

La globalización y la comercialización de la industria del fútbol: ¿quién gana? ¿quién pierde?

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My background

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- Establishment of MBA (Football Industries) in Liverpool in 1997
 - 12 months
 - Combination of standard MBA modules and football-specific modules
 - 25-30 students per year
 - From all continents
 - ✦ Our graduates include 20 Brazilians, 12 Mexicans, 1 Paraguayan, 1 Chilean, plus 1 Colombian currently on the course
- Context when we established it
 - Premier League had been established 1992
 - Reorganisation of European Champions' League
 - Issue of shares by clubs on London Stock Exchanges
 - Bosman Judgment of 1995, giving players freedom of movement within Europe and at the end of their contracts

Objectives today

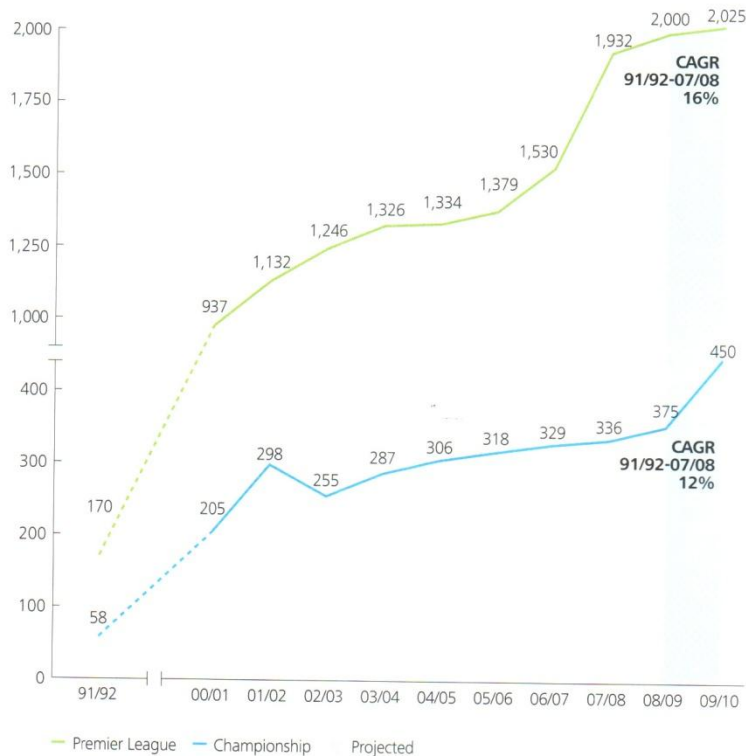
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- Growth of Football as Biggest Global Sport
 - Premier League
 - Champions League
- Business Model of Football
 - Income streams
 - Costs
- Globalisation
- Threats to the Popularity of Football and UEFA's Response
- Who has gained
- Who has lost

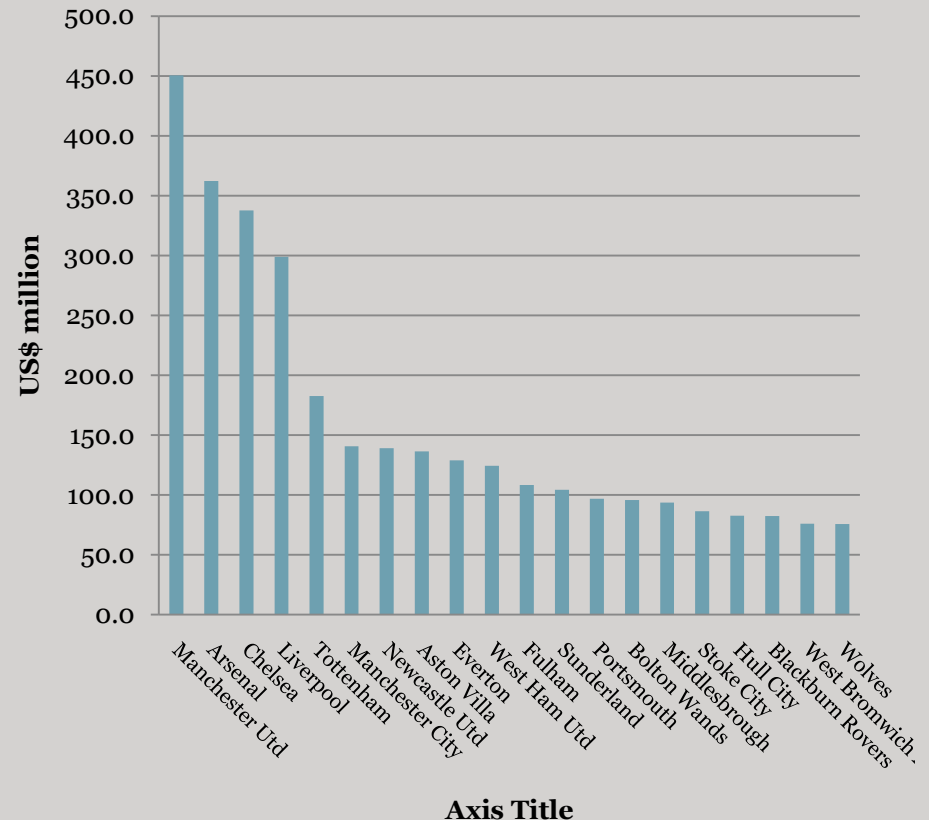
Business Success of English Premier League

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Chart 2.1: Aggregate revenue for Premier League and Championship clubs – 1991/92, 2000/01 to 2007/08 actual and 2008/09 to 2009/10 projected (£m)



Premier League Incomes, 2008-09



Fuente: Deloitte

Social Success of English Premier League

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- New/improved stadiums



- Better security



Business Success of Champions' League

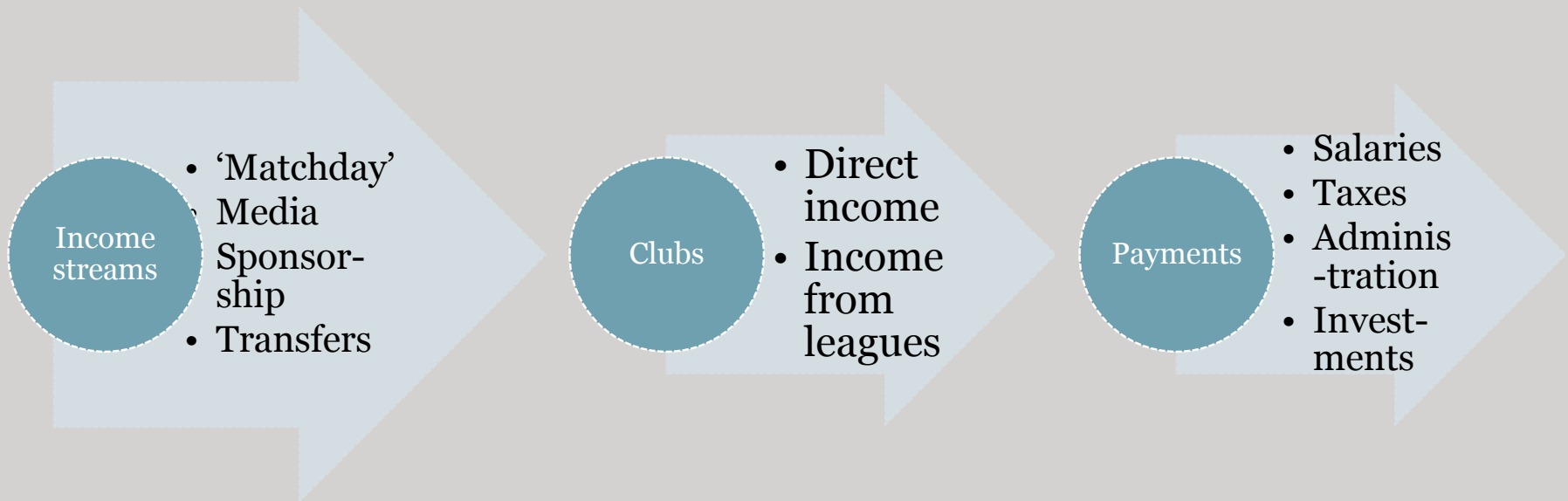
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- **Benefits**
 - €583 million distributed by UEFA to clubs in 2008-09 (=US\$820 million)
 - Clubs also benefit directly from matchday income, sponsorship and advertising
- **T.E.A.M. AG's marketing success**
 - Television deals
 - Sponsors/partners

The Business Model of Football

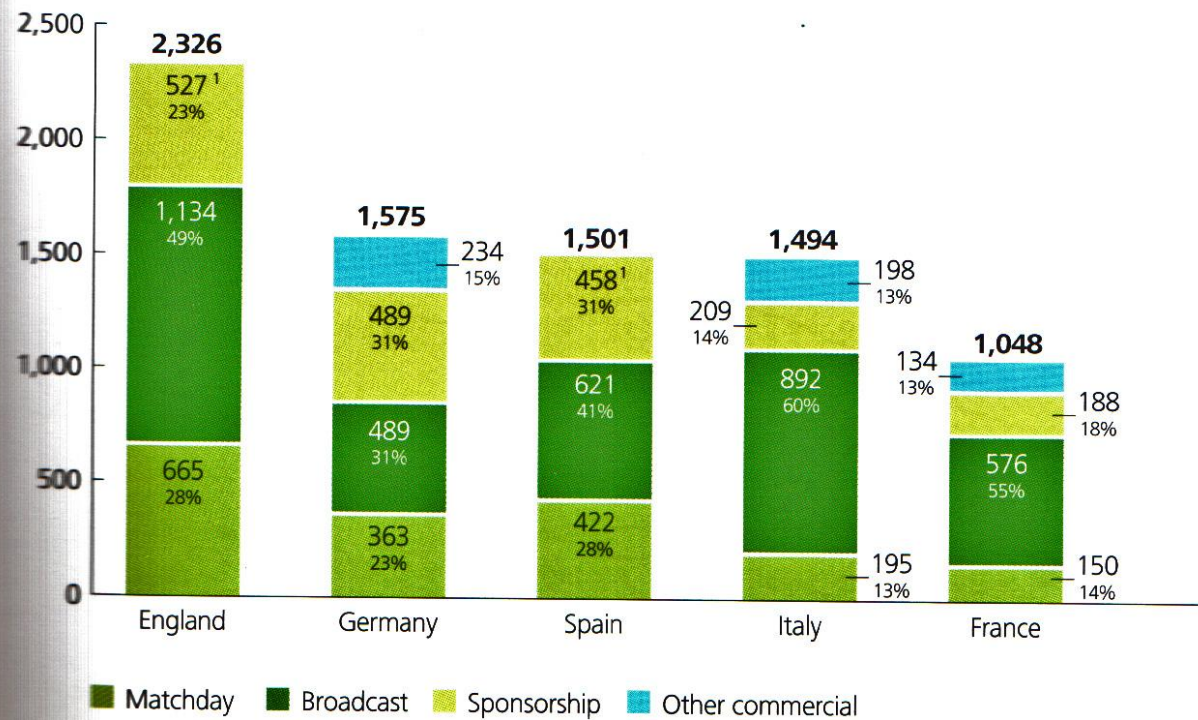
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Income Comparisons in Europe

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Chart 1.3: Revenue breakdowns for European leagues 2008/09 (€m)

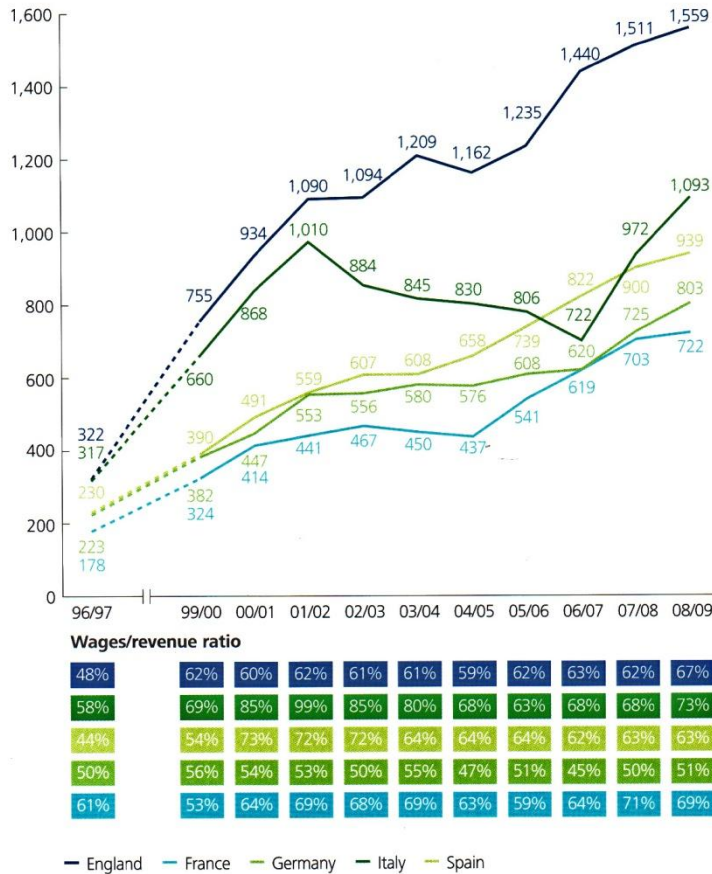


Source: Deloitte

The Big Problem for Clubs

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Chart 1.5: Wage costs for the 'big five' European leagues – 1996/97 to 2008/09 (€m)



Source: Deloitte

Globalisation of Football

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- Media audiences
 - Changes in delivery of television and growth of Internet
 - Demand for top football crosses national boundaries
- New Professional Leagues
 - North America and MLS
 - Asia
 - ✦ J-League
 - ✦ K-League
 - ✦ A-League
- International Competitions
 - African Cup of Nations
 - European Championships
 - ✦ Etc.
- International Market in Players
 - Importance of Bosman Judgment of 1995

Globalisation of Demand

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- Global Demand for Top-Level Football
 - Fans across the world are willing to pay extra to watch and be connected with top-class football
 - Supply of top-class football is limited to top competitions and clubs
 - Impact on price of seats, television subscriptions and sponsorship fees
- Globalisation of Brands
 - Ford, Toyota, Coca-Cola, McDonald's, Visa, Mastercard, Vodafone, Sony, Nike, adidas
 - Football forms part of global sponsorship and advertising campaigns
- Importance of the 'Football Demographic'
 - Young men from 15 to 34 with disposable income
 - How else can one reach them with an advertising message?

Possible Threats

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- Predictable outcomes
 - Close relationship between a club's income and its results
 - Wealthy owners of clubs
 - Importance of distribution of income from TV/media contracts
- Declining quality of teams in leagues that cannot attract the best players
 - In Europe clubs like Ajax, Celtic
 - South America?
- Growing distance between fans and wealthy players
 - UEFA and FIFA anxiety about this
- Growing distance between fans and owners
- Ethical issues
 - Players' salaries and transfer fees
 - Behaviour of clubs towards fans
 - Corruption, especially match-fixing

UEFA Initiatives

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- ‘Homegrown Players’
 - Squad of 25 has to include 4 players trained in the club, and can include 4 more trained in a club in the same country
 - Any number of players under 21
- Financial Fair Play
 - Limits on new investment in clubs
 - ✦ Except for projects like stadium construction
 - Limits on annual losses
- Greater degree of control through licensing and regulation

Who has gained - I

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Who has gained - II

15



Who has gained - III

16



Who has gained - IV

17

prozone



octa8on

TRAFFIC
SPORTS

AZUL - PANTONE 280 C
LETRAS BRANCAS/LETRAS BLANCAS

SCOUT7
PROFESSIONAL FOOTBALL SOLUTIONS

SKY SPORTS

TyC Sports

Who has gained - V

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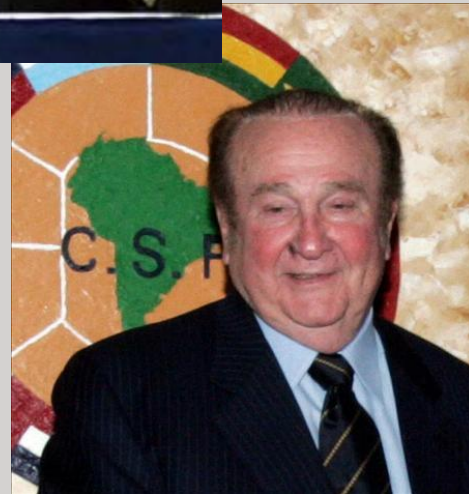
CHAMPIONS'
MATCHDAY
HOSPITALITY

INDIVIDUAL MATCHDAY
PACKAGES NOW AVAILABLE
TO BOOK ONLINE

Two Chelsea players in blue kits are shown holding trophies. The player on the left is holding a silver trophy, and the player on the right is holding a gold trophy. The background is dark blue with the Samsung logo visible on the players' kits.

Who has gained - VI

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Who has gained - VII

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Who has lost - I

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Who has lost - II

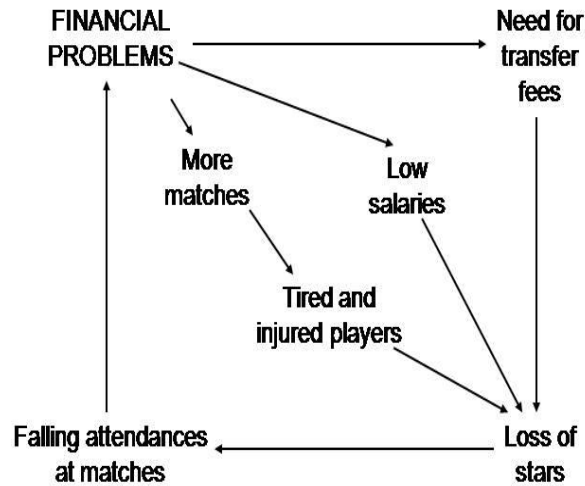
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The Problems for South America

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- Vicious circle for clubs



- Lack of investment
- Poor management
- Fan violence and poor policing
- Loss of football stars to Europe
- Wrong time zone
- Football politics and corruption