European Professional Football Club Image and Human Capital Management

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***Abstract*—Professional football (soccer) in Europe has become a very powerful entertainment industry from an economical point of view. This article is particularly interested in the privileged relationship between football fans and their favorite professional club, while the best players do not hesitate to change clubs when they can take advantage of better financial conditions. A research program is proposed for future works. It comprises two research propositions: (1) fan attachment to a professional football club is based on an identity process involving collective assimilation of values, myths and symbols; and (2) professional football clubs benefit from and even encourage the nomadism of their players, and build their image on elements independent from human capital.**

***Index Terms*— Brand management, Club image, Europe, Fan attachment, Football (soccer), Human capital, Sport marketing.**

I. INTRODUCTION

Professional football (soccer) has become a veritable entertainments industry with major economic, financial and commercial issues [1]. But this industry is not like others. While takings from stadium attendance represent an increasingly smaller part of the major European clubs' budgets, at the expense of TV rights sales and merchandising, the most fervent supporters have become essential for creating positive dynamics to reinforce the clubs' brand image. Famous clubs such as the Real Madrid, Manchester United or the Olympique de Marseille rely on the keen interest of people during matches to benefit from considerable media and financial results.

Fanatic supporters bring a small contribution to the *stricto sensu* financial resources of their clubs, but they make up in vows of loyalty, and thus create value for the clubs. According to Fulconis and Paché [2], professional football is commonly thought of as a kind of religion, because of the quasi-mystical infatuation of its most faithful supporters with their favourite team. More generally, the strong relationship maintained with their favourite team leads them to build a shared cultural identity with its own rules and values.

From an economical point of view, European football has achieved worldwide success. Evidently thanks to its fans across the globe, but also owing to its flexible labor market, which lets clubs procure talent outside Europe. The hedonic and sacred experience that European clubs offer viewers, and the growing importance of TV and licensing rights in their financing also play key roles [3][4][5]. In this competitive sports context where results seem random, given players' increased mobility, even nomadism, how can teams maintain fans' interest, and what is the basis for people's attachment to a team? Is attachment an identity process involving the collective assimilation of values, myths and symbols, or does it entail construction of an image of clubs based on elements independent from human capital? These are the questions explored in this paper. Specifically, we contribute to the marketing of professional football, a relatively new and under-explored research topic, and rethink the particular relationship between clubs as brands and their fans as customers.

II. CLUBS AS BRANDS

Research on the economics of professional football in Europe has found that match day revenues represent a decreasing share of clubs' budgets. In fact, most revenues come from TV and licensing rights, a stream team owners openly strive to develop. Andreff [3] describes a sequence of two management models, the first based on financing of clubs by municipal subsidies and match day revenues, and the second based on financing of teams by marketing activities in the broad sense. Today, match day revenues represent less than 20% of the financing of European teams at the elite level (see Fig. 1). One of the best known cases of a club that chose to develop licensing rights is undoubtedly Manchester United in the United Kingdom, whose profits from merchandising exploded in the mid-1990s [4]. This does not mean that attendance at stadiums has become unimportant. On the contrary, it is essential to build a strong image and to increase licensing rights.

Grundy [6] describes how, in the early 1980s, English teams mutually agreed to radically transform the organization and governance of professional football into a truly family-oriented spectacle. The objective was to significantly increase merchandising revenue based on the model of Manchester United. A large-scale action plan was launched: improve comfort in stadiums (remove standing room), ensure utmost security of the venue to eradicate recurring violence by hooligans, theatrical staging of championship matches, etc.

Several Spanish and French teams were partly inspired by these efforts, notably Olympique de Marseille, during Bernard Tapie's reign. Analyses focused on construction of a singular image that, without renouncing the values conveyed by the team, position the team in a competitive environment and ideally extend the brand beyond the sports sphere. As Guenzi [7:138] underlines, the adoption of product development

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strategies, especially brand-expansion policies, "*leads to multiple interactions with mass customers (...). Optimizing brand-expansion opportunities allow sports club to increase their revenues through the introduction and marketing of new goods and services*".

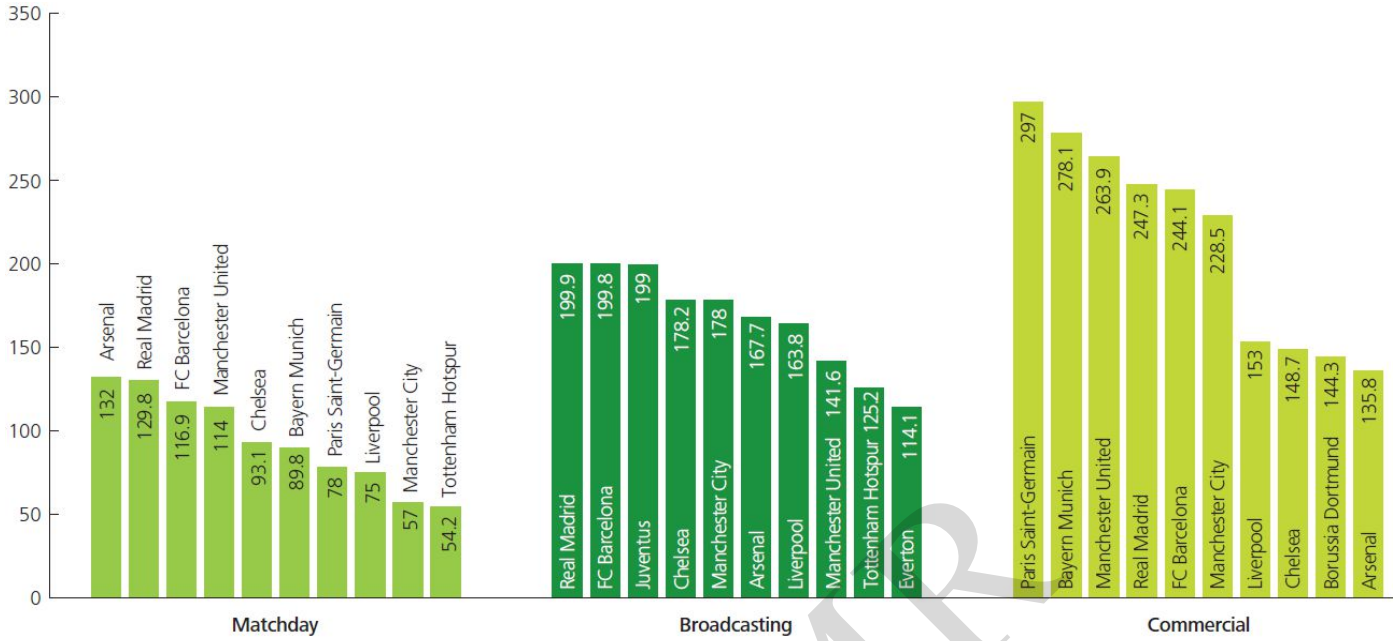


Fig. 1: The Relative Importance of the Match Day Revenue Stream for the Top European Clubs (2015)

Source: Deloitte Football Money League (2016).

Olympique Lyonnais (OL) is an excellent illustration of brand extension in the French context; it has issued a proliferation of licenses in many areas of activity, via OL Taxi, OL Coiffure, OL Phone, OL Voyages, etc., well before the club's listing on the stock market. Construction of a strong brand and its extension, a major symbol of development of a marketing state of mind [8], is a preferred means of protection from the contingencies of results in the field. It allows clubs to combine intangible benefits (emotions felt at a stadium, pride of being associated with a team) and tangible dimensions (merchandising) in a single logic of tribal belonging. In other words, if the team is indeed a brand, it highlights powerful attributes, some of which are rooted in history. The case of Barcelona FC is a famous example. The team is a century-old institution, celebrated as far as China and Australia, a real flag bearer of the Catalonian identity, stifled for 40 years by General Franco. Being a fan of Barcelona FC means affirming one's resistance to central power and flaunting powerful regional nationalism [9].

III. FAN ATTACHMENT TO A TEAM

Many studies in sociology and social psychology use professional football as a preferred field of investigation to understand fans' identification process with a team. Olympique de Marseille, a team with some of the highest media coverage in Europe, was notably studied by Roumestan [10], regarding the way values are adopted by a group of local fans: the South Winners. The author describes the emergence of a subculture based on construction of an exclusive *Provençal* identity, specifically *Marseillais*. People who belong to this group of fans live within a limited universe that dictates its own operating standards whose transgression incurs gradual sanctions by peers. This subculture exhibits profound suspicion for fair-weather fans, who manifest their affiliation uniquely when the team does well. It also has a profound disdain for the other teams, most of which are hereditary enemies, which translates into behavior and consumption of "against" items [11], including very vulgar sentences (see Picture 1). In short, for the most dedicated fans, attachment to a football club carries a preeminently sentimental dimension, independent from the necessarily random sports scores.

This attachment is manifested by collective phenomena of belonging to a community of fans: "*You'll never walk alone*" resonates through the stands of the Liverpool Stadium, as impromptu choirs signal a type of social fusion. Being a fan of the club, by belonging to a group of fans, means gaining the certainty of participating in a collective that supersedes the individual. The club is a type of transcendence that is built on great deeds of glory or more precisely on the founding myths linked to epic victories. Religious devotion is such that defeat may become, in the eyes of passionate fans, a legendary epic that reinforces community spirit. The defeat of the Saint-Etienne team at the 1976 Champions League finals gave rise to the enduring myth of the *Greens* [*Verts*] at the French national scale, which thrives today well beyond the club's

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region of origin. To rally a community, a symbolic place is indispensable. Dionísio *et al.*'s [12] ethnographic study of fans shows that the stadium plays this role; it is the singular place of worship. However, during long travels, a sense of community often develops with fellow fans aboard the bus or train [13], with a lot of initiation rites of allegiance to the group: rites of aggressive support of the team, and also rites of celebration of victories, rites of defence of the "territory" against groups of rival supporters, or worse, against groups of supporters of opposing teams.

Picture 1: *An Example Of "Against" Item: Paris F*** Marseille*



Source: © Zazzle Inc., 2015.

Sharing a faith and above all keeping it for life: this is the *credo* of any passionate supporter. In spite of the adversity of defeat, or worse, demotion to a lower division, confronted to the jeers of the opposing team's supporters or the press, passionate supporters feel invested with a mission, to defend their club come hell or high water, accepting martyrdom if need be [2]. Better still, such a defence is a life-long undertaking, because, as Hornby [14] described, passionate supporters develop a mystical devotion for *one* club only, they take vows of chastity against the sirens supporting other teams, whatever the ups and downs in their existence, such as moving away from their home ground. The ultimate mission is to convert one's children and it is common to see successive generations attending the same "temple" (stadium). For passionate supporters, living and attending every match of their favourite team equals sharing a unique and highly emotional experience, getting away from the real world for a while to reach a supra-natural dimension. Numerous ethnographic studies have underlined how very ordinary individuals can, for better or sometimes for worse, be transported out of themselves in the course of a sports event and feel carried away by mystical exaltation [10][15].

Mystical attachment is manifested in the consumption of jerseys, scarves or other products sporting the colors of favorite teams [16]. However, this consumption is symbolic, signaling adhesion to values within the group: football can thus be perceived has having a sacred character [2]. Weakly loyal consumers of the spectacle, that is those who simply crave the excitement of matches, nonetheless comprise important revenue potential. Richardson and O'Dwyer [17] consider that these new consumers, certainly less involved, if at all, in the rituals, traditions and identity values conveyed by a club for decades, must be treated specifically. Their sensitivity to social judgment, aside from the fact that it leads them to develop strong self-control, results in consumption intended to affirm their attachment to a club, yet it is ultimately artificial and circumstantial. It is then not surprising that some clubs that conduct advanced marketing analysis apply CRM approaches [18]. The challenge is to produce efficient discrimination among football consumers according to the value contributed to the club, and to psychological needs, geographical and demographic characteristics, etc.

PROPOSITION 1: *Fan attachment to a professional football club is based on an identity process involving collective assimilation of values, myths and symbols.*

IV. BRAND DEVELOPMENT AND PLAYER MOBILITY

One of the essential questions for management of clubs as brands is the role of players in fans' attachment building. One of the most widespread trends in Europe is the shortening of contract durations; most last less than five years. This makes it difficult to ensure employment security, a source of collective learning in the construction of a game style. The fluid nature of the labor market has been accentuated by the Bosman ruling of 1995, intended to remove all obstacles to mobility. Legal experts refer to the pre- and post-Bosman ruling in the governance of professional football clubs in Europe [19]. Jean-Marc Bosman, an unassuming player on the Belgian FC Liège team, found another club, US Dunkerque, when his contract ended. He thus evolved to the French second professional division, which wanted to borrow him for only one year, with the option of a definitive transfer at the end of the loan. Yet FC Liège blocked the transfer, requiring the payment of a compensatory indemnity. Jean-Marc Bosman, then salary- and teamless, appealed to European justice, which ruled in his favor. To allow the free circulation of workers, a player at the end of his contract could offer his services to any club, without the original club being able to demand compensation for the transfer. Once obstacles to mobility have been removed, players can freely pass through numerous teams during their short careers. For example, French athlete Anelka played on 12 teams between 1996 and 2015!

Team owners also bear much responsibility for the proliferation of nomadic careers. They seek to increase the economic value of players, to benefit from income generated by a transfer during a contract. As indicated in Fig. 2, the

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transfer fees paid by clubs of the five major European leagues strongly increased, and we can explain such a progression using two key elements: (1) the dual phenomenon of the increased resources of clubs, and (2) the liberalisation of the labor market of European football players resulting from the Bosman ruling, "*but this strong growth is also explained by club strategy which associated transfers as a means to make significant financial gains in the short or very short term (...), the majority of clubs hoping to benefit from the inflation in transfer fees*" [20:132]. This happens only with longer term contracts, which allow human capital to quickly gain in value by creating significant added value at resale.

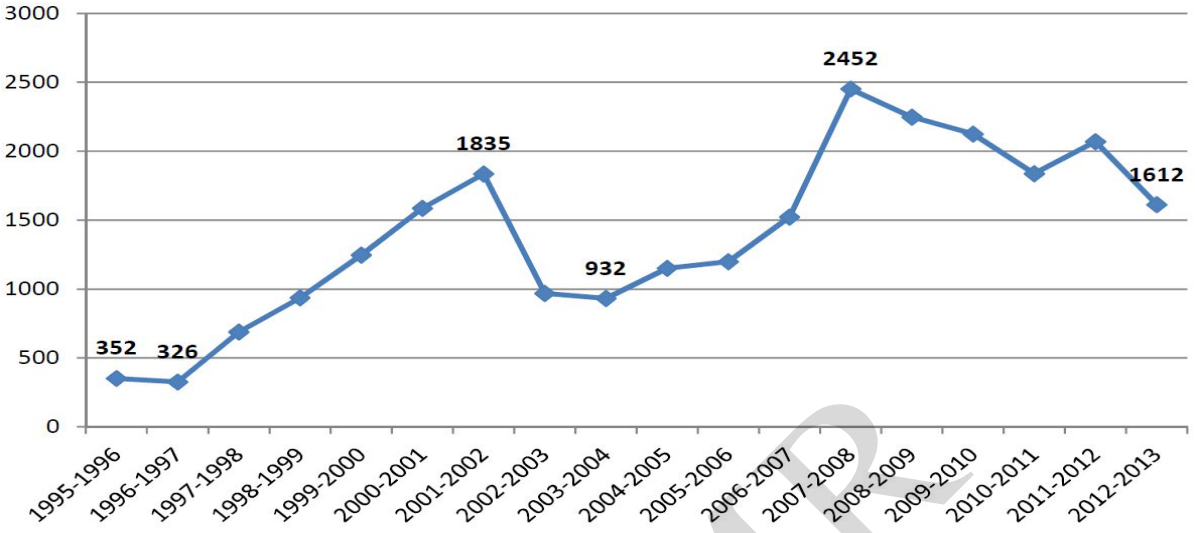


Fig. 2: Evolution of Transfer Expenditures in the Five Major European Leagues (€m)

Source: Adapted from [20].

In other words, club owners have several years to increase the market value of talented players, then accept their departure before the end of the contract in return for compensation for early termination. Therefore, if Zidane was transferred from Juventus Turin to Real Madrid in 2002 before his contract ended, it was in consideration of compensation of about €80 million paid by the Spanish club to the Italian club.

Instead of seeing the extension of the duration of contracts as a way to develop attachment of the best players to the club colors, we must consider contract extension as a source of advantageous financial renegotiation with another club when the originally signed contract is breached. This model is evidently profitable only if there is a balance between players' salaries and revenues obtained from TV rights, licensing rights and value added realized during the early departure of the most talented players. A virtuous circle then begins whereby increased income can generate sufficient liquidity to acquire promising new talent.

The acceleration of the mobility process (nomadism) of the most talented players, desired by club owners, can be clearly observed by analyzing the average number of professional football clubs to which players retained in the national team at different World Cups have belonged. For example, the 23 French players selected (22 before the 2006 World Cup in Germany) are stars who presumably exhibit strong volatility given the very high caliber of human capital. The average number of teams per player thus increased from 1.36 for those selected for the 1978 World Cup to 2.78 for those selected for the 2014 World Cup, with a peak of 3.45 for those selected for the 1998 World Cup. Certainly, the aging of the French team is a factor, which implies the presence of players with longer careers and an automatically higher number of team affiliations. However, this factor does not account for the doubling of the number of teams on a player's record during the past 25 years. As an illustration, all French players selected for the 1978 World Cup had belonged to only one or two professional teams yet at the 2014 World Cup in Brazil, half of the players selected had three or more clubs to their credit.

The marketing of European football clubs thus reflects the double bind phenomenon, to revisit the analysis by Bateson *et al.* [21]. Double bind means that individuals receive conflicting messages, which negate each other. Our findings show that clubs highlight the central nature of emblematic players like Messi in Barcelona FC or Ibrahimovic in Paris Saint-Germain FC to their fans. Concomitantly, these players are interesting primarily owing to their ability to maximize licensing rights. It is often more profitable for a club if a player leaves prematurely, which generates income from early termination of the contract. We are clearly in a double bind situation in which players contribute to reinforcing the club's image only ephemerally. Further, in their comparative research on the brand attributes of French professional clubs, Couvelaere and Richelieu [22] highlight intertemporal dimensions totally disconnected from human capital, such as

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the spirit of aggressiveness, conviviality, the search for perfection, respect for others and emotions felt. The implications are very strong for owners of professional clubs.

They signify that fan attachment, a source of income, must be analyzed apart from the media coverage of a few players, which are ultimately a volatile attribute that cannot underlie a long-term marketing strategy.

PROPOSITION 2: *Professional football clubs benefit from and even encourage the nomadism of their players, and build their image on elements independent from human capital.*

V. CONCLUSION

For years, the professional football sector has interested only economists and sociologists. Marketing specialists have remained on the sidelines, undoubtedly because this research subject appeared trivial compared with more noble themes related to big business. However, the recent transformation of professional football clubs' should intrigue marketing and communication experts given the enormous financial stakes: "*The magic of the sport brand is that each product promotes the others. Television broadcasts act as advertisements for tickets and jerseys. Stadiums become shopping malls as they sell products to the dedicated consumers that have already paid the price of admission*" [23:374]. This paper has underlined the crucial importance of TV and licensing rights in ensuring profitability. This calls for a deep rethinking of the relationship between the club as brand and its fans as clients.

A talented player, as human capital, is thus a highly volatile resource for club owners, although it is possible to find counter-examples, like Messi and his total loyalty to Barcelona FC, based on a deep child-parent relation with Iniesta [24]. Far from being desirable, star players' rootedness in a club is scrupulously avoided. Such players are simply drivers of additional income for a given time; clubs must rely on other levers than attachment to a particular star to build fan loyalty. In this perspective, it is essential to pursue research to improve governance of professional clubs and identify key elements of a successful marketing strategy.

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