
NEW BUSINESS STRATEGIES OF FOOTBALL CLUBS IN EUROPEAN TOP LEAGUES

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Abstract

AIM OF ABSTRACT/PAPER - RESEARCH QUESTION

The study investigates new strategies of football clubs in function of last few years' trends. There were many changes in international professional football during the last 10-15 years that had significant effect on the success of certain clubs. We show empirical evidences about these effects based on data about revenues, transfer balance, financial and sport successes. We focus on European top leagues and classify clubs based on their business and sport strategies.

THEORETICAL BACKGROUND

The paper summarises the specialties of business models provided in the literature of financial management of professional football. Our aim is to present different strategies of football clubs in the 2000s. First of all we show the types of ownership and the targets of owners with help of existing literature. A major conflict can be found between sport and financial results in professional sport. The literature of 2000s identify five models: success circle, transfer, synergy, L'art pour l'art, and special models. Our aim is to re-think the utility and relevance of previous business models and to include the intent of owners (relation between economic and sport success).

METHODOLOGY, RESEARCH DESIGN AND DATA ANALYSIS

The research examines the most relevant changes in professional football is last decade. Our hypothesis was that due to the appearance of new owners and other trends in professional football, many clubs needed a change in their business strategy. Certain new trends, such as transfer market changes, effect of economic crisis and new owners were identified, analysed and proved by empirical evidence.

The research used data of the transfermarkt.de and uefa.com and used actual and relevant studies like Deloitte Football Money League, Demographic Studies of CIES Football Observatory, CIES Football

Observatory Annual Review, financial reports of football clubs etc. To understand and describe the aim of football clubs nowadays we examined previous strategy-types and searched new examples for existing strategies. Finally we described new business strategies.

RESULTS

The new trends of professional football (economic crisis, extreme wages, higher and higher transfer prices new type of ownership) mean huge challenge to football clubs in international championships and in the top leagues. The revenues and sport successes concentrated into some clubs, others doesn't have really chance to catch up. The research reveals that some top club's unrealistic budget and the economic crises makes football clubs to change theirs business strategy.

We recommend business models to football clubs with different core competence.

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