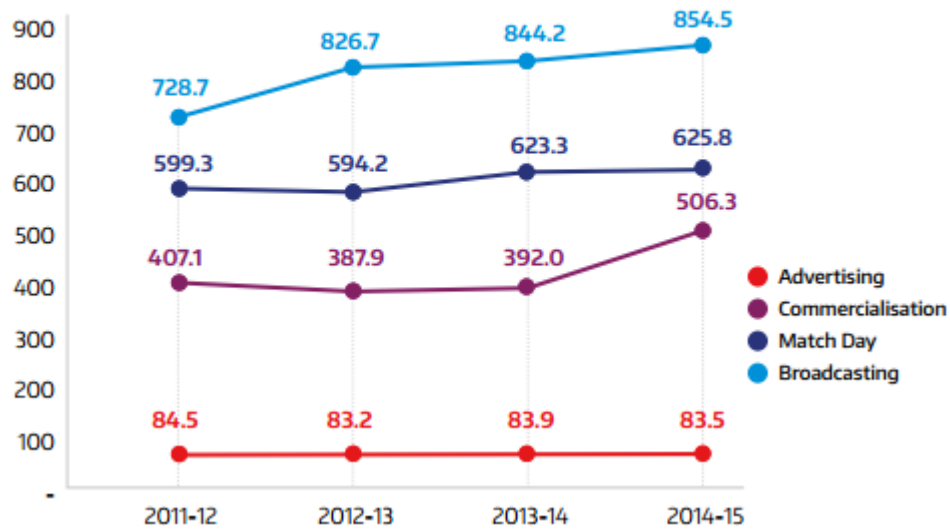


Figure 13- From "Professional Football Finance Report". La Liga 2015.

This graph shows the breakdown of revenues in La Liga during a four season time period. Despite, as mentioned earlier, broadcasting still represents the major revenues source, the one which increased the most in comparison to the previous season is commercial revenues, which bounced from a 392 million Euros to a 506 million in one season only, thanks to the new sponsorship agreements which many clubs closed in this time period.⁷³

The aggregate attendance for La Liga BBVA in 2014/15 amounted to a total of 13.547 million, which was an increase of 4.2% from 2013/2014.⁷⁴

⁷³ http://files.laliga.es/201604/15171007memoria-economica-2015_eng_webv15042016.pdf

⁷⁴ http://files.laliga.es/201604/15171007memoria-economica-2015_eng_webv15042016.pdf

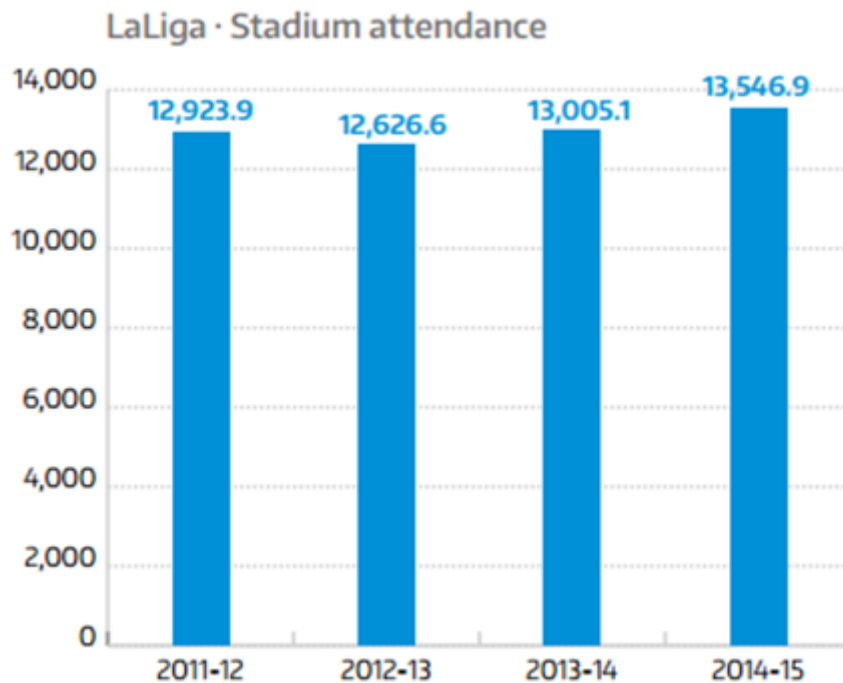


Figure 14- From "Professional Football Finance Report". La Liga 2015.

This graph shows the growth of overall attendance over the last four seasons, which, except for 2012/2013, demonstrates a growing trend, underlining again the popularity of football in Spain.

3.2.1 Real Madrid

3.2.1.1 General Information

The club with most European titles won in the history of football is at the same time one of the most followed clubs in the world. Real Madrid is able to account for 86.4 million followers on its Facebook page⁷⁵, 18 million on Twitter⁷⁶, and 24.5 million on Instagram⁷⁷, for a total of 128.9 million followers, making it the second most followed football team in the world, right after their Catalonians eternal rivals. On their official website, they present eight different eligible languages, among which Spanish, English, Portuguese, French, Indonesian, Chinese, Japanese, and Arabic⁷⁸, aimed at targeting the countries where they possess the higher amount of fans based.

⁷⁵ January 11th 2016 www.facebook.com

⁷⁶ January 11th 2016 twitter.com

⁷⁷ January 11th 2016 www.instagram.com

⁷⁸ www.realmadrid.com

They are known worldwide with several different nicknames. *Los Blancos*, for an obvious reason regarding their social colors on the jerseys and emblem. Another widely known nickname is *Los Merengues*, which comes from the resemblance of their jerseys to the typical French dessert, meringue, and it was stuck to them since the early years after their foundation, especially from rival clubs. The nickname with which they have been widely known recently is *Los Galacticos*. This term began to address Real Madrid's player from the early 2000's, when Florentino Perez, began a policy which consisted in purchasing, at least, one superstar player every summer. This began with Luis Figo in 2000, with the "scandalous" transfer from FC Barcelona, and concerned some of the best players of the planet in those years, such as Zinedine Zidane, Ronaldo, David Beckham, Walter Samuel and Michael Owen. The "second Galacticos-era", which continues to this day, began in the season 2008/2009 with the signing of Kaka and Cristiano Ronaldo, and went on with Gareth Bale, Mesut Ozil, James Rodriguez, Xabi Alonso, Angel Di Maria, Karim Benzema, and so on. Their official motto is *¡Hala Madrid!*, in English it means "Let's go Madrid!", and it's frequently used by fans on the stands of Santiago Bernabeu, or as an hashtag on social networks.

Real Madrid's president is Florentino Perez, who has already been the club's president from 2000 to 2006, but unlike other clubs, Real Madrid is owned by its fans. In fact there are about 91,000 *socios*, who are members and pay a fee of about 124 Euros a year for member privileges. These members have the right to vote in order to elect a President of the club every four years. In Spain, a difference among *socios* owned clubs and other clubs, regards also taxation, where the former are subject to a 25% taxation rate, against the 30% taxation rate of the latter.

3.2.1.2 Sponsors & Revenues

Real Madrid can count on some of the best sponsorship deals in the world of sports, including main sponsors like Adidas for kits, Fly Emirates as jersey band sponsor, ITIC, Audi, Mahou, Microsoft, Hugo Boss and EA Sports.

Real Madrid plays its home games at the Santiago Bernabeu, who was a Real Madrid's striker during 1920's and according to many one of the most important authors of Real Madrid's success, and has a capacity of 85,454 seats. During the season 2014/2015 it averaged an attendance of 72,969 during league games.

According to Deloitte, Real Madrid, during the season 2014/2015 once again, was the football club which generated the highest amount of revenues in the world, the exact number of total revenues accounted for 577 million Euros. These divided into 129.8 million Euros of match-day gainings, 199.9 million Euros of broadcasting, and 247.3 million Euros of commercial revenues⁷⁹.

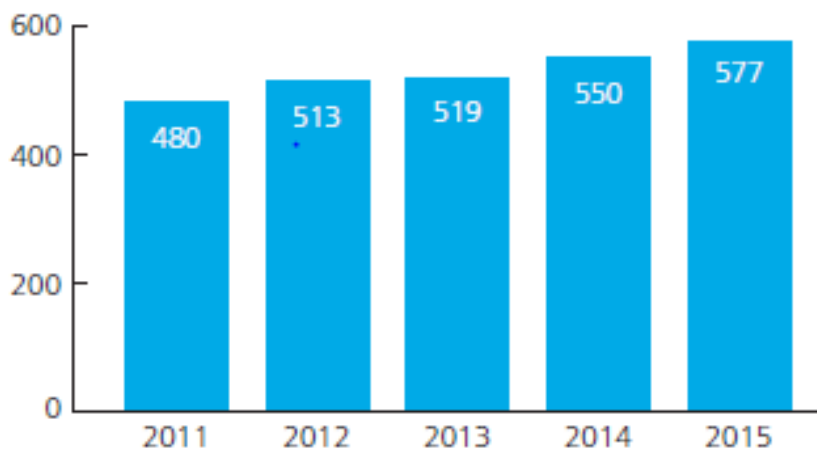


Figure 15- From "Sport Football Money League". Deloitte UK 2016.

This table indicates the pattern of Real Madrid's total revenues over a five seasons' time, starting in 2011. We are able to depict a stable and steady slow growth every year, even though the difference between 2011 and 2015 is of 97 million Euros.

During the season 2014/2015, although, Real Madrid wasn't able to collect any trophy to add to their glorious shelf. They ended up second in the Spanish league and were kicked out of the Champions League during the semifinals. This "on-pitch trend" led, nonetheless, to an increase in total revenues of 5% (27.5 million Euros). Match-day saw an increase of 8% (9.1 million Euros), while commercial was enhanced by 10% (22.7 million Euros). Due to the elimination during the semifinals of the Champions League, Real Madrid received 52.5 million Euros from the UEFA distributions, unlike the 57.4 million Euros earned the previous season after winning the competition, causing a slight decrease in broadcasting revenues from 204.2 to 199.9 million Euros⁸⁰.

⁷⁹ "Football Money League", Deloitte UK, 2016

⁸⁰ "Football Money League", Deloitte UK, 2016

3.2.1.3 Survey

Real Madrid (65 risposte)



Figure 16- From "Brand Equity in Football Clubs". by Stefano De Angelis. Google Survey 2017.

The results from Real Madrid's brand icons survey was quite expectable. Cristiano Ronaldo placed himself first with a strong 43.1%, ahead of *Los Galacticos* with a 20%. The third and fourth spots were occupied by Real Madrid's Emblem with a 10.8% and Estadio Santiago Bernabeu with 7.7%. Cristiano Ronaldo, or simply CR7, is, as we have seen in the first chapter, the most popular sportsman today. So it's choice as strongest brand icon for Real Madrid was expected. *Los Galacticos*, on the other hand, was not expected to come right behind, although, the process started from Florentino Perez in 2000 was a movement which attracted the attention of the press every summer, enhancing the fame of the single players and the club, both already vastly known worldwide. Emblem and Santiago Bernabeu were also to be expected.

3.2.1.4 Strategies

The main dogmas of Real Madrid are two, success and popularity. Every strategy taken by *Los Blancos* relies on them. From their white and golden jerseys, to the big names, and stadium. The latter was lately renewed, bringing in a 3% percent increase in average attendance and a 13% increase in revenues from the VIP Areas and executive boxes which have been recently renovated at the Santiago Bernabeu, which will be entirely redesigned in the years to come as agreed on the plan. Past, future, and present of Real Madrid is strictly connected with the words mentioned above. Success has been achieved on the field, being the only club on the planet with 11 Champions Leagues, and several domestic and international titles. Popularity has also been achieved through the successes and the variety of stars which have ran up

and down the Santiago Bernabeu, and there has been a way through which the club was able to achieve both goals at once, and that was, the already above mentioned, *Galacticos* Era. During the first *Galacticos* Era, Real Madrid signed the best attacking players on the planet, trying to put on the pitch the same level of spectacle and appeal that was in the minds of its Board. Zinedine Zidane, Luis Figo, Ronaldo, David Beckham, Michael Owen were paid respectively, 73.5 million, 60 million, 45 million, 37.5 million, and 12 million Euros, for a total of 228 million Euros, which, for the prices of that time, it was considered a crazy sum. If we also considered other players who joined the *Galacticos* roster during that "Era", from 2000 to 2006 we can arrive to an overall amount spent of 524.45 million Euros⁸¹. The second Galacticos Era was even more impressive in terms of sums spent, since F.C. Barcelona started to become more than simply a threat to Madrid. Kaka, Cristiano Ronaldo, Xabi Alonso, Gareth Bale, James Rodriguez, Angel Di Maria, Luka Modric, Karim Benzema and so on, represented the second wave of superstars in the Madrid's roster, and they were paid respectively, 65 million, 94 million, 35,4 million, 101million, 75 million, 33 million, 30 million, and 30 million Euros, for a total of 463,4 million Euros. Again, if we count the overall amount of money spent during the second Galacticos Era, hence from 2009 to 2014, Real Madrid spent on players 745.4 million Euros. If we add up the two Eras together, Real Madrid spent 1269.85⁸² million Euros in 12 years, hence, more than 100 million Euros a year spent only in the acquisition of players, without counting salaries and other expenses. It is no surprise that their popularity grew exponentially, not only in Europe, but in the entire world. There was no other team, during those years, which could compete economically with *Los Blancos*, and this policy of acquiring the best players available, boosted the popularity of Real Madrid even to the very few countries where football is not seen as the most popular sport. This popularity was always reflected on commercial revenues, whether on sponsorship deals or merchandising sales. As of October 2016, Real Madrid has the second most sold football jersey in the world, 2,290,000 units, with a 32% increase compared to the previous year. The name which has been sold the most is Cristiano Ronaldo, who places himself second,

⁸¹ all the numbers regarding the money spent in the acquisition of players were taken from www.transfermarkt.com

⁸² all the numbers regarding the money spent in the acquisition of players were taken from www.transfermarkt.com

behind Lionel Messi, with a 108% increase after Euro 2016⁸³. Another strategy is the one concerning the signing of new sponsorship deals, and renovating old ones. Adidas and Emirates will keep being, respectively, the kits' and jerseys band sponsors for many years, with an additional deal which has been signed with Abu Dhabi's International Petroleum Investment Company. This sponsorship agreement will help in expanding and restructuring the Schools of Football, of the Real Madrid Foundation, worldwide. The *Fundaciòn ReALMAdrid*⁸⁴ is a charitable foundation which creates and develops football schools for children in third world countries, helping them not only with sports, but values, integral education, historical heritage, etc. According to the website, the noble goal of the foundation is to help children who suffer of marginalization and to promote every aspect linked to sports which could help them in their situation⁸⁵. This charitable policy does not only help children in need, which is already an extremely noble cause, but also helps further the enhancement of the Real Madrid brand worldwide in the eyes of its fans and customers.

3.2.2 FC Barcelona

3.2.2.1 General Information

The second most successful team in Spanish history, saw an exponential growth in revenues and popularity in the last decade, starting with the Ronaldinho-era, and moving on to the Messi-epoch, which brought successes on national and international fields to the club, which were never accomplished earlier on the same level of consistency.

Today F.C. Barcelona can count on 89.6 million fans on Facebook⁸⁶, 16.6 on Twitter⁸⁷, and 26.6 on Instagram⁸⁸, for a total of 132.8 million fans on all three social

⁸³ All jerseys' data was taken from <http://www.totalsportek.com/football/clubs-with-most-shirt-sales/>

⁸⁴ The attachment of the words Real Madrid was done on purpose by the club, creating the Spanish word "*alma*", which in English means "soul".

⁸⁵ <http://www.realmadrid.com/en/about-real-madrid/foundation/about-the-foundation/annual-memories>

⁸⁶ January 11th 2016, www.facebook.com

⁸⁷ January 11th 2016, twitter.com

networks combined, which is more than any other football club on a global level. On their website they present ten different languages available, like Catalan, Spanish, English, French, Portuguese, Chinese, Indonesian, Japanese, Arabic, and Turk, showing both pride for their home country and willingness to internationalize, despite their independent eagerness.

F.C. Barcelona fans are widely known with the nickname *Els Blaugrana*, which is an obvious reference to their social colors. Their official motto is *Més que un Club*, which in English means "more than a club", indicating how F.C. Barcelona represents, inside of the Spanish La Liga, the Catalan pride and success, how these fans see through their team a way to fight against the national powers and the Spanish Royal family.

F.C. Barcelona's president, as of today, is Josep Maria Bartomeu, who succeeded Sandro Rosell in 2014. Just like their rivals of Real Madrid, Barça is a *socis* organized club, where *socis* is Catalan for associates, and it includes 140,000 *socis* which, just like *el Madrid*, elect a new president every four years.

3.2.2.2 Sponsors & Revenues

Among the main sponsors, F.C. Barcelona can count on Nike as kit sponsor, and Qatar Airways as jerseys' banner sponsor. Other minor sponsors are Gillette, Konami, La Caixa, Audi, Beko, and Estrella Damn.

The home games are played at the Camp Nou with a capacity of 99,354 seats available, and during the season 2014/2015 they averaged an attendance of 77,632.

F.C. Barcelona was able to score an overall revenue of 560.8 million Euros during the season 2014/15, which breaks down into 116.9 million Euros of match-day, 199.8 million of broadcasting gaining, and 244.1 million Euros of commercial revenues.⁸⁹

⁸⁸ January 11th 2016, www.instagram.com

⁸⁹ "Football Money League", Deloitte UK, 2016

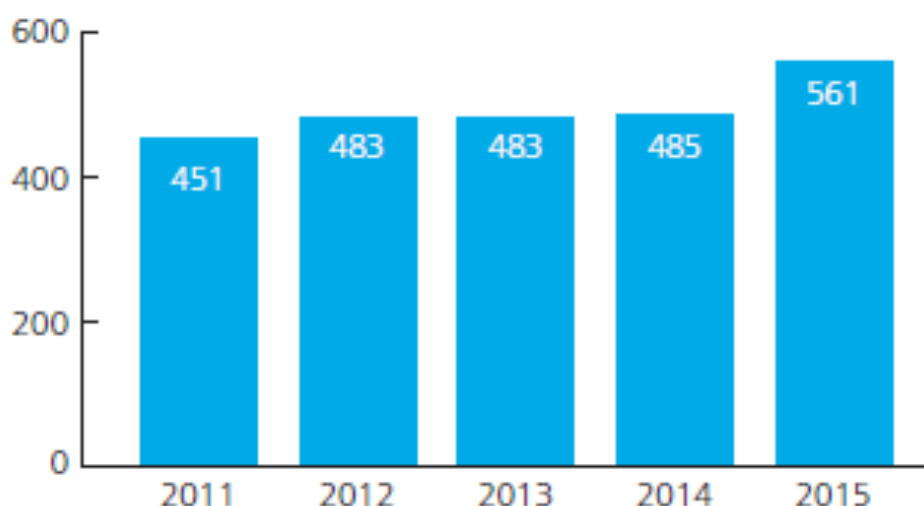


Figure 17- From "Sport Football Money League". Deloitte UK 2016.

This graph shows the trend of Barça's revenues during the five seasons concerning 2011 to 2015. The trend is steady and stable for the most, until the boost of 76 million Euros between 2014 and 2015, compared to an overall growth during the 5 years of 110 million Euros.

During the season we are analyzing, F.C. Barcelona was able to end up first in la Liga final chart, win the Champions League, and take home also the Copa del Rey, completing for the second time in their history, the first one was in 2008/2009, an incredible *triple*, or treble, which led to a 16% increase in revenues (76 million Euros) compared to the previous season. These fantastic results were a consequence of Luis Enrique's capacity of putting on the field all together Messi, Neymar and Suarez who were able to score 122 goals in that same season, setting the Spanish record for an attacking trio. This outstanding performance generated an increase in commercial revenues of 26% (49.6 million Euros)⁹⁰. In fact, thanks to the great on-field achievements, they were able to renovate on better terms several sponsorship deals, like Audi, and sign new ones, like the one with Telefonica. Although, if Barça's deals are compared with the new ones signed by Man United, and also their performance on the field and popularity would be compared, it is easy to understand that the Catalans have still room to improve those deals. The broadcasting revenues rose by 10% (17.7 million Euros) reaching a total of 199.8 million⁹¹, just 100,000

⁹⁰ "Football Money League", Deloitte UK, 2016.

⁹¹ "Football Money League", Deloitte UK, 2016.

Euros less than their Madrid's rivals, making it the second highest gain on broadcasting. This was due to the distributions given by the UEFA of 61 million Euros, compared to the 19.1 million less during the previous season. Match-day revenues saw an increase of 8.7 million Euros, also as a consequence of an additional Champions League game played at the Nou Camp compared to the previous year, and a great league season which slightly improved the average attendance.

3.2.2.3 Survey

F.C. Barcelona (65 risposte)

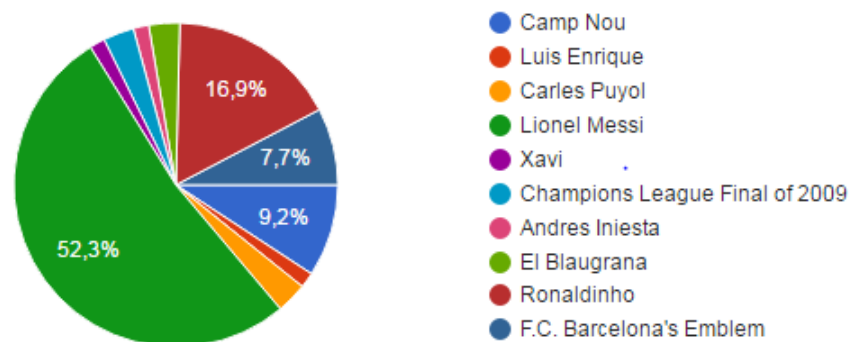


Figure 18- From "Brand Equity in Football Clubs". by Stefano De Angelis. Google Survey 2017.

Just alongside their rivals, Barcelona's results were kind of expected. The *Blaugrana* shiniest star, Lionel Messi, result first with an incredible 52.3%, against Ronaldinho who ended up second with a 16.9%. Number three and four were respectively Camp Nou, with a 9.2%, and F.C. Barcelona's Emblem, with a 7.7%. Lionel Messi, the 5 times Ballon D'Or winner, together with CR7, is the most popular football player in the world, and unlike the Portuguese superstar, he spent his entire professional career at Barça, so it is pretty obvious to associate it with the club. Ronaldinho, on the other hand, represents the symbol of the first chapter of Barcelona's successes on a global level, and was one of the most popular players in the world before the C. Ronaldo/Messi era. Emblem and Stadium were expected.

3.2.2.4 Strategies

Unlike other teams, F.C. Barcelona is a chameleon in regards of the type of strategy to use. They tend to exploit all of them in order to reach the best level of brand equity possible, and the most impressive part is that all those strategies have been implemented in the last 10-15 years. One of them is *Espai Barça*, in English "Space for Barcelona", it's the new project aimed at increasing Camp Nou to an

overall capacity of 105,000, as of today's capacity 6,000 more seats, as a proof of Barça's willingness to increase its match-day revenues, although the expansion plan will not begin before 2017 and it will take at least four years⁹². Indeed thanks to the pre-season tours which Barça took part into, their number of fans increased globally. In 2012 they have traveled to Hamburg, Tangier, Paris, Gothenburg, and Bucharest.⁹³In 2013 it was the turn of Munich, Oslo, Gdansk, Bangkok, and Kuala Lumpur⁹⁴. 2014 began in Huelva, and then moved to Nice, Geneva, and Helsinki⁹⁵. In 2015 it was time to head to the United States market, with games in Pasadena, Santa Clara, and Landover, and the last game in Italy, Florence⁹⁶. In addition to that, every summer since 1966, F.C. Barcelona hosts the Joan Gamper Trophy, where teams from all over the world are invited to play a friendly game at Camp Nou. In the last six years teams like A.C. Milan, Napoli, Sampdoria, Santos, Club Leòn, and A.S. Roma participated⁹⁷. In addition, in collaboration with UNICEF since 2006, in 1994, F.C. Barcelona created the *Fundaciò Barça*, which has been one of the most successful charitable foundations directly linked to football. In 2015 they had about 490,000 beneficiaries, kids between 6 and 12, in 51 different countries, with F.C. Barcelona players such as Lionel Messi, Andres Iniesta, Xavi, Neymar, and so on, actively participating in activities with the children⁹⁸.

"All projects FC Barcelona Foundation are developed based according to the following premises :

- *The use of sport as a fundamental pillar of the project*
- *The promotion of education and the positive values of sport*
- *Children and adolescents as the prime beneficiaries*

⁹² "Football Money League", Deloitte, UK. 2016

⁹³ <http://www.goalzz.com/?c=8436>

⁹⁴ <https://www.fcbarcelona.com/football/first-team/news/2013-2014/fc-barcelona-preseason-2013-14-did-you-know>

⁹⁵ <https://www.fcbarcelona.com/football/first-team/news/2014-2015/review-of-the-fc-barcelona-2014-15-preseason>

⁹⁶ <https://www.fcbarcelona.com/football/first-team/news/2015-2016/video-highlights-of-fc-barcelona-s-five-preseason-friendlies>

⁹⁷ www.fcbarcelona.es

⁹⁸ https://issuu.com/fc_barcelona/docs/memoria_fundacio_14_15_english

- *Projecting Catalonia through FC Barcelona*⁹⁹

These, according to the official website, are the core points from which the foundation expands in order to find kids in need all over the world. In addition, from the first year of their collaboration, Barça donated 1.5 million Euros every year to UNICEF, and 2 million starting from 2016. In addition F.C. Barcelona's jerseys, on the front or on the back depending on the season, wears a UNICEF banner to promote the non-profit organization. Through heavy investments in Corporate Social Responsibility activities, Barça is not only able to help people in need, but it also presents a better brand image in the eyes of its fans, and the whole world of football.

F.C. Barcelona has, as of today has, the third most sold jersey in the world of football, with an increase of 11% in comparison to the previous year. The most popular name is Lionel Messi, who's jersey is also the most sold one overall, with his Brazilian teammate, Neymar, positioning sixth. Right now their deal with Nike for the kits sponsor pays them 35 million Euros yearly, but a new deal has already been signed with the American sports' brand, starting from 2018 of 1 billion Euros, 100 million Euros per year¹⁰⁰.

Over the years, Barça was able to place on the field champions like Thierry Henry, Samuel Eto'o, Ronaldinho, Luis Figo, Zlatan Ibrahimovic and so on. Players who would drive in a high level of appeal and popularity on the Camp Nou. Also in recent years, although with the addition of another policy which will be later discussed, Barcelona has acquired players which brought enthusiasm to Catalonia. Cesc Fabregas from Arsenal for 34 million Euros, Alexis Sanchez from Udinese for 26 million, Neymar from Santos for 88.2 million Euros, and Luis Suarez from Liverpool for 81.72 million Euros. If we add up all the money spent by F.C. Barcelona over the past 6 seasons, we reach 534.67 million Euros spent in incoming players¹⁰¹. This is a number comparable to other top level teams like Man United or Real Madrid, and it is used to bring enthusiasm to the fans and attract new ones for the positive outcome of the negotiation. On the other hand to strengthen the bond with Catalan fans, and for obvious financial reasons, Barça, developed over the years

⁹⁹ <https://foundation.fcbarcelona.com/card/foundation-fc-barcelona-who-we-are>

¹⁰⁰ <http://www.totalsportek.com/football/expensive-kit-contracts/>

¹⁰¹ All numbers regarding the transfers of players have been taken from www.transfermarkt.com

one of the best youth academies in the world. Players like Carles Puyol, Xavi, Andres Iniesta, Pedro Rodriguez, Cesc Fabregas, Thiago Motta, Gerard Piqué, Victor Valdés, Pep Guardiola, Sergio Busquets, and Lionel Messi, were all "produced" inside *La Masia*¹⁰², "The Magic" in English, and most of them are also Catalan. This helps in bringing a different passion on the field, unity in the locker-room, and pride for the fans in the stands. If we look at the final of the Champions League of 2009, played in Rome versus Manchester United, 7 of the starters came from *La Masia*, 10 counting also the bench, of whom 9 Catalans, 7 of whom will win the World Cup with Spain the following year¹⁰³, which is an amazing result if we think that Catalonia has 7.5 million people¹⁰⁴.

3.3 Italian Serie A

In comparison to the 90's and early 2000's, the Italian major football leagues saw a downturn pattern, which brought them to be the best league in the world, to a third/fourth spot, fourth if we merely consider revenues. This is because Italy didn't undergo the modernization process that the other major leagues developed over the years. If we check the revenues generation of Italian professional football, it would be easy to identify the main issues which concern it.

PROFESSIONAL CHAMPIONSHIPS		HIGHLIGHTS				
AGGREGATED INCOME STATEMENT FOR PROFESSIONAL FOOTBALL (€m)						
	2010-2011	2011-2012	2012-2013	2013-2014	2014-2015	
Matchday revenues	242.2	248.9	226.4	246.2	256.0	
Broadcasting revenues	991.5	1,035.4	1,127.3	1,111.3	1,117.8	
Commercial and sponsorship revenues	478.7	505.2	509.0	487.5	411.6	
Other revenues	300.9	263.8	279.5	335.5	391.7	
Operating revenues	2,013.3	2,053.3	2,142.2	2,180.5	2,177.1	
Profit on disposal of players' registration	498.5	522.8	575.9	562.0	420.2	
Total revenues	2,511.8	2,576.1	2,718.1	2,742.5	2,597.3	

Figure 19- From "The Income Statement of Italian Football". FIGC 2016. In collaboration with Deloitte.

¹⁰² <http://bleacherreport.com/articles/2016884-the-20-best-players-to-have-graduated-from-barcelonas-la-masia-youth-academy>

¹⁰³ <http://www.uefa.com/uefachampionsleague/season=2009/matches/round=15280/match=302813/postmatch/report/index.html>

¹⁰⁴ <http://www.idescat.cat/pub/?id=aec&n=245&lang=en>

It is doubtless stating that the major source of revenues for Italian leagues comes from broadcasting revenues. What it is really low in comparison with other nations is the revenues generated by match-day. In fact, the majority of professional football clubs in Italy does not own a stadium, which forces them to pay an annual fee to the district where the stadium is located and to pay-up a percentage fee of every match. The fee to pay to the district could also include only one of the two options depending on the modality of payment. Although, it must be said that the level of popularity of football in Italy is still considered extremely high. If we consider the overall matches' attendance we can see how, during the season 2014/2015, it reached about 38.5 million, where 60.1% regards youth leagues and amateur football, while 39.1% for professional football (Serie A, Serie B, and Lega Pro), while 0.8% considers all the Italian National Teams.¹⁰⁵

SPECTATORS BY COMPETITION - MATCHES PLAYED IN ITALY 2014-2015		
Competition	Number of matches	Total spectators
Serie A	380	8,202,731
UEFA Champions League	10	442,401
UEFA Europa League	29	711,791
Serie B	472	2,901,708
Lega Pro	1,162	2,208,727
Coppa Italia	79	616,195
Amateur and youth football	605,999	23,159,096
Total club competitions	608,131	38,242,649
Men's National A Team	5	205,942
Men's National Under 21 Team	5	29,367
Other National Teams	54	63,970
Total competitions for National Teams	64	299,279
Total	608,195	38,541,928

Figure 20- From "The Income Statement of Italian Football". FIGC 2016. In collaboration with Deloitte.

This table shows the breakdown attendance for Italian clubs, showing, once again, how the lack of modernization of Italian stadiums and clubs in general has a wide margin which could enhance the overall revenues of teams.

¹⁰⁵ http://www.figc.it/other/2016_1102_Studio_Val_Econ_Calcio_Ital_Vers_ENG_Lr.pdf

3.3.1 F.C. Internazionale

3.3.1.1 General Information

Inter Milan is considered the third most successful club in Italy, and the second most successful Italian club in international competitions. After some turbulent years, following the great national and international successes between 2005 and 2011, Inter Milan found itself at a crucial intersection, where its historic owner, Massimo Moratti, was forced to sell the club to a foreign investor, who is trying to take Inter back to its past glory.

Inter Milan is one of the most followed clubs in Italy. On social networks it can count on 5.7 million fans on Facebook¹⁰⁶, 1 million fans on Twitter¹⁰⁷, and 0.9 million followers on Instagram¹⁰⁸, for a total of 7.6 million fans on all three social networks, a lot less compared to the other clubs being analyzed. It presents six different languages on its official website, English, Italian, Spanish, Japanese, Indonesian, and Chinese¹⁰⁹. Omitting some other important languages like French, for example, shows the strong willingness of the club in expanding in Asian markets in the present and future of the club.

The nickname given to Inter Milan's fans is *Nerazzurri*, which from Italian it literally means "black and blues", recalling the social colors of the club's jerseys. The symbol of the club is a grass snake, *Il Biscione*, which is a symbol of the Duchy of Milan, in fact, originally Inter was the team supported by the Milanese bourgeoisie and higher class, while the working class supported A.C. Milan. Their official motto is *Amala*, which means "love it", referred to the team despite the difficulties which the club has encountered during its history. Also their official anthem *Pazza Inter*, "Crazy Inter", is based on their motto, which is repeated throughout the song consistently.

Erick Thohir, as of today, is Inter's president in charge, after acquiring the club in late 2013 from its historic number one, Massimo Moratti, who together with his father summed 31 years of presidency and collected 23 trophies. Even though the analysis provided in this thesis of all clubs regards information updated to the season

¹⁰⁶ January 11th 2016, www.facebook.com

¹⁰⁷ January 11th 2016, twitter.com

¹⁰⁸ January 11th 2016, www.twitter.com

¹⁰⁹ www.inter.it

2014/2015, it should not be omitted that Inter Milan was acquired by Sunning Holding Group, the Chinese business giant for the sale of electrical household appliances, in June 2016, providing new lymph, especially on financial terms, to the club, with the objective to bring it back to its past glory.

3.3.1.2 Sponsors & Revenues

The main sponsors of the club are Nike for the kits, one of the longest partnerships in the business, since 1998, and Pirelli for the jerseys' banners, also since the same year. Other major sponsors are Deutsche Bank and TIM. Regarding minor sponsors, instead, we can highlight sponsors such as Lete, Mediaset Premium, Kimbo, Frecciarossa, Manpowergroup, and Infiniti.¹¹⁰

The home games are played at the San Siro, also called *Giuseppe Meazza*, the legendary player of the 1930's who played for both Inter (over 400 games) and Milan (slightly less than 50 games)¹¹¹. The stadium, in fact, it is shared by both F.C. Internazionale and A.C. Milan, and it has been nicknamed *La Scala del Calcio*, with an obvious reference to the Milan's theatre, *La Scala*, which is one of the most famous and important theatres in the world since 1700's. The stadium it's owned by the district of Milan, and both clubs pay yearly a tenant fee to use it. It has a capacity of 80,018 seats, and last season it scored an average attendance of 38,158 for Inter's Serie A games.¹¹²

During the season 2014/15 inter was able to account for an overall revenue of 164.8 million Euros, due to an 8th final position in the league chart, and being kicked out of the Europa League round of 16. The break down shows a match-day revenue of 16.9 million Euros, broadcasting 97.2 million Euros, while gaining on commercials accounted for 34.5 million Euros.¹¹³

¹¹⁰ <http://www.inter.it/en/partner>

¹¹¹ www.giuseppemeazza.it

¹¹² "Football Money League", Deloitte, UK. 2016.

¹¹³ "Football Money League", Deloitte, UK. 2016.

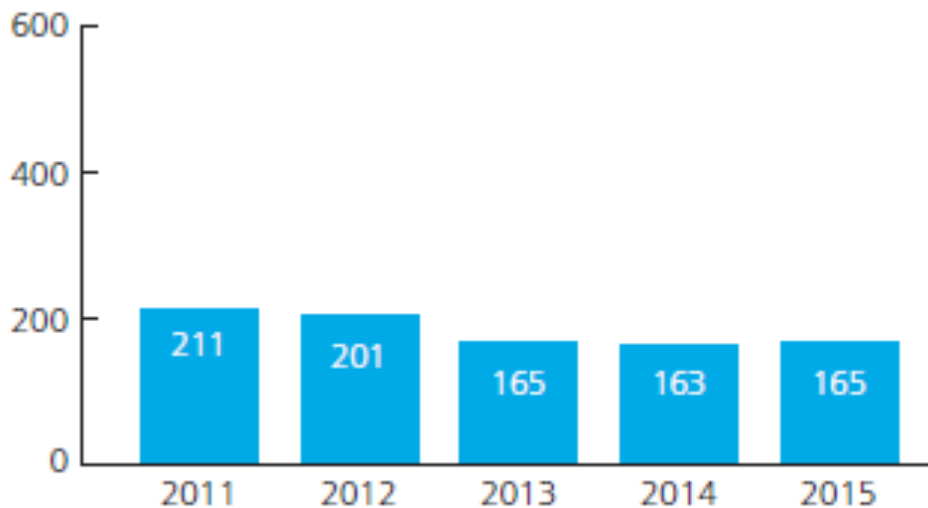


Figure 21- From "Sport Football Money League". Deloitte UK 2016.

This graph shows how, unlike the other clubs which have been analyzed up to now, how Inter Milan presents a steady slow decrease trend in its total revenues. In comparison to 2011, F.C. Internazionale collected 46 million Euros less, which is a slight increase of 2 million compared to the previous year, where, with 163 million of overall revenues they scored the lowest result. The main reason for such a poor performance over the years, for a team that only four years ago was stable in the top 10 on the charts for top revenues, is to seek into the bad performances seen on the pitch. In fact, the last year when Inter was able to participate in the top European competition, the UEFA Champions League, was exactly 2011 when they have been knocked out in the round of 16 by Olympique Marseille.¹¹⁴ The increase of total revenues in 2014/2015, as mentioned above, was only of 1%. If we look at the revenues breakdown, reaching the round of 16 in the UEFA Europa League brought 6.9 million Euros in the cash-desk of the Nerazzurri, but the poor placement in the league, which meant not qualifying for any European competition in 2015/2016, will lead to an ulterior decrease in broadcasting. Match-day revenue also increased by 7% for playing five more games at the San Siro, although, since they do not own their own stadium, this accounts for only 13% of the overall revenues. On the other hand a decrease of 16% in commercial revenues, which represents 28% of total revenues,

¹¹⁴ www.uefa.com

shows how a change is crucial if the club wants to be back soon in the "elite" of European football.¹¹⁵

3.3.1.3 Survey

F.C. Inter Milan (65 risposte)

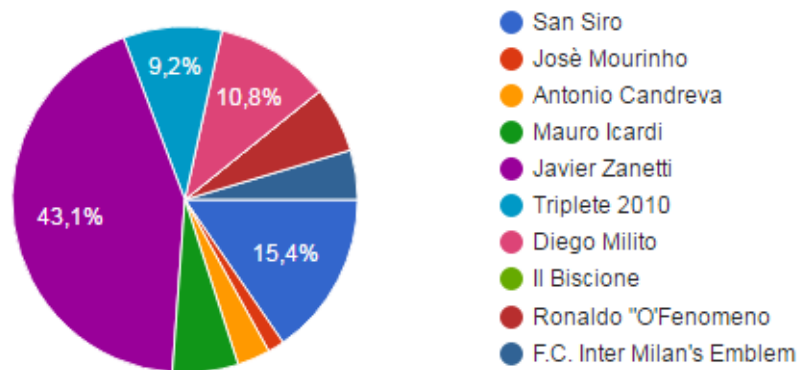


Figure 22- From "Brand Equity in Football Clubs". by Stefano De Angelis. Google Survey 2017.

Inter Milan, followed the same pattern that the other previous teams took, placing their most representative player on top, Javier Zanetti, with a 43.1%. Second came their stadium, San Siro, with a 15.4%. Third and fourth places were respectively occupied by Diego Milito, with a 10.8%, and *Il Triplete*, with a 9.2%. Zanetti played for Inter for 19 seasons, 16 of which as captain, collected 16 trophies during his time at Inter Milan, making him the most successful captain in the club's history, which granted him the withdraw of his number 4 one year after his retirement from professional football. He was present at the time of *Il Triplete*, which is considered the highest point reached in the club's history, together with his Argentine teammate Diego Milito, author of 2 goals in the final of the Champions League.¹¹⁶ This incredible result granted, respectively, the first, third and fourth spot in this particular survey chart. The second spot occupied by San Siro was expected.

3.3.2.4 Strategies

After the great results obtained until 2011, F.C. Internazionale was forced to renovate. The economic power of the other European top clubs were no more match for them. Moratti's strategy in the past was to lit up the crowd with expensive

¹¹⁵ "Football Money League", Deloitte, UK. 2016.

¹¹⁶<http://www.uefa.com/uefachampionsleague/season=2010/matches/round=2000032/match=2000488/index.html>

transfers. He brought in Milan players like Ronaldo, Zlatan Ibrahimovic, Fabio Cannavaro, Wesley Sneijder, Roberto Baggio, Hernan Crespo, Patrick Vieira, Diego Milito, and so on.¹¹⁷ But its economic power began to struggle against other big clubs. He was forced to sell the club in 2013 to the Indonesian businessman Erick Thohir, who, as mentioned above, sold most of his shares to the Sunning Group. Despite the economic power of the new owners, the strategy that they want to implement is to build an elite, young, Italian team. The signings over the summer, and early January, prove the Chinese intentions. Gabriel Barbosa from Santos for 29.5 million Euros, Antonio Candreva for 22 from Lazio, Joao Mario for 40 from F.C. Porto, and Roberto Gagliardini from Atalanta for 20 million Euros¹¹⁸, all possess at least two of the attributes sought by the Nanjing's Board.

In the preseason of 2012 they traveled to Bochum, Dublin and Geneva, to face teams like Galatasaray, Manchester City, and Celtic Glasgow¹¹⁹. In 2013 they did a tour of the United States in Indianapolis, New York, Miami, and St. Louis, up until returning back to Europe in Hamburg¹²⁰. In 2014 they went back to the United States visiting Berkeley, Landover, Philadelphia, while in Europe Frankfurt, Thessaloniki and Marrakech. In 2015 they visited Asia in Shanghai, Shenzhen, and Guangzhou, while some months later Istanbul, and Doha. What they tried to do here was to strengthen their appeal with two years in a row in the United States, and subsequently entering a new one, like Asia, where they had already been in the past and have been investing heavily on it over the years.

Concerning the sale of jerseys worldwide in 2016, Inter Milan is placed seventeenth, with 199,000 units sold¹²¹. Apart from the big names, Inter has implemented strategies intended to exploit specific markets. This was the case of Yuto Nagatomo, Japanese left-back signed by Inter Milan in January 2011, who's jersey became immediately one of the most sold ones in Japan in only two months.

¹¹⁷ <http://www.interfc.it/Campionissimi.asp>

¹¹⁸ All data regarding the transfer of players have been taken from www.transfermarkt.com

¹¹⁹ <http://www.goal.com/en-india/news/2292/editorials/2012/07/15/3238181/your-guide-to-inter-milans-pre-season-friendlies>

¹²⁰ www.inter.it

¹²¹ <http://www.panorama.it/sport/calcio/20-maglie-piu-vendute-2016-manchester-united/#gallery-0=slide-4>

In fact, Inter was asked to translate immediately its official website in Japanese, with dozens of requests of accreditation from Japanese journalists during matches. They were also asked to value their own channel, Inter Channel, in the Japanese market, and counted 500,000 clicks on their official website coming from Japan, against the 880,000 from Italy¹²².

Regarding sponsorship agreements, Inter Milan has implemented several innovative strategies. The partnership they have with Pirelli is one of the longest ones in the football industry. It lasts since 1995, a couple of years later the other one for kits with Nike was also signed, and as of today, Pirelli became almost a synonym of reconnection to F.C. Internazionale for all football fans around the world. Over the years they found new ways to enhance their brand. Indeed, already in 2009 during the final match of the Italian Super Cup against Lazio in Beijing, Inter's sponsor Pirelli on jerseys' banners was written with Chinese ideograms, demonstrating the club's and sponsor's willingness to invest in the Chinese market¹²³. From this season Inter Milan will change its club's training ground and club's youth training centre with the names of, respectively, "The Sunning Training Centre in memory of Angelo Moratti" and "The Sunning Training Centre in memory of Giacinto Facchetti", honoring two great former Inter Milan's figures. Sun Weimin, vice-chairman for Sunning Commerce Group, said about the partnership:

*"As one of the most popular foreign clubs in China, our partnership with Inter will allow us to boost our brand awareness and brand recognition in China and other strategic markets in Asia, It will also help to establish the Suning.com brand in Europe and we look forward to activating this activity together with Inter in the future."*¹²⁴

Stating Inter Milan's future strategies and intentions clear, Internazionale's chief revenue officer, added:

¹²² http://www.ilsole24ore.com/art/notizie/2011-03-08/effetto-giappone-nagatomo-081638.shtml?refresh_ce=1

¹²³ <http://www.calciofinanza.it/2016/04/12/inter-sponsor-pirelli-pzero-napoli/>

¹²⁴ <http://www.footyheadlines.com/2017/01/inter-milan-signs-suning-sponsorship-deal.html>

"This partnership is an important step for Inter as we continue to more effectively monetize the value of our assets. Through this partnership Suning can expect major branding opportunities, increased global media coverage and direct fan engagement on Inter's digital and media platforms. We also expect to further develop other core areas of our business through Suning including, e-commerce, retail and media."¹²⁵

3.3.2 A.S. Roma

3.3.2.1 General Information

After the big three (Juventus, A.C. Milan, and F.C. Internazionale) A.S. Roma is, without doubts, one of the greatest teams in Italian football. After winning Serie A in 2001, Roma collected several second and third places over the years, and a few *Coppa Italia*, which kept showing that something was missing in the team and club. A.S. Roma presents on its official Facebook page 6.3 million fans,¹²⁶ 0.9 on Twitter,¹²⁷ and 0.5 on Instagram,¹²⁸ for a total of 7.7 million followers on all three social networks.

On its official webpage it has four different languages among which users can pick, English, Italian, Arabic, and Indonesian. It is evident how, in comparison to the other clubs, some key languages are missing, such as Spanish, Japanese, Chinese or French.¹²⁹ This could be motivated with an expansion policy aimed at countries such as United States, Arabic countries, and Indonesia, these strategies will be discussed later on in this analysis.

All around Italy A.S. Roma fans are known as *I Giallorossi*, which literally means "The Yellows and Reds", always concerning the social colors used for the emblem and the jerseys. On other occasions, they are referred to as *I Lupacchiotti* "The Little Wolves", after their symbol, *La Lupa*, which is the female wolf who saved Romulus and Remus whom according to the mythology will later found Rome, and it is the symbol of the city. Their official motto is "La Roma non si discute, si ama.", which means "A.S. Roma shouldn't be criticized, but loved.", and it is a way

¹²⁵ <http://www.footyheadlines.com/2017/01/inter-milan-signs-suning-sponsorship-deal.html>

¹²⁶ January 11th 2016, www.facebook.com

¹²⁷ January 11th 2016, twitter.com

¹²⁸ January 11th 2016, www.instagram.com

¹²⁹ www.asroma.com

to demonstrate the infinite passion that its fans put on the stands at every game despite the few successes of the team on the field.

The president of A.S. Roma is James Pallotta, who succeeded to Thomas Di Benedetto in August 2012. Roma's ownership is divided into shares, NEEP Roma Holding S.p.A. holds 79.044%, and AS Roma SPV LLC owns 2.945%, the rest is owned by minor shareholders who own a share minor to 2% and do not have the right to vote on official meetings.¹³⁰

3.3.2.2 Sponsors & Revenues

The main sponsors for A.S. Roma is Nike which is the technical sponsor, while they still do not have any official one for the banners on the jerseys, giving them a vintage look. Other minor sponsors are Sisal, Sky, Frecciarossa, Algida, Acea, Euronics, Manpowergroup, and Philipp Plein.¹³¹

The home games are played at Stadio Olimpico, which has a capacity of 72,698 seats, and during the season 2014/2015 it recorded an average attendance of 40,148, one of the highest in Italy, once again demonstrating the passion that the fans have for the team.¹³² Stadio Olimpico is owned by the district of Rome, so A.S. Roma, just like Inter Milan, needs to pay a yearly tenant fee in order to use it.

During the 2014/2015 A.S. Roma ended up second in the final chart of the Italian Serie A, and was kicked out in the Champions League during the group stages, and subsequently in Europa League during the round of 16. The overall revenues for Roma were of 180.4 million Euros, which was divided into match-day 30.4 million Euros, broadcast revenues 114 million Euros, and the gaining on commercial was of 36 million Euros.¹³³

¹³⁰ [http://res.cloudinary.com/as-roma-turbine-sandbox/image/upload/v1445281547/asroma-
uat/dpcyyskvp6drp9kj6esj.pdf](http://res.cloudinary.com/as-roma-turbine-sandbox/image/upload/v1445281547/asroma-uat/dpcyyskvp6drp9kj6esj.pdf)

¹³¹ <http://www.asroma.com/en/club/partners>

¹³² "Football Money League", Deloitte, UK. 2016.

¹³³ "Football Money League", Deloitte, UK. 2016.

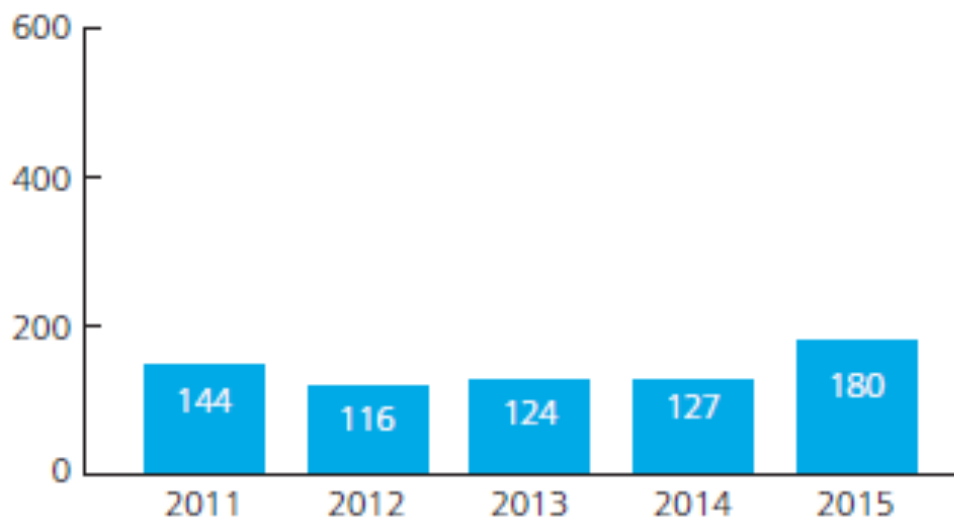


Figure 23- From "Sport Football Money League". Deloitte UK 2016.

In this graph we can see the upward trend that the A.S. Roma revenues present over a time period of five seasons. The last season represented the highest achievement for Roma in terms of revenues, with the lowest peak established in 2012 (127 million Euros), which set a difference of 64 million Euros with the overall revenues generated in 2015. In comparison to 2014, A.S. Roma was able to increase its overall revenues by 42% (53 million Euros) which allowed to get back in the top twenty chart of European clubs for revenues. About 63% of the revenues are coming from broadcasting, which was enhanced by the 47 million Euros enlarged by the UEFA for being one of the two only Italian clubs entering the group stage of the Champions League. Match-day was increased by 43% (9.2 million Euros) thanks to the five extra home games played in the European competitions, in addition 4,000 more tickets holders were sold in comparison to the previous season (24,000). Commercial revenues saw a downturn of 4% (1.5 million Euros) despite the signing of new commercial agreements.

3.3.2.3 Survey

A.S. Roma (65 risposte)

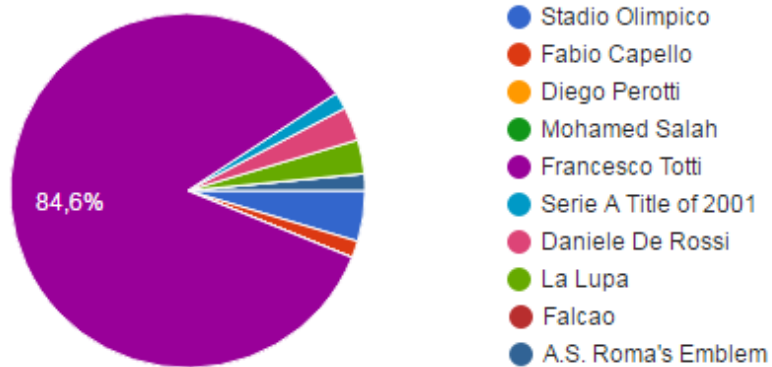


Figure 24- From "Brand Equity in Football Clubs". by Stefano De Angelis. Google Survey 2017.

Predicting the results for Roma could have been easy, but on this scale, it would have been hard. In fact, their strongest brand icon, symbol and pride, Francesco Totti, scored an outstanding 84.6%, which put all the other options to shade. In fact, the second place was occupied by the Stadio Olimpico with a 4.5%, followed on the third and fourth spots by Daniele De Rossi and La Lupa with another poor 3%. Francesco Totti was an expected outcome, but probably not on these terms. After 25 years of A.S. Roma, for a player who was born in Rome, and incarnates the dream of every *Giallorossi* fan, the result can be understood. Although his 84.6% puts the other results into shade, even though it should be noted that the club's emblem and Stadio Olimpico were present in the top results.

3.3.2.4 Strategies

Following the acquisition by the American ownership, A.S. Roma has attempted to increase its brand equity in several different ways. The American board adapted several strategies which have been implemented in the United States in other sports and at the same time along with following another club's philosophy which has proven to be successful over time: F.C. Barcelona. In fact, the signing of the former Barcelona B coach, Luis Enrique, in 2011, is a primary example of this. The signing of several young promising players, starting from the youth sector up to the first team, was symbolic of this renovation, also bringing new hope and enthusiasm in Rome. From 2011 some of the most promising talents in European football passed through AS Roma, such as Erik Lamela, Bojan Krkic, Miralem Pjanic, Marquinhos, Kevin Strootman, Radja Nainggolan, Medhi Benatia, Antonio Rudiger, and

Konstantinos Manolas who are just the tip of the iceberg of an enormous amount of young players who have been signed by the Club. If we calculate the total investment for the players above, Roma spent 113.7 million Euros, and gained 134.4 million Euros¹³⁴ from the resale of these players, with the exception of: Strootman, Nainggolan, Rudiger, and Manolas who are still at A.S. Roma currently start for the First Squad. Although selling most of their best talents might not be the best way to construct a successful team, it should also be considered the several, and important, capital gains obtained over them, which helped in building a competitive team season after season. This strategy also helps in enhancing the popularity of most clubs through the negotiations with top European Clubs where those players have been sold to, clubs like Bayern Munich, Paris Saint Germain, Juventus, and so on, which brings A.S. Roma on the front page of many sports newspapers.

Another way through which Roma could enhance its brand equity, could be raising its international profile. The ten year partnership signed in 2014/15 with Nike would definitely give a higher profile to the *Giallorossi*¹³⁵. This higher profile reached in the latest years led A.S. Roma to invest also in the social media department.

*"In the past years Roma has put a great amount of effort into increasing its digital media team, which has grown to have 8 people. The team has updated the official website two times in the past 5 years, obtaining a more user friendly and most importantly social media friendly interface. At the same time Roma has opened social media accounts in different languages which are key to the strategies of the Club. Twitter and Facebook accounts are now in many different languages as opposed to the previous English and Italian versions. Indonesian, Chinese, Thai and Spanish are only a few of the languages in which we currently have official accounts."*¹³⁶

This information was provided by Gianluca Gombar during his interview, proving how important the management of social media is nowadays for clubs who seek success over time.

¹³⁴ All data regarding the transfers of player were taken from www.transfermarkt.com

¹³⁵ "Football Money League" Deloitte Uk. 2016

¹³⁶ Appendix I, Interview 1, Gianluca Gombar.

An additional innovation brought in by the American Board, was the redesign of the logo in 2013. According to them, the new logo shows a "contemporary and timeless" structure reflecting A.S. Roma values, such as passion, pride and courage. President James Pallotta expressed himself on the topic:

*"The City of Rome is the heart and origin of our club. Having 'Roma' on our logo and on our players' chests properly honors this and tells the world who we are."*¹³⁷

The former Chief Executive Officer of A.S. Roma, Italo Zanzi also expressed himself on the matter:

*"The launch of our updated brand is aligned with our vision for the future – one that combines heritage with aggressive global growth. It will fundamentally enhance all of our new initiatives, including our Nike and Disney partnerships and our new stadium."*¹³⁸

The quote by Italo Zanzi introduces another important strategy which has been developing in Rome, the partnership with Disney. This partnership, on Roma's side, was meant to raise club's awareness in Asia and North America. Roma, on the other hand, has to spend a week every year in Orlando at the Disney's ESPN Wide World of Sports Complex, playing friendly matches, hosting clinics, and bringing the youth team to the Disney Soccer Showcase¹³⁹. The Roma logo is also exposed at the ESPN Wide World of Sports, with an increased visibility, since it is exposed in several key locations where many events are hosted every year.¹⁴⁰

3.4 Lower Level Clubs

3.4.1 The Chievo Verona's "Fairy Tale"

So far we have analyzed top level clubs, all included in the top 20 list for revenues generation worldwide. Hence, most football teams do not share the same wealth and popularity of the clubs discussed. Some of the strategies analyzed require an important amount of resources in order to be implemented, leaving little to no room for smaller clubs to exploit them at their advantage. To stay successful, smaller

¹³⁷ <http://www.businessofsoccer.com/2013/05/23/a-s-roma-releases-new-logo/>

¹³⁸ <http://www.businessofsoccer.com/2013/05/23/a-s-roma-releases-new-logo/>

¹³⁹ <http://www.sportsbusinessdaily.com/Journal/Issues/2012/03/19/Franchises/AS-Roma.aspx>

¹⁴⁰ Appendix I, Interview 1, Gianluca Gombar.

clubs require different strategies which could be implemented with inferior investments.

During this study I had the opportunity to interview Lorenzo Bassetti, who worked at Chievo Verona from 2013 to 2015 in the marketing department and as assistant director of the Chievo Academy, while, as of today, he is the Chief Executive Officer and founder of Swan Football, a start-up with the goal of creating a bridge between football entities and professional sports' entities worldwide. I asked him if he could provide a recap of his experiences so far on enhancing brand equity in football clubs, in particular in relation of his experience in a smaller reality like Chievo Verona.

"As you know Chievo Verona is a very small club from a suburb of the city of Verona. It's quite a unique football example of David against Goliath, a team that arose through all professional ranks making it to the top in Serie A, and staying on top for the past 15 years, showing great strategies both on and off the pitch to survive. As you might also know there is also another team in Verona, which is also the most followed one, called Hellas Verona, making it even harder for Chievo to have that audience and that fan base. Historically the majority of Verona's citizens are Hellas fans, making it very hard for Chievo to exploit the brand and associate it with the city, even though they are the first football reality in Verona as of today. With that said, there are two main examples to consider, one internationally and one locally based. Internationally, Chievo is very active in running camps in North America and Canada, and sometimes also Oceania. They send out the academy coaches abroad for the summer, usually for a period of 3-4 months, organizing this camps in various locations for marketing reasons regarding merchandising sales and let the Chievo brand to be known, but also from a technical point of view to scout players in areas of the world where they might not have the same showcase. A lot of players are invited to Verona, they run tours for groups coming from abroad to whom they sell the experience of an academy player. These foreign players get to sleep and train in the Chievo Academy's facilities, allowing them to have a unique experience to take back home along with the Chievo brand, with the hope of building a bigger fan base. Locally instead, the best example would be the project they called "Giovani Cronisti", in English young journalists, in which they establish partnerships with local schools, and during certain dates these schools are invited to

*the stadium where two first team players would join the group as they tour the Bentegodi, but most of all get to go to the press conference room and ask the players unique questions about their personal and professional life. In doing so, they are trying to expand their fan base at a local level, trying to sell the product and the brand Chievo Verona to young students who might become attached to the colors and values of the club after this experience."*¹⁴¹

The examples provided here by Lorenzo Bassetti, give us an overview of the struggle that smaller clubs need go through in their pursue of survival in football's highest levels. These strategies are a lot more long-term oriented in comparison with the previous ones discussed, but balancing up the higher level of risk given by time with the lesser amount of resources needed to be implemented.

¹⁴¹ Appendix II, Interview 2, Lorenzo Bassetti.

4 Analysis of Results

After the in depth analysis conducted about the six clubs we could drive some conclusions from the results obtained. In order to evaluate these results some indicators have been constructed. Indeed, apart from their financial performance, their level of brand equity was measured, based on a ratio among the number of overall fans on social networks and total revenues generated. In fact, a fraction of the overall revenues generated by each club (including match-day, commercial, and broadcasting) over the overall amount of fans on social networks (in this case Facebook, Twitter, and Instagram), generates a number that gives us the revenues generated for each follower around the globe. In addition, other three indicators were created, two using as numerators of the fractions, the amount of commercial revenues collected during the season, and the broadcasting ones. The third ratio was obtained through a different calculation, dividing match-day by the average league game's attendance provided by Deloitte's "Football Money League" times 19, which is the number of home games played in the league by each club analyzed. Following that, an analysis of the results obtained by the strategies' observation has been made, with the aid of two interviews conducted to the assistant manager of the Social Media department of A.S. Roma, Gianluca Gombar, and most importantly, the Chief Marketing Officer of A.S. Roma, Laurent Colette, former Chief Marketing Officer of F.C. Barcelona.

4.1 Indicators

	Total-Revenues (in Millions)	Overall-Fans (In Millions)	Ratio
Manchester United	€ 519,50	83,1	€ 6,25
Manchester City	€ 463,50	25,3	€ 18,32
Real Madrid	€ 577,00	128,9	€ 4,48
F.C. Barcelona	€ 560,80	132,8	€ 4,22
F.C. Internazionale	€ 164,80	7,6	€ 21,68
A.S. Roma	€ 180,40	7,7	€ 23,43

Table 3- "Total Revenues over Fans". Data collected from Deloitte UK 2016.

This table, thanks to the data available regarding total revenues and followers on "Sport Football Money League" by Deloitte United Kingdom, gives us a ratio concerning the total revenues generated for every one million followers on social networks platforms. In other words, how much money does a football club make for every one million fans on social networks. By analyzing the clubs we discussed earlier in this study, we are able to state that, based on this ratio, the most successful

club was A.S. Roma with 23.43 million Euros for every one million followers, followed by F.C. Internazionale with 21.68 million, and Manchester City with 18.32 million Euros. This result does not completely reflect the real value of each club's brand. Indeed, the three strongest brands are left out from this result since they generate a lot more revenues compared to the other three, but at the same time, they have a lot more followers which brings the ratio down. Hence, by the math provided by this ratio, the less followers a club possess the higher would be the ratio, and so it would not be a good measure of a club's brand activity. It would be more interesting breaking down the total revenues into its three main sources Broadcasting, Commercial, and Match-day revenues, in order to give a different view of the impact of followers, hence popularity, on revenues. Broadcasting revenues, as it has already been mentioned above, concerns the rights of displaying a club's matches on a private, for the most part, or public television/screen, or radio paid to the club in question for the coverage of one or more events. Of course, the media, pay an annual, or multi-annual, fee to the club based on the competitions in which they are enrolled in and on the demand of fans in their area of coverage.

	Broadcasting-Revenues (in Millions)	Overall-Fans (in Millions)	Ratio
Manchester United	€ 141,60	83,1	€ 1,70
Manchester City	€ 178,00	25,3	€ 7,04
Real Madrid	€ 199,90	128,9	€ 1,55
F.C. Barcelona	€ 199,80	132,8	€ 1,50
F.C. Internazionale	€ 97,20	7,6	€ 12,79
A.S. Roma	€ 114,00	7,7	€ 14,81

Table 4- "Broadcasting over Fans". Data collected from Deloitte UK 2016.

By the results we obtained from this table, the "chart" of the most successful clubs, stays almost unchanged, with A.S. Roma first accounting for 14.81 million Euros for every 1 million followers on social media platforms, Inter Milan second with 12.79 million, and Manchester City third with 7.04 million. In fact, the impact of the amount of followers on the ratio still presents a value which does not reflect the actual brand value of each club, leaving out the ones that are thought to be the strongest ones. On the other hand, Commercial revenues, which regards sponsorship and partnership deals with other firms, sale of merchandising units and from other commercial operations in general, could provide a better indicator of the appeal of

each club in relation to the number of fans who follow those clubs on social media platforms.

	Commercial-Revenues (in Millions)	Overall-Fans (in Millions)	Ratio
Manchester United	€ 263,90	83,1	€ 3,18
Manchester City	€ 228,50	25,3	€ 9,03
Real Madrid	€ 247,30	128,9	€ 1,92
F.C. Barcelona	€ 244,10	132,8	€ 1,84
F.C. Internazionale	€ 45,40	7,6	€ 5,97
A.S. Roma	€ 36,00	7,7	€ 4,68

Table 5- "Commercial over Fans". Data collected from Deloitte UK 2016.

In this table, the ratio calculated, gives a different result in comparison to the previous ones. Manchester City with 9.03 million Euros for every million followers on social networks places itself first, second is F.C. Internazionale with 5.97 million, and third A.S. Roma with 4.68 million Euros. Still the most popular clubs are not present in the list, but this time the ratio resulted from the Citizens might provide us a better indicator for the performance based on the number of followers. The con of this indicator, apart from leaving out the three most popular clubs, would be that most of the commercial revenues generated by Man City would be coming from sponsorship deals and not merchandising sales, which would not provide an honest result. The third and last source of revenues comes from Match-day. These revenues come from everything collectable during a match at the stadium, from tickets to beverages and so on. Hence the division of match-day revenues by the overall average match attendance, which was multiplied by the 19 games played at home by every club in the league, would give us a more reliable indicator.

	Match-day Revenues	Average-Match Attendance	Ratio
Manchester United	€ 114.000.000,00	1431745	€ 79,62
Manchester City	€ 57.000.000,00	861555	€ 66,16
Real Madrid	€ 129.800.000,00	1386411	€ 93,62
F.C. Barcelona	€ 116.900.000,00	1475008	€ 79,25
F.C. Internazionale	€ 22.200.000,00	725002	€ 30,62
A.S. Roma	€ 23.100.000,00	762812	€ 30,28

Table 6- "Match-day over Attendance". Deloitte UK 2016.

From the results obtained in this table we are able to state that the expectations were correctly fulfilled. In fact, Real Madrid came out first with 93.62 Euro for every fan attending the game, second was Manchester United with 79.62,

third F.C. Barcelona with 79.25. The other three clubs which ended up first in the previous indicators here performed poorly. Manchester City ended up fourth with 66.16 Euro for every fan, F.C Internazionale behind them with 30.62, and A.S. Roma with 30.28 Euros. Although this indicator would regard merely the Match-day revenues, this indicator gives us a sort of reflection of fans' commitment to the club, and the order resulted is most likely the exact order of the strength that each club has in relation to its brand.

4.2 Analysis of Strategies & Results

In order to emphasize the concept of globalization in the football industry, a part of the interview to the CMO of A.S. Roma, Laurent Colette, was extracted on this matter:

*"Football, as of today, is the number one global entertainment industry and it is still growing. I don't know whether it is a good thing or not but it is a true fact. Through TVs, Internet, fans are 24/7 connected with their idols and the stadium is not anymore the meeting point between a team and its audience. Football conveys passions, emotions, has relatively easy rules, unchains the patriotic flame and enables to easily socialize."*¹⁴²

The potential of the football industry should be exploited more, and the role of brand equity enhancement on this matter plays a crucial role. In fact, Colette was also asked about the importance of brand equity's exploitation in seeking success in modern football.

*"More and more although we must never forget that all depends on what is happening on the field. The role of a marketing manager is to extract the essence of his/her entity and to make it understandable and declinable to the target audience. But as football becomes global, there is a stiff competition between various clubs and as in other consumer goods market, creating an emotional connection with fans is key and in that objective, defining a clear and compelling brand equity becomes crucial."*¹⁴³

¹⁴² Appendix III, Interview 3, Laurent Colette.

¹⁴³ Appendix III, Interview 3, Laurent Colette.

So the essence of enhancing customer-based brand equity is creating an emotional connection with fans. In order to accomplish this task the strategies conducted and implemented by the clubs which have been analyzed play a crucial role. In the previous chapter we were able to identify four main areas of strategies. Success on the field does not need any explanation. It has been showed in the analysis how the clubs in possess of a glorious trophy room are the ones with the most followers, and hence the highest level of brand equity.

Another section regards the club's identity, where we have included strategies regarding the style put by the club on the field, Logo design, Corporate Social Responsibility, and investments in the youth teams. From the data collected, we are able to state that the investments in youth teams have proved to be successful in clubs such as A.S. Roma and F.C Barcelona, who have exploited this strategy in a way to obtain better results on the field, Barcelona, and in the transfer windows with substantial capital gains, Roma. These investments also brought enthusiasm and more attachment to the players for both teams, as the surveys conducted proved with Lionel Messi and Francesco Totti who obtained the greatest share in relation to the strongest brand icons. An additional club's identity strategy is the one regarding the design of the club's logo. On this matter we only have the example provided by A.S. Roma in 2013, to which we have no visible results yet, despite the great expectations that the board has on them. An extraction of Gianluca Gombar's interview proves this point.

*"I think it is extremely important to have a brand that is recognizable around the world because your brand is one of the first elements which characterize the team. Roma recently changed its official logo from the previous ASR version to a new and modern version which includes the word ROMA. This was done to leverage the potential of the name of one of the most important and recognizable cities in the world, which is Rome. It is important for the Club to be associated to its home, the city from which it comes. Fortunately for Roma, our home is a city which has been at the basis of the modern world and the Club's strategy is to emphasize this association."*¹⁴⁴

¹⁴⁴ Appendix I, Interview 1, Gianluca Gombar.

The A.S. Roma example, focuses its logo customization strategy on building a strong association with the city of Rome, in a way to leverage on the worldwide fame of the eternal city to enhance its brand in foreign markets. This is most likely a strategy that will prove to be successful in the long term, to which there are no substantial results yet. The style of play is another type of strategy which does not have any empirical results, if not the ones provided by the fans' comments and involvement during the games. Although, as we have mentioned it in Chapter 1, there are some sections of the fans' market segments which are strongly motivated by this aspect, and those are Champ Followers and Theatre-goers. Hence, a stimulating style of play could attract this segments to follow a certain club more than another, eventually increasing the brand equity of a club. The last strategy regarding a club's identity is the one concerning the Corporate Social Responsibility. The most active clubs, among the ones analyzed, in CSR are the two Spanish giants, Real Madrid and F.C. Barcelona, with their two charity foundations, respectively *Fundaciòn ReALMAdrid* and *Fundaciò Barça*. The importance in nowadays society to have a valid CSR strategy is huge, and both clubs have conducted an intensive strategy in this sense, especially Barcelona with the no-profit partnership with UNICEF, which, apart from the social and ethical implications, gave them a better image in the eyes of the world's football audience, although the results are not quantifiable.

Exploiting foreign markets is the third area to analyze. Entering new markets with club's stores was a strategy began by Manchester United in Asia, but with the advent of e-commerce, it is not considered crucial anymore, as mentioned by Laurent Colette in his interview:

*"Not crucial at early stages of international development. Much more important is an efficient E-Commerce platform enabling fans to purchase anytime and from any place."*¹⁴⁵

Although having the club's store in strategic locations would help in enhancing the brand knowledge in a specific market, it is, as of today, a practice which has switched towards the E-Commerce. All top clubs possess nowadays an efficient E-Commerce platform which allows them to sell their merchandising items in many markets, but in order to be able to sell they need to raise the brand's appeal

¹⁴⁵ Appendix III, Interview 3, Laurent Colette.

in those markets. Here come in play the other strategies regarding foreign markets, such as acquiring players from a specific area. The CMO of A.S. Roma was consulted on this topic and answered with a sort of skepticism.

*"It could be, but the sport criteria must always prevail in a club with ambitions. In other words, we can't hire a player just for local impact and lose the opportunity to hire a better one elsewhere."*¹⁴⁶

What Colette said on this matter is right, although in this study there are some examples of success using this strategy, regarding Manchester United and Inter Milan. Shinji Kagawa's example for Man United gave hope for the implementation of this strategy. In fact, as mentioned in the previous chapter, Kagawa's jersey was the fourth most sold in 2013 among the Premier League clubs, and the tenth most sold jersey in 2015 worldwide. A similar example is the one concerning Yuto Nagatomo of F.C. Internazionale, who's transfer to the *Nerazzurri* in 2011 generated immediate popularity in Japan, with the request of translating the official website in Japanese, apart from the thousands of jerseys sold in the Japanese market. These kind of maneuvers help clubs to increase their popularity in specific markets by driving the audience into a compatriot player. Organizing pre-season tours always in foreign markets it is another way to enhance the brand awareness in the targeted areas. An extract from the interview of the CMO of A.S. Roma highlights the importance of this strategy, as it helps busting the popularity of the brand in those markets.

*"Definitely as it creates a strong buzz on the local market and shows the commitment towards a territory. Local sponsors often ask whether the team will tour in the country in order to understand the strategic plans that might create a strong momentum"*¹⁴⁷

All the teams which have been analyzed in this study have been in tours around the globe seeking to enhance their brand awareness in new markets. What changes is the different approach each team had. Manchester United for example during the last five pre-seasons has traveled to all the continents, except for South America, playing friendly games against other European top level teams, or local

¹⁴⁶ Appendix III, Interview 3, Laurent Colette.

¹⁴⁷ Appendix III, Interview 3, Laurent Colette.

teams, in a way to expand their reach and appeal to all the markets, but focusing mainly in Asia and the United States, where they tried to strengthen their appeal. In addition they were also the first team to implement this tour strategy. In contrast Manchester City, during the last five summers, has traveled to a new location every time, trying to enhance the awareness of its brand to highest number of markets possible, the same strategy that F.C. Barcelona, Real Madrid, and Inter Milan implemented. On the other hand A.S. Roma tried to strengthen its position in the United States, with a trip to Orlando every year, and additional other friendly games played across the U.S.

The fourth, and last, area of strategies to enhance customer-based brand equity in football clubs concerns modernization and remodeling. With the exception of A.S. Roma all the other clubs have implemented the same remodeling plan of their roster, although it was conducted on a different scale. Indeed, five out of the six teams analyzed have purchased top level players over the years. Top level players are extremely expensive, but at the same time bring along several benefits, such as new sponsors, increase in the sale of merchandising, most likely success on the pitch, and most importantly, enhance the appeal and popularity of a football club. In the market segmentation we have seen that Aficionados tend to follow more a star-player than the team itself, so having one or more star players in the roster would attract this type of fans. The sale of jerseys also proved this aspect, in fact all the clubs which have been conducting this strategy are present in the top 10 charts for sales of jerseys, with their respective star players. What emphasizes the outcome of this strategy even more is the analysis conducted on the role of brand icons. In fact, some players have more followers than the team where they play in. This is the example of Cristiano Ronaldo and Real Madrid, 118 and 86 million followers on Facebook respectively. Stadiums' modernization is also really important, as they bring more revenues coming from new sponsorships, and on match-day. Among the clubs analyzed Manchester City, Real Madrid, and F.C. Barcelona have recently, or are about to, re-modernized their stadium, either with additional seats, or with VIP areas remodeling. All these clubs expect an increase in match-day revenues, and an increase of popularity in the eyes of football fans worldwide. The last strategy to be discussed is the one concerning partnerships with strong brands. Having a partnership with a strong brand increases the image of a brand in the eyes of customers, giving the brand a more international profile. This is the case of

Chevrolet/Adidas with Manchester United, Nike and A.S. Roma, Suning Holdings Group and Inter Milan.

During the interviews conducted, it was asked if there was any football club that could be seen as a model to follow in regards of customer-based brand equity enhancement. Gianluca Gombar, Social Media department of A.S. Roma said:

*"Manchester United and Barcelona have certainly been pioneers in this regard, by organizing pre season tours and friendly matches in North America and Asia. An example of this is a video made by Barcelona which went viral around the world of their players saying "Happy New Year" in Chinese for the Chinese New Year. It was the first time that a Club did this and most importantly it was a Club from Spain in Europe. These Clubs were also amongst the first to open official social media accounts in different languages and with specific content for the areas they were aimed at."*¹⁴⁸

The same exact question was also asked to Laurent Colette, Chief Marketing Officer of A.S. Roma, who replied with:

*"Every team has a different story but for me the Premier League clubs has been the first ones to develop a clever expansion strategy at least during the last 30 years. FC Barcelona recently did a very interesting effort with another approach less commercial and fan friendly based on precise values. Manchester City is developing an original way creating franchises in priority markets."*¹⁴⁹

Both respondents answered mentioning English Premier League Clubs, in particular Manchester United and Manchester City, and F.C. Barcelona, not knowing that they were among the clubs to be analyzed. This proves that the attempt of this study to analyze these six specific football clubs, in order to find the best suitable strategies to implement a customer-based brand equity enhancement, has proved to be correct.

¹⁴⁸ Appendix I, Interview 1, Gianluca Gombar.

¹⁴⁹ Appendix III, Interview 3, Laurent Colette.

5 Discussion & Conclusions

5.1 Overview of Dissertation

In the study conducted, an analysis of several strategies aimed at enhancing brand equity in football clubs was made. First, the literature review defined brand equity, and made two strong assumptions regarding the Lovemark theory and Keller's model. The first assumption concerns the association of football brands to Lovemark's theory. In fact, the definition that Kevin Roberts gives to the Lovemark theory is exactly what football fans seek from their club: creating great experiences aimed at strengthening and shaping the club's brand positioning in the fans' lives. The second assumption regards Kevin Keller's model of creating customer-based brand equity. Indeed, football fans could be placed in the last stadium of Keller's model, the one regarding active engagers. The latter represent the most loyal customers to which a firm could aspire to, their relationship with the brand is not limited to the purchase and consumption of the product, but goes beyond that. Active engagers, just like average football fans, enlarge the brand image to current and future customers. In essence, they become the brand's ambassadors. Clubs are forced to enhance their customer-based brand equity to increase their appeal to overcome the restrictions put in place by the UEFA Financial Fair Play. These restrictions force football clubs to generate greater revenues on their own in order to fulfill the parameters set by the Union of European Football Association to start in 2013. Other two aspects which have been analyzed, regarded the role of brand icons in relation to the globalization of football, especially concerning the impact on social media platforms. Football has demonstrated to have an impact on the social media which is unmatched by other sports, the data provided on the role of brand icons shows that the numbers reached by football on these platforms are by far the highest numbers in sports in terms of followers. This is just the latest step made by football globalization in the sports industry. As it has been clearly stated in this study, the football industry, although the most popular, it is not the most exploited one in terms of revenues generated by its top clubs. On this matter, a comparison of the top 20 teams in European football and NFL was made, showing that the range of revenues generated by NFL teams is a lot closer compared to football. This feature allowed the American league to have a higher level of competitiveness, and hence more appeal for both fans and sponsors, even though the audience is a lot more restricted compared to European football. In order to analyze the problem, a in depth analysis of six clubs picked from the three

most popular leagues in Europe was made. Every club was investigated through general information, sponsors, revenues generated and strategies implemented during the last seasons. In addition a survey regarding the most popular brand icons of each club was conducted, alongside internal interviews conducted at the A.S. Roma Social Media department, and with the Chief Marketing Officer, who provided to this study their field experience.

5.2 Marketing Implications

The purpose of this thesis was to seek the most favorable strategies to pursue a higher brand equity, thus a major chance to stay successful in the next future. The results demonstrated how English Premier League clubs and the two Spanish giants have a broader popularity and appeal in the football world, along with wealth, to implement various types of strategies which would enhance their customer-based brand equity. It has been clear since the beginning that the European market has become too small for the elite football clubs, leaving them the mere option to broaden their audience to foreign, unexploited in football terms, markets. In order to enhance their brand equity, football clubs need to increase their audience and appeal. The best strategies to accomplish it, for what has been analyzed in this study, are: organizing pre-season tours, which provide a strong buzz, in terms of audience, to the market where they are organized; acquire top level players, who would bring along a large portion of fans and revenues generated from new sponsorships; investing in the youth team, which would lead to a higher level of attachment to the club and the fans, with additional cost saving and capital gain from future sales to reinvest.

Football clubs have something that most companies and products do not have: emotions. Fan loyalty is so important in football because fans of one team do not change their loyalty very easily. Football teams are not a product where the client, in this case the fan, changes or substitutes with a better or preferred option. Clubs need to leverage this aspect and create ties with fans by engaging with them in as many ways as possible.

5.3 Limitations and Further Research

The limitations of this study are several. First of all, lower level clubs, except for a small testament about the Chievo Verona reality, have not been taken into consideration, leaving the largest part of the football market unanalyzed. Secondly, in relation to the same topic, most strategies discussed need an important amount of financial resources and popularity to be implemented. Thirdly, the data recovered was not completely detailed, since it was not available, which would have helped in creating more precise indicators. In addition, the fans have been identified as followers on social media platforms, but of course the entire world population does not have social media profiles, nor internet connection, leaving a big portion of fans unaccountable for. The most important limitation was the one concerning customer-based brand equity measurement. In fact, brand equity is not measurable precisely, although football clubs present an advantage in comparison to other firms, and that is fans. Further studies might take in consideration lower level clubs, which will surely have different plans to enhance their brand equity, as well as more detailed information to provide broader surveys and merchandising sales figures in specific markets. Another additional study could be observing the new markets where football clubs are entering, and see how they react to brand exposure on a long-term basis.

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Appendix I

Interview 1

Gianluca Gombar

Works at A.S. Roma since 2013 in the marketing and merchandising department, along with the press office. Currently working for the Head of Media and Strategy of A.S. Roma in the media department of the club.

- What do you think about the globalization of football in the last decade, and which are in your opinion the main sources which led to it from what you have learned in your job experience?

Football has become the most popular sport in the world and much of this is due to the emotional aspect of the game and the development of media over the past decades. Fans around the world can watch their favorite team from wherever they are thanks to television and internet. The UCL Final and the World Cup final are two of the events which have registered the largest audiences in the past years and this is due to the reach and potential of television and most importantly, the internet. Another aspect which has made a significant contribution to the globalization of football is social media. Social media is a powerful tool to engage with fans around the world, no matter the country they are in or the language they speak. It has made it possible for fans to be updated in real time 24/7 about their favorite team and players. Whether it is through official club accounts or through the personal accounts of the players, fans are able to interact and be constantly informed.

- Do you have any examples encountered in your job experience?

In the past years Roma has put a great amount of effort into increasing its digital media team, which has grown to have 8 people. The team has updated the official website two times in the past 5 years, obtaining a more user friendly and most importantly social media friendly interface. At the same time Roma has opened social media accounts in different languages which are key to the strategies of the Club. Twitter and Facebook accounts are now in many different languages as opposed to the previous English and Italian versions. Indonesian, Chinese, Thai and Spanish are only a few of the languages in which we currently have official accounts.

- Is the exploitation of brand equity so important in order to be successful in international football?

I think it is extremely important to have a brand that is recognizable around the world because your brand is one of the first elements which characterize the team. Roma recently changed its official logo from the previous ASR version to a new and modern version which includes the word ROMA. This was done to leverage the potential of the name of one of the most important and recognizable cities in the world, which is Rome. It is important for the Club to be associated to its home, the city from which it comes. Fortunately for Roma, our home is a city which has been at the basis of the modern world and the Club's strategy is to emphasize this association.

- In your experience, could you think of any particular strategy to implement in order to enhance customer-based brand equity?

Yes, there are many important strategies to implement in order to improve brand awareness. In Roma's case, we do not open stores directly but we work with our partner Nike in order to ensure that our jerseys are sold in key markets for us. Fan clubs tend to open autonomously and contact the Club in order to create an affiliation. It is important for us to make them feel close to the Club and the players, no matter the kilometers that separate us. Tours are another way of connecting with fans in areas where fans are unable to experience the team and the players first hand. Once in these key places, it is important to organize marketing and commercial events in order to bond with fans. Another way of increasing brand awareness around the globe is by opening branded academies locally in key locations. These academies are a way of exporting the Roma football philosophy and also a way of exporting the Roma brand to countries where it would otherwise not be present.

One example for Roma in this regard is a key partnership that we have with Disney. Disney is one of the strongest and most recognizable brands on the planet. Roma has a very strong potential in associating its brand with that of Disney. The First Team of the Club has gone to Orlando, Disney HQ's, in two occasions and the Primavera U19 squad has been there three times in the past three years. The Roma logo is present at the ESPN Wide World of Sports in several key locations and clearly visible to all the people visiting the sports complex which hosts countless events each year.

- Do you believe there is any particular team which should be seen as a model to follow in this particular field? Why?

Manchester United and Barcelona have certainly been pioneers in this regard, by organizing pre season tours and friendly matches in North America and Asia. An example of this is a video made by Barcelona which went viral around the world of their players saying "Happy New Year" in Chinese for the Chinese New Year. It was the first time that a Club did this and most importantly it was a Club from Spain in Europe. These Clubs were also amongst the first to open official social media accounts in different languages and with specific content for the areas they were aimed at.

Appendix II

Interview 2

Lorenzo Bassetti

Worked at Chievo Verona 2013-2015 in the marketing department, as Assistant Director of the Chievo Academy, and Press Office. As of today he is the Chief Executive Officer and Founder of Swan Football s.r.l.s, a start-up with the goal to bridge football entities to professional sport entities worldwide.

- Could you provide a recap of your experience at Chievo Verona regarding strategies used for brand equity enhancement?

As you know Chievo Verona is a very small club from a suburb of the city of Verona. It's quite a unique football example of David against Goliath, a team that arouse through all professional ranks making it to the top in Serie A, and staying on top for the past 15 years, showing great strategies both on and off the pitch to survive. As you might also know there is also another team in Verona, which is also the most followed one, called Hellas Verona, so making it even harder for Chievo to have that audience and that fan base. Historically the majority of Verona's citizens are Hellas fans, making it very hard for Chievo to exploit the brand and associate it with the city, even though they are the first football reality in Verona as of today. With that said, there are two main examples to consider, one internationally and one locally based. Internationally, Chievo is very active in running camps in North America and Canada, and sometimes also Oceania. They send out the academy coaches abroad for the summer, usually for a period of 3-4 months, organizing this camps in various locations for marketing reasons regarding merchandising sales and let the Chievo brand to be known, but also from a technical point of view to scout players in areas of the world where they might not have the same showcase. A lot of players are invited to Verona, they run tours for groups coming from abroad to whom they sell the experience of an academy player. These foreign players get to sleep and train in the Chievo Academy's facilities, allowing them to have a unique experience to take back home along with the Chievo brand, with the hope of building a bigger fan base. Locally instead, the best example would be the project they called "Giovani Cronisti", in English young journalists, in which they establish partnerships with local schools, and during certain dates these schools are invited to the stadium where two first team players would join the group as they tour the Bentegodi, but most of all get to go to the press conference room and ask the players unique

questions about their personal and professional life. In doing so, they are trying to expand their fan base at a local level, trying to sell the product and the brand Chievo Verona to young students who might become attached to the colors and values of the club after this experience.

Appendix III

Interview 3

Laurent Colette

Chief Marketing Officer at A.S. Roma since 2015. Chief Marketing and Commercial Officer at F.C. Barcelona from 2010 to 2015.

- What do you think about the globalization of football in the last decade, and which are in your opinion the main sources which led to it?

Football as of today is the number one global entertainment industry and it is still growing. I don't know whether it is a good thing or not but it is a true fact. Through TVs, Internet, fans are 24/7 connected with their idols and the stadium is not anymore the meeting point between a team and its audience.

Football conveys passions, emotions, has relatively easy rules, unchains the patriotic flame and enables to easily socialize

- Is the exploitation of brand equity so important in order to be successful in international football?

More and more although we must never forget that all depends on what is happening on the field. The role of a marketing manager is to extract the essence of his/her entity and to make it understandable and declinable to the target audience. But as football becomes global, there is a stiff competition between various clubs and as in other consumer goods market, creating an emotional connection with fans is key and in that objective, defining a clear and compelling brand equity becomes crucial.

- In order to do so, would you agree that the best strategies are:
 - Opening club's stores in foreign markets (such as U.S. and China).

Not crucial at early stages of international development. Much more important is an efficient e.commerce platform enabling fans to purchase anytime and from any place.

- Opening fan clubs in foreign markets.

Not very crucial either. Fans clubs have limited resources and are very often just a place where friends with a common passion meet. The effect of such a club is extremely limited for the brand development.

- Acquisition of players from those markets.

It could be, but the sport criteria must always prevail in a club with ambitions. In other words, we can't hire a player just for local impact and lose the opportunity to hire a better one elsewhere.

- Organizing pre-season tours always in those markets.

Definitely as it creates a strong buzz on the local market and shows the commitment towards a territory. Local sponsors often ask whether the team will tour in the country in order to understand the strategic plans that might create a strong momentum.

- Do you think football clubs have an advantage compared to other types of firms regarding customer loyalty?

I would say that football is more passion and has deeper roots than the relationships you might have with a computer or a beer brand. Usually, the interest towards a precise team is built when the fan is a teen ager and doesn't move a lot when he is adult. This barely exists with other markets.

- Did A.S. Roma use any particular strategy in order to build a stronger brand?

We are developing a specific marketing approach using the relationships with the magic city of Rome, our focus on digital tools to connect with fans and also an emotional connection linked with the traditional Italian passion around football. We want to be perceived as authentic and cool, trying to be among the top preferred team for global fans.

- Do you believe there is any particular team which should be seen as a model to follow in this particular field? Why?

Every team has a different story but for me the Premier League clubs has been the first ones to develop a clever expansion strategy at least during the last 30 years. FC

Barcelona recently did a very interesting effort with another approach less commercial and fan friendly based on precise values. Manchester City is developing an original way creating franchises in priority markets



Department of Business and Management

Chair of International Marketing

**THE EXPLOITATION OF BRAND EQUITY IN
FOOTBALL CLUBS ACROSS COUNTRIES**

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ABSTRACT

Sports are able to create an influence well beyond products and services. Sports go across languages and cultural barriers. Their language is considered to be universal, and whoever practices it or follows it understands them and their rules. Sports metaphors are widely used also in business. If someone tells you to "choose your team wisely" or that you have been "benched" for the moment, they are using sports terms adapted in business contexts. There are sports which can account for millions, sometimes more, of fans. European football, basketball, formula 1, rugby, American football etc., are some of the sports which attract every weekend a great number of viewers in stadiums or in front of a screen. Some events, such as the Football World Cup, Olympic Games, the Super Bowl, or the NBA Finals, draw-in an audience extremely vast, which subsequently leads to substantial corporate financial investments. This phenomenon of human beings wanting to compete against each other in numerous disciplines draws back at least to the first Olympic Games back in Ancient Greece in 776 B.C.¹⁵⁰ Great historic figures relied on sports metaphors in order to explain an idea or a concept. According to Winston Churchill, some nations give more importance to sports than actual wars: "*Italians lose wars as if they were football matches, and football matches as if they were wars.*"¹⁵¹ Sports create a strong bond of loyalty with their fans (customers) which is stronger than in any other industry, leading the latter wanting to invest in it. This process would have been carried out in a way to enhance their visibility, since they would be reaching an audience of a size probably unreachable in other terms. A con of using sports as a marketing platform is their unpredictability. Many investors, despite unnumbered tracks of records and studies of results' patterns, are adverse in investing in sports events, but on the other hand, their unpredictability is seen as one of the main reasons why a lot of fans are so passionate about them. Their passion towards some teams and athletes, is hardly found in other contexts, perhaps something that only religious devoted enthusiasts can match. This motive is the reason that brings in the rest of the investors.

¹⁵⁰ <https://www.penn.museum/sites/olympics/olympicorigins.shtml>

¹⁵¹ <https://www.theguardian.com/football/2008/apr/01/europeanfootball.sport1>

If we were to pick a sport in particular that attracts crowds from all around the globe, that would be football, with Europe as its birthplace and most prestigious stage. European football clubs are considered to be the beating heart of the football entertainment industry. Thousands of clubs are playing in their respective national leagues, and hundreds compete in the Champions League and Europa League. They draw-in millions of supporters before the screen and in stadiums, having turned, in the past decades especially, into large/medium-sized firms. Although, football is nowadays considered to be “The Global Game”, most of those clubs are not in line with their budget, and stadiums’ attendance is, for the majority, unexploited. This leads to the concept that, nowadays, football clubs have become not only firms but well-defined sports’ brands, and in many cases these brand are not exploited correctly.

How can a firm or a club increase the value of its brand? The answers to such a question could be various. Increase the visibility of the brand, acquiring or developing strong brand icons, augment the level of brand knowledge, increase customer loyalty and satisfaction, and so on. Although, there is only one that resumes all of them, and that is the exploitation of brand equity across countries. Increasing the value of brand equity internationally is not an easy task, since it should take into account a significant number of variables in different sectors, and divides itself depending on which sector the firm in question operates. The purpose of this thesis is to highlight the main variables and strategies that football clubs might use in order to exploit their brand equity at its maximum level.

In the study conducted, an analysis of several strategies aimed at enhancing brand equity in football clubs was made. First, the literature review defined brand equity, and made two strong assumptions regarding the Lovemark theory and Keller's model. The first assumption concerns the association of football brands to Lovemark's theory. In fact, the definition that Kevin Roberts gives to the Lovemark theory is exactly what football fans seek from their club: creating great experiences aimed at strengthening and shaping the club's brand positioning in the fans' lives. The second assumption regards Kevin Keller's model of creating customer-based brand equity. Indeed, football fans could be placed in the last stadium of Keller's model, the one regarding active engagers. The latter represent the most loyal customers to which a firm could aspire to, their relationship with the brand is not limited to the purchase

and consumption of the product, but goes beyond that. Active engagers, just like average football fans, enlarge the brand image to current and future customers. In essence, they become the brand's ambassadors. Clubs are forced to enhance their customer-based brand equity to increase their appeal to overcome the restrictions put in place by the UEFA Financial Fair Play. These restrictions force football clubs to generate greater revenues on their own in order to fulfill the parameters set by the Union of European Football Association to start in 2013. Other two aspects which have been analyzed, regarded the role of brand icons in relation to the globalization of football, especially concerning the impact on social media platforms. Football has demonstrated to have an impact on the social media which is unmatched by other sports, the data provided on the role of brand icons shows that the numbers reached by football on these platforms are by far the highest numbers in sports in terms of followers. This is just the latest step made by football globalization in the sports industry. As it has been clearly stated in this study, the football industry, although the most popular, it is not the most exploited one in terms of revenues generated by its top clubs. On this matter, a comparison of the top 20 teams in European football and NFL was made, showing that the range of revenues generated by NFL teams is a lot closer compared to football. This feature allowed the American league to have a higher level of competitiveness, and hence more appeal for both fans and sponsors, even though the audience is a lot more restricted compared to European football. In order to analyze the problem, a in depth analysis of six clubs picked from the three most popular leagues in Europe was made.

ANALYSYS

Every club was investigated through general information, sponsors, revenues generated and strategies implemented during the last seasons.

In addition a survey regarding the most popular brand icons of each club was conducted with 65 answers provided, alongside internal interviews conducted at the A.S. Roma Social Media department, Gianluca Gombar, and with the Chief Marketing Officer, Laurent Colette, who provided to this study their field experience. In addition a smaller interview was conducted to a former Chievo Verona's employee who gave us a recap testimony about a smaller club's reality. One of the salient

points of the interview to Colette, concerned his opinion in relation to brand equity enhancement in the football industry as of today.

- Is the exploitation of brand equity so important in order to be successful in international football?

More and more although we must never forget that all depends on what is happening on the field. The role of a marketing manager is to extract the essence of his/her entity and to make it understandable and declinable to the target audience. But as football becomes global, there is a stiff competition between various clubs and as in other consumer goods market, creating an emotional connection with fans is key and in that objective, defining a clear and compelling brand equity becomes crucial.¹⁵²

Some indicators were also built in order to give a measure to the performance in terms of brand equity and revenues generated of each club. The most valuable one regarded the match-day revenues over average game attendance.

	Match-day Revenues	Average-Match Attendance	Ratio
Manchester United	€ 114.000.000,00	1431745	€ 79,62
Manchester City	€ 57.000.000,00	861555	€ 66,16
Real Madrid	€ 129.800.000,00	1386411	€ 93,62
F.C. Barcelona	€ 116.900.000,00	1475008	€ 79,25
F.C. Internazionale	€ 22.200.000,00	725002	€ 30,62
A.S. Roma	€ 23.100.000,00	762812	€ 30,28

Table 7- "Match-day over Attendance". Deloitte UK 2016.

The purpose of this thesis was to seek the most favorable strategies to pursue a higher brand equity, thus a major chance to stay successful in the next future. The results demonstrated how English Premier League clubs and the two Spanish giants have a broader popularity and appeal in the football world, along with wealth, to implement various types of strategies which would enhance their customer-based brand equity. It has been clear since the beginning that the European market has become too small for the elite football clubs, leaving them the mere option to broaden their audience to foreign, unexploited in football terms, markets. In order to

¹⁵² Appendix III, Interview 3, Laurent Colette.

enhance their brand equity, football clubs need to increase their audience and appeal. The best strategies to accomplish it, for what has been analyzed in this study, are: organizing pre-season tours, which provide a strong buzz, in terms of audience, to the market where they are organized; acquire top level players, who would bring along a large portion of fans and revenues generated from new sponsorships; investing in the youth team, which would lead to a higher level of attachment to the club and the fans, with additional cost saving and capital gain from future sales to reinvest.

Football clubs have something that most companies and products do not have: emotions. Fan loyalty is so important in football because fans of one team do not change their loyalty very easily. Football teams are not a product where the client, in this case the fan, changes or substitutes with a better or preferred option. Clubs need to leverage this aspect and create ties with fans by engaging with them in as many ways as possible.

LIMITATIONS AND FURTHER RESEARCH:

The limitations of this study are several. First of all, lower level clubs, except for a small testament about the Chievo Verona reality, have not been taken into consideration, leaving the largest part of the football market unanalyzed. Secondly, in relation to the same topic, most strategies discussed need an important amount of financial resources and popularity to be implemented. Thirdly, the data recovered was not completely detailed, since it was not available, which would have helped in creating more precise indicators. In addition, the fans have been identified as followers on social media platforms, but of course the entire world population does not have social media profiles, nor internet connection, leaving a big portion of fans unaccountable for. The most important limitation was the one concerning customer-based brand equity measurement. In fact, brand equity is not measurable precisely, although football clubs present an advantage in comparison to other firms, and that is fans. Further studies might take in consideration lower level clubs, which will surely have different plans to enhance their brand equity, as well as more detailed information to provide broader surveys and merchandising sales figures in specific markets. Another additional study could be observing the new markets where

football clubs are entering, and see how they react to brand exposure on a long-term basis.

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