

(SP) DOMESTIC AND INTERNATIONAL MARKETING ACTIVITIES OF EUROPEAN SOCCER CLUBS – IDENTIFYING SUCCESS FACTORS AND OBSTACLES

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Introduction

With saturating domestic markets and annual growth rates in the five major European soccer markets at a 10-year low, international markets are gaining in importance to soccer clubs (Deloitte 2005a, p. 6). “International markets [...] may well be the next key differentiator between clubs” (Deloitte 2005b, p.5). While the number of clubs expanding their marketing activities to other countries is steadily increasing, they do not seem sure how to best capture the value of their international fans (Deloitte 2005b, p. 5). As we are unaware of any prior academic research on this topic, the purpose of this paper is to provide a starting point for further investigations that will hopefully be able to fill this void in the future.

Methods

After analyzing the cases of the two leading European soccer clubs – Real Madrid FC and Manchester United FC – we conducted an exploratory international survey about the nature and scope of national and international marketing activities among 98 clubs from Europe’s primary soccer markets during the 2004/05 season. Aside from the issues identified by the case analysis, an elaborate review of both sports business and international marketing literature (e.g. Deloitte 2005a; Deloitte 2005b; Sportfive 2004; Erning 2000; Galli et al. 2002; Hermanns/Riedmüller 2001; Lagae 2003; Beech/Chadwick 2004; Berndt et al. 2003; Meffert/Bolz 1998) provided the basis for a standardized questionnaire. It was then translated into the five corresponding languages to avoid misinterpretations. The sample consists of 9 clubs from the German Bundesliga, 8 clubs from the English Premier League, 7 clubs from the Spanish Primera División, 6 clubs from the French Ligue 1, as well as 5 clubs from the Italian Serie A. This represents a response rate of 36 percent. To add sportive success measures to the analysis, the National and International Performance Indices were established and calculated for each participating club. The survey results were analyzed using descriptive (frequency distributions, arithmetic means, and standard deviations) and inductive methods (contingency tables and chi-square tests of independence).

Results

Our findings emphasize the increasing importance of international markets. 87 percent of the clubs involved in marketing activities beyond their national borders assess their overall potential for internationalization at least as high. Increasing their international awareness levels and thereby securing new and strengthening existing sources of income are important goals for clubs.

On a national level, we found the relationship between the number of national titles and a club’s marketing potential to be stronger than between a club’s national performance and his marketing potential. The potential of international marketing

activities is most influenced by a club's international performance. National performance and especially national titles do not show such a strong relationship.

Internationalization of soccer clubs is still at an early stage, and clubs have hence not been able to gain much experience in international operations. This lack can be seen as a driver for clubs to rely more on outside assistance for their international marketing activities than for their national ones. Another driver can be the lack of information on the target markets that clubs have shown in our study. More than two thirds of the clubs were unable to provide an estimated number of their international fan base. It therefore seems more than questionable that they would be able to tailor their marketing activities to their current and potential customers (fans) in international markets by themselves.

Our findings determine time limitations due to national fixtures as the primary obstacle to further expansion of a club's international activities. Another limiting factor, which however is country-specific, is inadequate international promotion of the national league. This is only found among German and Spanish clubs, and can be explained by the vast difference in income generated from their league's international TV-rights compared to e.g. the English Premier League (Kramer/Weinzierl/Wulzinger 2005, p. 186).

Discussion

Our findings support the view put forth by Deloitte (2005a; 2005b). An increasing number of clubs is turning to international markets as new sources of income. This trend is evident today and expected to further intensify in the future. It is doubtful, however, that the clubs are pursuing their activities with the required strategic planning. Our findings have shown evidence for Deloitte's assessment that "[...] it is not always clear that clubs have thought through their international market development plans as well as they might" (Deloitte 2005b, p. 5). If clubs are to be successful in the international playing grounds, they need to have a clear strategy for their activities that should be incorporated into the club's overall strategic planning process. Short-term financial benefits from internationalization might be easy to obtain for clubs. The real challenge for them, however, lies for them in drafting a strategy how to best maintain and capture the value of the international markets in the long run.

Through our study we have identified a number of factors positively influencing the national and international marketing activities that professional soccer clubs engage in. As we are unaware of prior research on this topic, we hope that it provides a starting point for further investigations which will shed more light not only on the identification of success factors for soccer clubs' marketing activities, but also on their relative importance and possible interactions.

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