

SIR NORMAN CHESTER CENTRE FOR  
FOOTBALL RESEARCH

FACT SHEET 11

Branding, sponsorship and commerce in football

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**1. The Rise of Commercialisation**

- 1.1□ Football in England in the early years of the 21<sup>st</sup> century looks very different from the game which began in English public schools in the mid 19<sup>th</sup> century, and was a mass pursuit by the early years of the 20<sup>th</sup> century. In the 1940s and 1950s the game arguably reached its modernist peak, boasting record crowds, and became a rather troubled, hooligan-affected sport in the 1970s and 1980s, before a more recent recovery in image and attendances. Many people seem to believe that the true commercialisation of football has only recently begun. However, a century ago players were paid to play and club owners needed a way to raise money for their salaries, so began charging for entry to matches. Cigarette football cards were introduced in the 1920s as smoking had become a popular social habit, especially among working people. In order to capture and hold future cigarette markets a vogue was created for the collection of the cards (Walvin, 1994). In 1923, the rules of the FA Cup were printed by the sports equipment and clothing suppliers Lillywhites, which bought the sole rights to publish them. And, from at least the 1930s onwards, it was common to see top football players (Dixie Dean, Stanley Matthews, etc.) advertising and sponsoring products, including cigarettes and men's cosmetics. It is clear, then, that the 'commercialisation' of football really first began long ago in England.
- 1.2□ In the post-Second World War period, as the influence of the cinema and, later, television grew, so, slowly, did the status of the professional footballer as a sports and television personality who could sell commercial products through advertising and sponsorship. In 1951, Stanley Matthews received £20 a week from CWS (Co-operative society) for wearing the companies football boots; no mean sum, then. However, most footballers in this period were still effectively shackled to their clubs under the maximum wage and the retain and transfer contract system. This meant that many top footballers of the period also held other jobs locally – England international Tom Finney was a plumber, Billy Liddell an accountant – and top footballers such as Finney could spend their entire careers at relatively 'unfashionable' clubs. Russell (1997) argues that Tom Finney's last match at Preston in 1961 signalled the end of an era in which supporters and players shared local attachments and broadly similar lifestyles: the 1960s offered changes ahead.
- 1.3□ Of course, the new commercialism in football looks very different from earlier versions. Arguably, the effects of commercial interests accelerated in England in the 1960s with the rise of the popularity of TV, the lifting of the maximum wage for players, and the hosting by England of the 1966 World Cup Finals. Here was the beginnings of the 'dis-located' footballer and the 'celebrity' player or superstar – George Best is the most well known example (Cricher, 1991). An official song was recorded for the 1966 World Cup tournament and replica World Cup Willy Lions were sold in England and the mascot was used to brand the tournament as petrol stations offered special 'World Cup Medals'. The 1966 World Cup was a

major global television event and it was probably the first of the major football finals to be shaped substantially by the concerns of the media, especially TV. Around 400 million people world-wide watched the TV coverage (Murray, 1996) and many fans in England bought souvenirs commemorating the event. World-wide audiences totalling 3.7 billion people watched games on TV during World Cup France '98 and 5.0 billion were reported to have tuned in to Japan and Korea 2002. The official French World Cup mascot, Footix, was used to sell millions of products before, during and after the event, from mugs and footballs to baby bibs.

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## 2. Competition Sponsorship

### Early days

From 1964, when the BBC's regular *Match of the Day* football highlights coverage began and as crowds for football were falling, but players' wages were rising, the interests of sponsors and the commercial needs of clubs began to coincide. By the late 1960s the Football League had first began to pursue sponsors, helping to produce new, if rather short-lived, competitions such as the Texaco Cup (1970) and the Watney Cup (1970). When the Football League Cup final was transferred to Wembley in 1967 sponsorship would not be too far behind. This was the first major football competition in England to have named sponsorship; it has been, variously, the Milk Cup (1982); the Littlewoods Cup (1986); the Rumbelows Cup (1990), the Coca-Cola Cup and most recently the Worthington Cup. Alcohol, white goods, snack food and most recently financial services and new technology products have become prominent on the football sponsorship stage. In recent years, the trend at the top level of the English game has also been away from local or regional sponsors to sponsors which have national or trans-national markets to satisfy (TV coverage of the FA Premier League, for example, is now global). Thus, Leicester City exchanged local employer and shirt sponsors Walkers (snack foods) in 2001 for LG, a white goods manufacturer, while global trans-nationals where in stiff competition for shirt space at Manchester United – Vodafone eventually won out in a £ multi-million deal.

### The FA Premier League

The FA Premier League was launched via BSkyB satellite TV money in 1992, but without a named sponsor. But in 1993 Bass Brewers paid £3 million per season to connect its Carling brand to the renamed FA Carling Premiership. Bass reported much increased product sales as a result of the sponsorship and thus renewed their relationship with the Premier League in 1997 at a cost of £36 million from 1997/98 to 2000/1. Most recently Barclaycard outbid all-comers for the privilege of becoming the named sponsor of the successful League. This sort of sponsorship works well with the young, male, high spending audience which tends to subscribe to channels such as Sky Sports. Sky Sports TV coverage of the FA Premier League is itself sponsored, this time by Ford, the car manufacturers. Again, the attraction is the type of audience attracted by Sky and the new image of top football which is one which connects advertisers with the high spending, young, male consumer'. Sponsors of the old Football League included Canon (1983); Today newspaper (1986); Barclays Bank (1987) and Endsleigh. Significantly, Canon ended their Football League sponsorship in the 1980s because of the problems then associated with the image of the sport. How things have changed! Now sponsors seem to compete over connecting themselves with major football events, clubs and competitions. The Nationwide Building Society are the current Football League sponsors – but Nationwide is also a sponsor of the England national team, and the FA has been building a 'family' of major sponsors around 'team England'.

## □ **The FA Cup**

- 2.3□ Perhaps the most prized domestic competition sponsorship of football in England is that of the FA Cup – though the FA Cup itself has rather lost ‘value’ and status for clubs as qualification for the lucrative Champions League has become ever more important for club finances and the careers of players. Here, the sponsor’s name tends to be linked only indirectly to the competition – the FA Cup sponsored by Littlewoods or now the FA Cup sponsored by AXA – in order to reflect and ‘protect’ the history, tradition and some of the integrity of the world’s oldest and most popular knockout cup competition. Some critics still feel the FA Cup should have remained ‘pure’ and without sponsorship. In fact the FA itself has become strongly commercial in its outlook and activities in recruiting a family of sponsors to be connected with a range of FA activities, from the national team to the FA Cup and youth football. It is reported the FA hopes to raise some £50 million in sponsorship monies in this way in order to help support and sustain grass roots football ventures. Again, some critics argue this new ‘commercial’ face damages the national governing body and makes it too responsive and beholden to outside commercial interests; others suggest this is ‘good business’ for the national game, securing its future at the lowest as well as the highest levels.

### **International competition**

- 2.4□ At the international level few major football events take place these days without major commercial interests being involved (Williams, 1999). Coca-Cola and Adidas have had a long-standing arrangement with FIFA and the World Cup, for example. Usually a family of maybe eight or 12 sponsors producing different types of products (chocolate to cars and cameras) will pay for the right to advertise and connect their products exclusively to the event in question. This applies to the Champions League as well as to the World Cup and the Euro Finals. Of course, other, rival companies may try to spoil this investment by placing their own TV advertising or advertising near match sites. So, Nike, Brazil’s national team sponsor, launched a major pre-Final’s campaign before France 1998, though Nike was not the official manufacturer sponsor of the Finals. Some subsidiary sponsors may also pay for the right, for example, to be the official beer of the Finals or the official airlines. Sponsors may also combine their interests. Thus, Nike’s Brazil advertisement for 1998 was cleverly played out in an airport, bringing together sports goods manufacturers and travel companies. Sponsors such as Nike may also try to establish niche identities for themselves by playing on particular social themes; for Euro ’96, for example, Nike adopted a socially aware campaign against racism, involving its top clients (non of whom actually played in the Finals). Many of Nike’s top sporting clients – Michael Jordan, Ian Wright, Shaquille O’Neal, Patrick Kluivert – are black. Is this commercial opportunism or responsible social concern – or examples of both? For the World Cup finals in Japan and Korea in 2002 160 companies in the UK alone had advertising campaigns connected to the World Cup (Williams, 2002).

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## 3.□ **Shirt Sponsorship**

### **Public or private?**

- 3.1□ By the early 1980s in England competition sponsorship had opened the way to club shirt sponsorship. A broad, the wearing of product names on club shirts was already common. In 1978 Liverpool became the first British club to have a shirt sponsor. Sponsors names in England were initially limited in size by the Football League in order to placate fans and the ‘non-advertising’ BBC. Some products – cigarettes for example – were considered not suitable for football shirts, though alcohol products are still regularly featured on shirts. Most sponsors are private companies, but WBA has had sponsorship from the Health Education Council; Millwall has promoted safe sex; and Hull City were sponsored in 1997/8 by the University of

Hull. A broad, *shorts* as well as *shirts* can also be used by sponsors. The national team in England has no shirt sponsorship, though the logos and names of key sponsors appear on training kit and around the national stadium.

### □ ***The cost of sponsorship***

3.2□ The *cost of shirt sponsorship* at **some** top clubs (up to £5 million a year in some cases) means that only large, private companies will now do. In 2002 Tottenham Hotspur announced a new four-year £15 million deal with kit manufacturer Kappa, while travel firm Thomson announced a new £4 million shirt sponsorship deal with Spurs. Some companies feel they benefit from very long term deals with top clubs – most people now are encouraged to think, for example, that Vodafone somehow 'stands for' Manchester United these days. Arsenal for many years had only *one* shirt sponsor, V.C., before moving on to Sony. Today more and more high-tech industries have moved into shirt sponsorship business with computer goods, mobile phones and office products to the fore. Internationally, only one top club has argued that the club shirt is too 'sacred' to be despoiled by a sponsor's name; but, then, the Catalan club *Barcelona* probably does not need the cash as much as some clubs do! Today, too, many young fans identify 'authentic' club shirts by the correct sponsor's name. This means product 'recognition' is very high for many sponsors – a crucial issue – but we don't really know if sponsorship helps product sales. After all, maybe some Tottenham fans would be put off buying Sony goods because of its Arsenal associations! However, the FA *Premier League Fan Survey* of 1995 suggested that 'three out of ten (29.5%) of all fans find products associated with their club 'more attractive', but younger fans are much more strongly affected. *Competition* sponsorship seems slightly less successful in this respect, though a direct effect on fans is only one of the claims of sponsorship.

3.3□ Obviously, sponsors must fear a negative reaction from supporters of other football clubs to their products. A club's relationship with a sponsor is designed to work one way, at least from a commercial point of view. The club receives a sponsorship fee and the sponsor receives brand exposure. A brand like electronics goods company Sharp chose football because of the mass appeal of the sport. Mintel *Leisure Intelligence* in 1984, reported a 37 percent awareness of Sharp as a sponsor, second only in terms of football sponsors to Coca Cola with 39 percent (Seed, 1985). Sharp's first deal with United began in 1982 and cost £500,000 over five years; how times have changed.

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## 4.□ **Merchandise Sales**

### □ ***Replica shirt sales***

4.1□ *Shirt sales* are important to both sponsors and clubs. In the 1980s, when hooliganism was a factor, club replica shirt sales were quite low and clubs did relatively little to limit the use of official club logos. In 1990, following the National League Baseball Association example, Arsenal were one of the first clubs to register its name, to stop traders outside the football ground selling the club logo at an undercut price (Hallam, 1992). Following this and the launch of the new FA Premier League in 1992, the League and all individual clubs now jealously protect official club and League products from reproduction or imitation by non-club producers. Today, as the game has rid itself of the 'hooliganism' tag and wearing club shirts has become fashionable, effective licensing deals are crucial to commercial success. All top clubs now have extensive club shops or superstores – some have a number in different locales – selling exclusive, official club products. Business here is booming. Top clubs also licence a wide range of products to producers – though marketing specialists warn against the dangers of diluting brand value. There has been a Manchester United *Nintendo*

game and also Manchester United mineral water, beer and even tomato sauce. In the club's official shop one can purchase a United *Monopoly* game – and much, much more.

- 4.20 As the FA Premier League National Fan Survey shows, the most popular form of merchandise sold to English fans is the club adult replica shirt. Sales of the larger clubs can reach up to 500,000. When Newcastle United signed Alan Shearer, for example, the club made £250,000 on the day of this signing, just in terms of Shearer replica shirt sales. When Inter Milan, in contrast, signed Ronaldo the club had prepared no shirts carrying the Brazilian's favoured No. 9. Instead, counterfeit No. 9 shirts appeared to satisfy local demand, forcing the club to play their new star as a No. 10 in order to cash in later on official shirt sales. Continental clubs are some way behind the merchandising boom pioneered in England – though Italian fans do not see football replica shirts as quite the fashion items favoured in England.

#### Nostalgia selling

- 4.30 Nostalgia in football, always a powerful force, and is extremely useful in marketing terms. It also provides a niche market for some local small entrepreneurs. Clubs tend to only own the rights over recent club badges and motifs. But retro clothing is in vogue at the moment and this, combined with a search by some fans for a pre-commercial 'authentic' football link, has helped smaller companies, sometimes run by fans, to capitalise on the popularity of club football shirts by combining fashion with a more traditional cotton and football heritage. This sense of the 'classic' shirt has also been explored more commercially by a recent trend towards 'designer' kits: Bruce Oldfield designed the new (97-98) Norwich City kit stating that the original kit: "was very grunge; very late 80s rather. We wanted a more 60s feel" (*The Guardian* 20 May 1997). The model for this new 'strip' was a 17-year-old City 'fan', who also assigns with Vogue and Donna Karan. Non-league Chelmsford City recruited *Red or Dead*'s leading designer Wayne Hemingway to do their kit in 1996 – though it failed to save the non-league club from relegation that season.

#### Player power and players as products

- 4.40 By the early 1990s, the impressive and highly marketed BSkyB satellite TV coverage of football, a general re-packaging and restructuring of the sport following its 'rehabilitation' from the dark days of the 1980s (the new FA Premier League in 1992 was built on TV and sponsorships), and the growing commercial power of players, had started to increase public and club interest in individual players as marketable commodities. The sponsorship and advertising deals of footballers and their agents were now able to negotiate (for products from football boots to pizza and shampoo) helped some to achieve 'celebrity' status and an increasing demand for the merchandise they were endorsing. Top professional footballers are no longer simply 'sports personalities'; rather, they are also now television celebrities and cultural icons. But this new commercial emphasis produces tensions, too. Eric Cantona argued that he had ownership rights to his own image when Manchester United sold 'Cantona' products for club gain. Before Cantona left Manchester United he registered three variations on his name: 'Cantona', 'Cantona7', and 'Ooh, lah Cantona'. The applications were class 16 and 25 types, which protects his name on various types of printed matter, from magazines to calendars, as well as most types of clothing. He also requested additional money from the club on the assumption that his name would still be being used to market goods after his departure. On June 30th, 1997 Manchester United ceased to market Cantona merchandise and wrote off stock valued at £12,000 (*Soccer Investor*, Issue 1, 1997).
- 4.50 The potential that merchandise rights will become part of future transfer negotiations is not inconceivable for the future. Indeed, David Beckham's negotiations with Manchester United in 2002 were reported to be 'stuck' not on his value as a player but rather on his 'brand' value – as a celebrity or fan icon used to push merchandise. Beckham has been increasingly

marketed and sold in complex ways which reflect changes in gender and family identities and changes in football (Whannel, 2002). In 1997, Alan Shearer and Paul Gascoigne are not featured in *Pannini's England World Cup stickers book* because of their down commercial endorsements. According to one source: "Once the idea that Paolo Maldini and Eric Cantona individually provide a better return on investment than Manchester United or AC Milan collectively, then the whole system of club sponsorship may crumble" (*When Saturday Comes*, No 130, December 1997).

- 4.6 The downside of long sponsorship deals for players is apparent in the recent Steve McManaman case. The player faced a possible prison sentence after allegedly breaching a high court promise to Umbro, his boot sponsor. McManaman has been under Umbro sponsorship since he was 17 and was contracted to them until the year 2000. He wanted to be free to take up better, rival sponsorship deals. At the beginning of the 97/98 season McManaman was seen wearing Reebok boots. Subsequently, he was ordered to appear before the court charged with allegedly breaching a High Court promise made to Umbro. His grievance was that Umbro only pay him £6,000 per year to wear his boots. However, Umbro claimed the contract was worth a lot more than that direct sum. The player soon rid himself of his then sponsor.

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## 5. 'Planet Nike' and the new commercial giants

### *Players v clubs*

- 5.1 There are also obvious tensions when players with equipment sponsorships move to clubs which have different sponsors. This is why Nike wanted Ronaldo, one of their biggest clients, to move to a Nike club; no sponsor wants their star client photographed in someone else's kit! Nike argued its role in the talks was as an 'intermediary' but there was speculation that the company was actually discussing buying Ronaldo's contract from Barcelona with the intention of then loaning him out to clubs around the world on a game-by-game basis (*Marketing Week On-Line News Archive*, August 27, 1997).
- 5.2 Manufacturers may also try to encourage their top clients to move to places where their own products need better promotion. Top sponsors like this are increasingly influential in the world game as the size of the market for football goods expands (see Williams and Giulianotti, 1994). As players become more powerful and strike up their own deals with sponsors, loyalties are bound to become stretched. Who has rights over the player, for example – the club, the manufacturer, the makers of products endorsed by players? Already manufacturers are making adverts involving their international stars playing in teams representing the sponsor. Are we far away from real matches between players sponsored by, say, Adidas and Nike? The latter has already arranged tournaments and matches involving the national teams of its sponsors. Nike signed a £250 million sponsorship deal with the Brazilian national football team recently, which commits it to playing five Nike sponsored games each year. Nike then sells the world-wide television rights. The £12 million kit deal Nike recently signed with Arsenal also means the Gunners must play in a pre-season Nike tournament. As Jason Nisse points out: "Nike sees soccer as a key element in its global strategy" (<http://www.the-times.co.uk>).

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### *Nike has landed*

- 5.3 In 1971 Phil Knight founded Nike (originally called Blue Ribbon Sports) in Portland, Oregon. In 1976 the Montreal games were Nike's first Olympics. Adidas spent a rumoured \$7 million there; Nike gave away a total of \$526 worth of merchandise. By 1980 the so-called 'trainer' wars were in progress. In 1984, Nike chased the best American athletes, who were mainly

track and field, and tennis stars. They also ran the first national television advertising campaign by a shoe company, to push the whole brand not an individual shoe. In 1987 Reebok passed Nike in gross sales after rising overnight on the strength of *Freestyle*, a soft leather woman's shoe. Nike responded in 1989 with Michael Jordan. In the 1994 Atlanta Olympics Reebok signed 52 National Olympic Committees to clothing deals along with a host of individual shoe endorsers. However, as well as several individual athletes and the Dream Team, Nike had the Italian and US football (soccer) teams (*The Face*, February 1997).

- 5.4] Now Nike has renewed competition from Adidas, the German sportswear group, a brand British people strongly associate with football. Adidas is now (November 1997) taking over Salomon, the French sports goods company, in a \$1.39bn deal which will take Adidas ahead of Reebok to become the world's second sports goods manufacturer after Nike. Adidas has emulated Nike's marketing strategy and signed up prominent sports stars to act as 'brand' personalities (*The Guardian*, July 1997). This means battles for sponsorship will put sports people in a position of power. The Gazzas and Sally Gunnell of the future will be able to choose the products they endorse. Agents will also be on the rise looking out for a cut of the deal. Internal politics of teams will also change. Journalists who wish to interview players will not go to managers but to the sponsors, for example. The foreseeable negative outcome of the empowerment of the sports stars is further wage rises. This is a problem even our leading clubs cannot currently manage. All the income clubs are reaping from new operations is immediately going into transfers and wages.

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## 6.] The Rise of Marketing and the Football Club 'Brand'

### *What is a 'football' brand'?*

- 6.1] We know that firms like Nike and Adidas are famous 'brands'; the name of these companies stands for a certain sort of image and identity as well as a product. They are not yet 'brands' as powerful and global as, say, Disney, McDonalds or Coca-Cola, which are now known all over the world. But brands can become so powerful and demand such loyalty from customers that they can also be used to sell other sorts of products. Television and the popularity of football – especially European football – has meant football clubs coming to terms with a much more complex and lucrative financial environment and many top clubs are turning to marketing and 'branding' as a means of maintaining and extending their competitiveness. This is a relatively new departure in England. Until recently clubs did little marketing to fans and to others on the basis that the match was the basic product and that supporters had 'organic' links with clubs which would be activated almost wholly by performances on the pitch. Facilities were under-resourced and under-utilised; most grounds were poorly appointed and remained empty and unused, except for match days. Club product sales were a residual, poorly exploited aspect of club activities. Even top clubs sold their limited list of products almost grudgingly out of glorified sheds.
- 6.2] The post-Hillsborough transformation in stadium and marketing practise in England has changed all this. Clubs have begun to recruit staff with marketing skills rather than ex-players who needed a job. Whole marketing departments have grown up, and clubs are collecting information about their fans and are establishing sophisticated databases on product and ticket sales. Club community schemes are used to market the club in the local area (42% of all Wimbledon season ticket holders in 1997 made contact with the club through its community scheme). Some football clubs are now exploring the commercial potential of a successful merchandising strategy, built around a strong brand. A football club brand aims to gain the 'hearts and minds' of fans and other customers. A football club brand is an image or identity which is central to the persona of the club itself. A small number of clubs have the potential to become global brands; that is brands which will be recognised and valued all round the

world. Certainly every club's brand image and its commercial positioning will be tailored to the club's potential fan base, to the club's operations both on and off the field, and to the history and traditions which make the brand authentic and potentially long-lasting. According to *Fletcher Research* (1996/97), MUFC, Liverpool, Newcastle United, Arsenal and Tottenham Hotspur are the five clubs in the Premiership with the largest fan bases. They are also the clubs who presently have the best sponsorship deals. A large fan base is an attractive aspect to a sponsor. The more people that follow and watch a team, the greater the potential sympathetic audience the sponsor's message will reach. Most brand value has been explored with clubs and players now, but naming rights to a stadium is still relatively unexplored and potentially controversial. The Reebok (Bolton) and Cellnet (Riverside) (Middlesbrough) are good examples here, but recently Leicester City's new Walkers Bowl was criticised by fans because of its 'phony' Americanised feel. The club soon changed the name to the Walkers Stadium. Walkers paid just £1.5 million for naming rights - a sign of the declining football times?

### □ **The advantages of football brands**

- 6.3 □ A football club has a number of likely advantages over other branded products: (1) brand loyalty; fans rarely switch allegiance between clubs and their products; (2) brand longevity; football appeals to all age groups and increasingly across the social classes; (3) low marketing expenditure; football has little need to spend on marketing its product because of its established position in the marketplace (Middleton, 1997). Commercial (non-football match) revenue has become increasingly important to top clubs' finances with, on average, less than half of its revenue now coming from gate receipts.

#### **Why is Manchester United a successful brand?**

- 6.4 □ Manchester United does not refer to a specific product or range of products as most conventional brand names such as Coca-Cola does. The Manchester United brand encompasses a range of activities, services and products which have evolved as a result of its prominence in its core activity of being a successful football club brand. The MUFC brand is stronger than many clubs due to the club's past successes on the field, popular ideas about the style of play favoured at the club and the national sympathy evoked by the tragedy of the Munich air disaster and the response of the club to such adversity. Such an incident can help to form an unbreakable bond between supporter and club (Tyrell, 1984). Like all British football clubs, Manchester United has only recently capitalised on merchandise sales. Growth in marketing activity has coincided with the team's progression on the pitch and with increased television coverage at home and overseas.

#### **What are the problems of managing a football brand?**

- 6.5 □ Manchester United has its own brand nature and has adopted its own strategies for expansion of marketing activities. There is a lot of 'crossing over' in football merchandising due to the diversity of product areas. These included 'core' merchandising, financial services, and fast moving consumer goods (fmcg), all under different departments, leading to possible fragmentation of a brand's strategy. Brand management is extremely important in this case due to the possibility of brand dilution caused by having a wide variety of such products.

#### **Flexible diversification**

- 6.6 □ In addition to being a top football club, Manchester United's other activities are now retailing, wholesaling, merchandising, catering, financial services and a form of advertising media (Seed, 1985). Just like your local kebab shop now sell pizzas, burgers and chips, so top football clubs have diversified into other markets. Manchester United is successfully brand practising *transferability*. A route when a top successful football club is building a brand is to find

products to wear and strengthen and the brand name simultaneously establish credibility outside the core area of football. If Manchester United's performance on the field drops erratically loyalty to the brand will be tested. Fans might argue that using the name of club, and this great others like it to sell, say, whiskey, is demeaning and corrupting the club's name for commercial gain. Fans complain that many top clubs now feel like a range of businesses of which football is only one. However, the strength and success of the brand depends, at least in part, on current team performance. But the extraordinary pull of United's neighbour's Manchester City, even when in dire playing straits, shows that brand quality is deep seated.

### *How can a strong regional identity be used to build a football club brand?*

- 6.70 Newcastle United are another club which has employed marketing and promotional specialists to ensure maximum marketability and merchandise sales. In 1995 Sir John Hall, visited Barcelona in search of an inspirational template for a successful sport club. The Barcelona club became a symbol of Catalan independence in the face of Franco royalist Spanish repression and Hall has used regional identity and affiliation to build a strong brand for Newcastle United. He has also tried to ape the sports club and membership structure of Barcelona which has worked well for football but less successfully for other sports bought up by Hall (Williams, 1997).

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## 7. The Future for Football Club Brand Growth

### *TV draws*

- 7.10 On current stock market quotations Manchester United FC is now worth around £400 million, making it by far the largest of Britain's growing list of stock market floated football clubs. The value of all clubs has fallen in recent years as the promise of quick profits from football has diminished. Leicester City's 'paper' value in 2002, for example was just £2.7 million. The club – like many others – was heavily in debt and out of the FA Premier League. The new Manchester United marketing strategy is searching out new possibilities of opening up product markets in the Far East and elsewhere. Manchester United are also colonising within the UK with United merchandise sales even established at other football clubs. The Premiership giants also recently took floor space in London's renowned and exclusive toy shop, Hamleys of Regent Street. United realise that many foreign visitors to the UK do not venture beyond London and that MUFC merchandise may be their preferred choice of a souvenir from England.
- 7.20 Manchester United also teamed up, in turn, with broadcasters B Sky B and the Granada Media Group to set up a pay-TV channel dedicated to the club. The channel, the first of its kind, was launched in Autumn 1998 on new British digital cable and satellite systems. The Television channel – MUTV – broadcasts reserve team football, friendlies, classic matches from the past, and interviews with players, and will prove a commercial success. Alan Sugar described this idea as a "non-starter" (<http://www.ft.com>, October 24 1997), though other top clubs such as Liverpool and Arsenal have also pursued the TV channel option as a means of bringing in new customers and new product sales.

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## 8. Marketing at the Smaller Clubs

### Marketing Research

8.1 Thus far we have been talking mainly in this fact sheet about the larger clubs; but what of the approach of the smaller clubs to marketing? Recently, David Hudson (1997) of De Montfort University in Leicester conducted a survey of marketing departments at all clubs in the Football League and the FA Premier League.

His main findings included:

- one fifth of senior marketing executives (SME) said marketing was the 'guiding philosophy of the club'
- marketing is represented at Board level at only 56% of clubs
- over three-quarters (78%) of all clubs had marketing departments
- average no. of marketing employees at clubs is six but most have fewer than five
- 66% of all SME's were appointed from outside football
- only 25% of respondents thought marketing training was important
- just over half of all clubs frequently carried out customer satisfaction surveys
- fewer than one in ten SME's hold a relevant professional qualification

8.2 Hudson concludes that clubs have much work to be done on the marketing side. He calls for: increased use of market research; more use of direct marketing; more emphasis on use of the media; recruitment by clubs of more marketing specialists; more flexible match pricing policies. He concludes that "marketing is still embryonic as an activity and a philosophy within many clubs".

## 9. The Ethics of Marketing

### Exploitation or a service?

9.1 Due to the phenomenal recent success of leading football club brands in the UK, kit manufacturers and clubs have been keen to extend their profits via an ever larger volume of kit sales. Not everyone has been impressed. According to the Prime Minister, Tony Blair, for example, "There is a market, certainly, but there is a community too. Football clubs are part of it." (The Guardian, January 16, 1995) Blair was commenting on the launch of a third team strip for Manchester United which meant that "less than a month after thousands of youngsters pulled on their favourite club jersey at Christmas, the men who run the club ordered the Red Devils to trot out in blue at Southampton" (The Guardian, January 16, 1997). Blue, of course, is not a traditional colour for United, but it is fashionable and suitable for wear with jeans. Kit manufacturers in the 1990s seem to maintain the right to run roughshod over club heritage by inventing new colour schemes and diluting club identities. Top clubs now offer merchandise in almost all colours. The debate remains on whether fans are being exploited and their loyalty abused; or are clubs simply giving the fans what they want in

colours they like? Are we breeding a generation of dedicated fans or just soccer consumer junkies?

- 9.2 David Whelan, who owns just over 50 percent of JJB Sports, believes kids' replica football kit sales will not slacken. They currently account for 17 percent of all JJB sales. Whelan believes kids will never stop supporting soccer teams. He claims a club has as much rights as Next for any retail chain to change designs as often as required. Whelan believes the move in the late 1990s by Tesco to sell Adidas products at up to 40 percent cheaper than traditional sports shops is a "publicity stunt". Adidas refused to supply the supermarket because the stores were "not the right environment" for its products, so Tesco bought £2 million of its goods from American wholesalers instead (*The Guardian*, August 21 1997). The case raises the prickly point about the cost and quality of club products. Most sell for at least five times what they cost to make and they offer large profit margins—hence Tesco's cut-price offer. In 2002, Manchester United, Umbro and the FA were all accused of price fixing on kit products.

### □ *Ing-er-land, In-ger-land*

- 9.3 There has been talk in the past of leading Premiership clubs trying to establish a retail chain to sell their merchandise in London and across Europe. These shops would sell replica strips, leisure clothing ranges, and probably anything that the clubs can stick a label on. Would this be a threat to high street sports chains? Britain is a free market economy, and retailers and manufacturers are encouraged to maximise their income. Nevertheless, the football industry and the FA in particular faced a barrage of protest over their plans to change the England home strip just after Christmas 1996. This rendered thousands of Christmas presents obsolete and increased the sales of the new strip in the new year. Supporters and consumer groups condemned the FA's decision, claiming that they had taken advantage of the consumer at a time when national allegiance was high due to the aftermath of Euro '96. The FA's defence was that football kits are "fashion items, and that fashions change. They agreed the Euro '96 strip would be outdated if it were replaced, but retorted that it would still be a collector's item. The FA must, of course, operate on a commercial basis in order to carry out its primary function of overseeing the health of the sport at all levels. A sign of the sums now at stake comes from Nike's and Admiral's battle to kit out the England Squad for World Cup '98. They have emerged as the two remaining bidders to the FA for a deal which was reputed to be worth as much as £50 million, depending on England's results (*Sunday Times*, 20 October 1997). The England football kit today is nearly five times more expensive than 17 years ago. To keep in line with inflation compared to 1979 prices, the kit would now cost £37.50; not the £70 charged in the mid-1990s (*Daily Mirror*, 23 October 1996). More recently, all FA Premier League and Football League are required to have Customer Charters, which are supposed to limit some of the "excesses" of changing kit and exploiting fans on the merchandise front. Clubs will have to show how they respond to the complaints from customers in annual reports—though there are no signs they will listen more strongly to fans on issues such as the colour and design of football kit.

## 10. Conclusion

### □ *The balance*

- 10.1 There has to be a balance between the commercial aspirations of sport and the drive to produce corporate profits and offer dividends to shareholders, on the one hand, and the cultural significance of football on the other. Those who follow their clubs are supporters as well as customers or consumers. The traditions and the dignity of their clubs is something which is held dear. Sometimes, in the late-modern era it seems as if the sport is marketed like any product might be—beans, toothpaste, etc.—or just like any other sport. It is the particular histories of the game and the clubs which bring it to life and which enthral and capture fans. Most people do not want sports which all feel the same, played in similar stadia, playing

similar music, with similar marketing schemes in place. The *individuality* of different sports and different clubs is important to sport today.

- 10.20 It seems strange and grossly unfair that a fan of any sport should feel pressured into spending money they, perhaps, cannot afford, just to be considered a 'true' fan. It seems strange, too, that club marketing departments should want to try to create an atmosphere in stadia by drowning out the songs of fans with loud music or banal pitch presentations – but that happens too. A gain a *balance* is needed to allow fans to be creative and involved while also offering scope for the club mascot to ply his trade. At the same time, however, it must be recognised that football was grossly 'undersold' and poorly marketed in the 1980s when hooliganism and the sport's poor public image made marketing seem an alien and worthless prospect. Fans were *not* treated with respect and club facilities were often poor; today much of that is changed and fans, in the main, are not opposed to marketing when it is responsibly and professionally done. Changing spending patterns suggest there is a strong demand for sports goods. Football supporters should not be treated like outcasts by fellow fans just because they have bought a club shirt. To buy something from a club is, surely, not to 'become' nothing more than a mere customer. But, like most of us, committed fans can also smell a 'rip-off' and the cold hand of club marketing which has gone out of control.

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