

A QUALITATIVE APPROACH TO EMOTIONS AND SOCIAL NETWORKS AS KEY ISSUES OF THE REAL MADRID FOOTBALL CLUB BUSINESS MODEL

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Abstract

Aim of the abstract- research question:

Explore how emotions and social networks could be the base for an evolved business model as relevant football club shows.

Theoretical background or literature review:

The new business models

Nowadays large market share does not guarantee a sustained success, because of demand volatility. The transformation of traditional value chains points to value networks, where linear provider-client relationships are abandoned, and flexible links are built. So, new value propositions are focused on the customers' emotions (as well as employees' ones) in order to create users' communities. These communities act as social networks linking people with the twofold role of prosumers (they generate value for the network, and also consume the value generated by other people within it).

Emotions and social networks as drivers of the sports business models

Individual agents are connected within the social network developed by the organization. Their decisions about production and use derive from other network members' actions and information. Trends emerge, evolve, and disappear within the network as an effect of some members' will, and they influence on network members' behavior. When goods and services' values are assessed taking into account their symbolic nucleus, then the consumer pay for them if she (or other people) considers that they worth the money. This is, network member's considerations have a decisive impact on the consumers' emotions that command purchasing decisions. Emotions are psychological, cultural, and social phenomena (Illouz, 2007). Storytelling paves the way for aligning emotions and

goods and services within the network.

Methodology, research design and data analysis.

Empirical study

Our case study of the Real Madrid business model is part of a larger design comprising twenty organizations within the creative sector (Casani, coord., 2010). Some authors include sports in the creative sector, considering entertainment as a part of it. So, we have deal with organizations which a creative base in their stakeholders' relationships.

We have gather information about the organization from secondary sources (President's statements, brochures on the club characteristics, financial data, ...), and then run interviews with its managers. In the interviews, collected data from secondary sources was checked in order to test the consistency of the official discourse about emotions and values, as well as about how the club develops some social networks. A questionnaire about its strategy, culture, and organization completes the data. Field work was done by, at least, two members of the research team to offer a complementary vision of the interview's results.

Data analysis

Content analysis is used to deal with recorded material obtained from the interviews. We have used Atlas-TI software to analyze discourses, with the aim of verify if the logic behind the Real Madrid business model (as we see it) is consistent with senior officials' declarations.

Results, discussion and implications/conclusions.

Laureate football clubs as Real Madrid is has a long tradition of boosting emotions with a sound storytelling aimed to forge the legend, as his President Perez says. Stories about the club's values and results are useful to articulate relationships between his main stakeholders. These are, in order, as follows: partners and supporters, clients, regulatory bodies, media, and providers. This is, the official discourse gathers a set of emotions (based on the club declared values) needed to build sustainable (and profitable) relationships with relevant stakeholders.

The Real Madrid business model growths from his legend, image, and values. Football players, media contents, TV rights, and commercial activities are closely linked with them. Relationships with (and income from) sponsors and corporate partners depends on fame and successful show.

This case study offers an interesting characterization of emotion's promotion within social networks in order to articulate a rocketing business model. This could be a useful example for other sports clubs the world over. Further research is needed to elucidate what the main emotions in this scheme are, and on what is the proper way to develop them within social networks.

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