

# The Market of Professional Club Handball: A Strategic Analysis for the German Leagues

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Keywords: strategic management, market analysis, professional team sport, handball

## Abstract

As well in sports economics as in sport management and marketing, there is literally no research at all on handball – be it with regard to professional clubs or to national teams. This is in so far surprising as other comparable team sports outside the mainstream of literature on European football and US sports [2, 3, 5] have indeed been analyzed. Apart from European basketball, there are contributions, e.g., on cricket and Australian rules football in the leading handbook on sports economics [1]. However, even therein, a chapter on handball is missing though its significance in the European (core) markets of professional team sports is not negligible. Moreover, there is a general lack of strategic market research in the literature on professional team sports [see, e.g., 6] and comparative analyses across team sports [for an exemption, see 4]. Therefore the aim of the paper is, first, to show the socioeconomic relevance of handball in Europe by some key observations and figures. The focus, then, is set on a market analysis of the two top leagues of professional handball in Germany. The purpose of this investigation is not only to describe the market situation as to the supply and demand structure as well as the growth potential. But also a strategic group analysis is conducted to single out the market positioning of representative clubs. By doing so, management implications can be derived for practical advice on the club level. Beyond a basic comparison of the European key handball markets (Germany, France and Spain), the data base of the analysis relates to the German case only. Yet, the German handball is particularly insightful because, firstly, it is believed to be the world's most attractive first league, secondly, it just experienced a special impulse by the national team World Cup 2007 in Germany which was won by the host. Apart from institutional analyses (league constitution and reforms), the paper relies, on the one hand, on a large secondary data sample of key economic variables on the club and location level. It goes beyond handball which enables comparisons with other investigated teams sports (football as benchmark down to the third division, basketball and ice hockey down to the second division each) to assess the relative market position of handball (in total 240 teams, 64 of which in handball, with about 75 variables by each team). On the other hand, a primary interview research had been done among marketing decision-makers of the teams (145 interviews in total, 33 of which on handball, i.e. more than half of the first and second division clubs). This information source was used to confirm important data as well as to learn about the strategic thinking and acting of the club managers.

In a first step, the comparative descriptive statistics are analyzed which show that the key variables of marketing success (budgets and attendance) indicate that handball is situated at the third position far behind football and still behind ice hockey in the German market hierarchy of professional team sports. However, in a next step,

multiple regression analyses on the club budgets reveal the comparative advantage of handball with regard to ice hockey and basketball. Because, controlling for explanatory variables like, among others, attendance and local market size, the marketing potential of handball is stronger relative to ice hockey and basketball as the nominal figures in the descriptive statistics suggest. Finally, strategic groups of clubs are identified to derive options for the market positioning of clubs (especially, star/evergreen, small town vs. relocated team, underdog). This leads to a couple of basic advice for the strategic marketing of handball clubs.

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