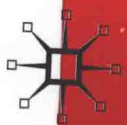


# FOOTBALL BRANDS

SUE BRIDGEWATER

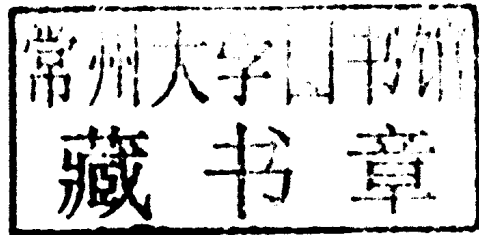
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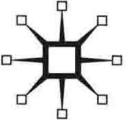
# Football Brands

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## **Football Brands**

*In memory of my parents, June and Gordon Hallard*

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Sue Bridgewater

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# Why view football clubs and organizations as brands?

The purpose of this book is to help readers to understand why brands are important, why football clubs, football bodies, players, and tournaments are increasingly talked about in terms of brands, and the ways in which they differ and must be managed differently from other types of brands. The book combines real case histories of football brands and the challenges which they face with a reflection on what we can learn from theory in the areas of both branding and sports marketing.

The book begins with a discussion of the reasons for considering football clubs, football bodies, players, and tournaments as brands, and what insights can be gained from viewing all of these as football brands.

### **Why are brands important?**

Marketers argue that brands are important on a number of levels. First, brands make a financial contribution to firms. Up to 70 percent of a firm's earnings can be attributed to brands (Perrier 1997). Brands did not use to be mentioned in financial statements, but increasingly their value is recognized among the "intangible assets" of firms. Moreover, whilst the average British and American company is valued by the stock market at twice net balance sheet assets, companies with strong brands are valued at four times net assets (*Financial Times* 1991). Nestlé paid £2.5 billion to acquire Rowntree (with its portfolio of brands such as KitKat, Smarties, and Polo mints), six times the value of the net assets of Rowntree (Doyle 2002). Second, customers build loyalty to strong brands. The decision to buy a Mercedes or a Ferrari confers much more than the ability to travel between places: the customer is buying a set of attributes, such as reliability or speed,

and associations, such as prestige and status, which they – and others whose opinion they value – perceive in the brand.

Finally, brands now provide the guiding principles for market-oriented organizations. Over time, research attention has shifted from a focus on brand image (Boulding 1956) to the creation of brand identity (Kapferer 1997; Harris and de Chernatonay 2001). Brand image is concerned with understanding what customers value in a brand, whilst brand identity also encompasses the process of ensuring that employees' values and behavior toward customers and other stakeholders are consistent with these aspects.

### **Why football brands?**

Given the importance of brands to marketers and in business, it is perhaps not surprising that recent decades have seen the study of brands in a broader range of organization types or sectors. Charities, the public sector, and e-marketers all seek to build brands with which customers and potential customers can identify.

The sporting world has long recognized the fervent loyalty of fans to particular sporting stars and teams. The media abounds with images of crowds turning out to greet David Beckham and his England teammates in Japan during the 2002 World Cup, the passion of Liverpool FC's Kop singing "You'll never walk alone," or the amazing 40,000 fans whom, despite a difficult season for all concerned with the club, Luton Town FC recently took with them to the Johnstone's Paint Trophy Final at Wembley stadium.

At the same time, the commercial significance of sport as a sector, and football in particular, has continued to grow apace in the last decade.

Sport is a significant sector in economic, social, and management terms. Globally, the market alone is estimated to be worth around \$12 billion per annum (Ozanian 2005).

Within the United Kingdom, Sport England estimated the sport market at around £21.2 billion in 2008 and growing, even in a time of recession. Football (known as soccer in the United States) is one of the most globally significant sports. While many sports have appeal and commercial success within particular regions, such as baseball and ice hockey in North America, few appeal to fans in all regions of the world. Some commentators point to the

different profile of football in the United States – it is a participation sport and is popular with women players, while the men’s game predominates in other regions. Commercially, however, Major League Soccer in the United States attracts more fans (more revenue) than does the National Hockey League (NHL), and so the sport must be viewed as globally attractive. Certainly, Manchester United, Chelsea, Real Madrid, and other big football clubs attract the loyal support of fans on a global scale.

To what extent, though, should global sports clubs be viewed as brands and even global brands?

Even the mention of brand in conjunction with football is likely to raise the hackles of many football fans. Brand does not, however, necessarily mean commercial. Charities, public institutions, cities, and countries may consider themselves as brands. From a marketing perspective, branding is as much about evaluating what is important to the people with whom the brand engages, and making sure that the organizations’ values are aligned, than it is about commercial development. To consider football clubs, football bodies, football competitions, and initiatives as brands, is at least to engage in a discussion about what they stand for, what is integral to these brands, and how best they should behave and communicate to be clear, consistent, and in service of their “customers.”

For these reasons, considering football clubs and other football organizations as brands – and seeing what insights can be gained from doing so – may be a useful exercise even for those who deplore the commercialization of football.

Sports marketing theory argues strongly that football and other sports clubs should be considered as brands. These arguments focus on a number of attributes of sports clubs that make this appropriate. First, the media interest in sports clubs means that they have an increasing awareness of image.

Certainly, sports attract loyal, even fanatical, support. Within sports marketing literature there is a growing volume of work in the areas of “fan identification,” or the relationships that fans have with clubs (Lascu et al. 1995; Wann 1995; Sutton et al. 1997) and with loyalty to particular teams or sports personalities (Fullerton 1995; Wakefield and Sloan 1995).

The growing commercial importance of sport means that

clubs are increasingly concerned with raising revenue in order to successfully meet their sporting aims. For a football club this may be how it might attract greater numbers of fans in attendance at matches or events. For a football body (see the LMA case study, page 50) this might be to provide a better service to members of the association, or otherwise help the football body to meet the needs of its members.

Sports theory also explores why fans support a specific club or sports star, what influences the choices they make, and what would prompt them to spectate or participate more in particular sports. Hence sports clubs are increasingly engaging in research and activities that marketers would recognize as market research and market analysis.

The issues that clubs are addressing include decisions on location – commercialization of sports recognizes the importance of stadia in revenue generation, and so football clubs are tending to build bigger and better stadia to capitalize on the possibilities. Clubs are also looking at the demographic profile of fans, and making pricing decisions that may encourage the involvement of future fans. Clubs may differentiate the offer of tickets and other hospitality at matches between fans with different profiles. In other words, clubs are splitting into groups or segmenting their fan base, and designing marketing strategies and altering the marketing mix (price, place, promotion, service) offered to different types of fans.

In all of these senses, it would appear that football as a business views clubs and individuals as brands around which marketing strategies and marketing mix activities occur.

This book focuses on the view that football clubs, football bodies, football competitions, and football players are in effect football brands, and that this merits further discussion to see what useful insights can be gained into how they work, how they can be marketed effectively, and how they differ from other types of brands.

### **Today's key branding challenges**

In any sector, success begins with an understanding of markets and environment. What are the emerging needs of customers, and what are the possibilities for developing effective solutions

to these needs? The current market environment can be described as one in which the following apply.

- **Rising customer expectations:** Increasing competition and global over-supply in many sectors has resulted in consumers expecting more. Customers expect greater value from their suppliers in terms of lower prices and higher quality, and often solutions that are tailored to their individual needs.
- **Speed of change:** More and more markets are becoming like the fashion industry, with customers expecting a continual series of new models. Change affects not only the products and services but also the channels through which these are delivered to market. IT and electronic marketing are creating opportunities for new entrants to find new, cheaper, and more effective means of delivering value to customers.
- **Blurred boundaries:** Boundaries that used to create barriers to new entrants and limit competition in particular markets are eroding. First, globalization means that buyers and competitors no longer recognize geographic limits, but search for the best around the globe. Advances in technology make it easier to offer access to products and services worldwide. Second, the boundaries between industries are disappearing. Retail banking services might be offered by banks and financial service institutions but also by supermarkets and players from quite different sectors. Both the food industry and pharmaceuticals are producing “healthy eating” products, and new categories such as “nutriceuticals” are emerging.

### **The importance of brands**

In this rapidly changing world, continued success depends on developing new products and services, new channels, and new markets. While leaders and organizations have vision that may enable them to determine their strategic direction, the organization needs to align to deliver on its value propositions. This alignment can be achieved in uniting behind brand personalities and promises. Brands have personalities, and represent the “identity” behind which organizations align to deliver on their brand promises and create powerful assets.

## **What does this mean for football?**

### Fans as customers

The identification of fans with their cherished club is more emotional than rational. For many brands, customers may be attracted by a mix of rational and emotional criteria. In most instances, the emotional ties, which could be father or mother-child, regional affiliation, or support of a star player, are in large measure emotional rather than rational.

As in any other sector, the customers of football brands exist in a world in which the following apply.

### *Rising expectations*

Fans are the mainstay of football. Without fans, local or in some cases global, there would be no revenue from match attendance, merchandise sales, broadcast revenue, or value for corporate organizations that sponsor teams. Football fans are, however, a unique and particularly demanding set of “customers.”

Not only do fans expect value, their expectations may be un-realistic. Exceed expectations and remain in the Premier League one year, and the club’s fans will be envisaging European qualification in the following season. This expectation can place pressure on clubs, football managers, and players, which may be counterproductive.

Perhaps more than any other sector, football fans have optimistic, perhaps unreasonable, expectations of the level their chosen team can achieve. They may respond to an excellent performance by contacting radio phone-ins and web forums demanding that the club “push on” and buy better players to sustain and improve this performance, regardless of whether this is realistic given the financial resources of the club.

### *Speed of change*

Increased mobility of football players, as a result of increased player power, the role of agents, and the Bosman ruling, mean that more and more players play for clubs briefly before moving on. In addition, the tenure of football managers is declining, as pressure to deliver against fan expectations mounts. Football has always been a

---

game in which one season's heroes may be next season's "zeroes." If anything the speed of change in football is accelerating.

### *Blurred boundaries*

Football is an increasingly global game. Its interconnection with other national football associations, involvement in international competitions, and regulation by regional and global football authorities, mean that a football league or association does not operate in isolation. Football is now a business, as well as a "beautiful game," such that its clubs, bodies, and players are stakeholders in a bigger network, which expands well beyond the confines of the game itself. Indeed, the more the game develops commercially, the more an understanding of other businesses, which are linked to football through sponsorship, corporate hospitality, or in response to the increased celebrity of football players and managers, becomes essential to understanding the bigger picture surrounding football.

### *Importance of brands*

Football clubs attract global levels of support. Football clubs such as Manchester United, Real Madrid, and AC Milan, at a league level the English Premier League and the Spanish La Liga, and at an individual level players such as Kaká, Ronaldo, and Ji-Sung Park, all have significant numbers of fans in all parts of the world. While the game is governed by many of the same rules as 50 years ago, in other respects it is unrecognizable. It now involves multi-million-pound takeovers, global owners, major brands drawing from a global pool of talent, and access to match coverage and club information via satellite television, the Internet, and even in prospect, the concept of playing competitive matches in international markets. Although some deplore the impact of business on football, football continues its "outstanding commercial and financial growth" (Deloitte and Touche 2009), and the unprecedented and relentless pace of change in the football business continues.

### *Global or local?*

As big clubs get richer and more global, those with lesser resources struggle to compete and sometimes even to survive. While fans

press clubs to move on, gain promotion, buy better players, a marketing perspective has enabled some clubs to appreciate that their priority should be to develop as local brands. For these brands, the greatest appeal, the best relationships, and in turn the greatest potential revenue sources, lie in their local communities. While broader appeal may be gained via digital media, these relationships should not be neglected in pursuit of success.

#### *Highly involved stakeholders*

Many fans eat, breathe, and sleep their clubs. Their interest and the emotional bond that they have with a club, its players, manager, and all that surrounds the club, transcends the level of involvement that most customers have even in their favorite products or services. Even the most loyal fan of a particular beer, chocolate bar, or cup of coffee might experiment with a different brand to try something new, or if the previous brand disappoints over a period of time. But would a fan change allegiance to a rival team? Not even if the club underperforms over a period of years or suffers successive relegations. Fans do sometimes distance themselves from football brands if they underperform (see Chapter 2, page 67, and Chapter 6, page 169), but they do not switch allegiance to other brands.

Football brands are also surrounded by a broader network of more than averagely “involved” stakeholders. While a traditional brand may underperform and have customer complaints, these blips may pass undetected by the majority of customers, and do not have a major impact on the brand’s standing.

Football brands are very much in the public eye. As well as the paying customers, the owners and directors of the club are often fans themselves, and are intensely involved in the club. Those who report on the club in the media, particularly local media, are also often fans, and are keen to know everything that is happening at the club. Advances in technology create 24/7 sports news channels and Internet sites hungry for stories about their favorite stars. For managers, every tactic that goes wrong, every aspect of team selection, every gesture on the touchline, will be replayed and analyzed in the media. Football is the ultimate results-driven business, where the average tenure of a manager is less than



18 months, and almost 50 percent of all first-time managers never get another job. The pressures on football brands also far outstrip those facing brands in other categories.

### **Structure of the book**

Given the unique nature of football brands and the challenges facing those who manage them, this book first explores the nature of the football brands (Chapter 1) and the relationships between them and fans (Chapter 2) and other stakeholders (Chapter 3). It then goes on to explore some of the distinctive challenges facing football brands as service experiences (Chapter 4), in the light of global interest in football (Chapter 5) and throughout their lifecycle (Chapter 6).

Chapter 1 begins with an analysis of what makes a football brand. Chapter 2 explores the characteristics of brands, both those that are externally visible – such as logo and name – and those that lie below the surface, such as the values they represent, the organizational culture, which must be consistent with these values, and the brand’s positioning and its personality. These are explained in relation to all brands, then each aspect in turn is discussed in relation to football.

Chapter 3 discusses brand equity, or what a brand is worth. It reviews the different methods of measurement that are proposed by marketing literature. These range from financial estimation of the value of a brand, through to frameworks to assess the dimensions of a brand that appeal to customers. The different approaches are considered in the marketing of all brands, then specifically for football brands. Once the book has explored the most successful football brands and the foundations on which these are based, Chapter 3 then looks at how fans engage with these brands.

Some fans will be highly involved with a football brand. These “highly identified” fans are of great interest as they are most likely to attend matches, become involved in club activities, and have a strong emotional attachment to the club. Not all fans will have this level of identification. Other fans may go to matches with family and friends, but see this as more of a social activity, and do not develop the same level of emotional attachment. Various frameworks have identified different types of fans and analyzed