

THE VALUE OF BRAND IN THE FOOTBALL INDUSTRY

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Abstract

During its existence, the football game has suffered a tremendous transformation. Football has become very much a huge business as an increasing number of football clubs are listed on stock exchanges worldwide and are generating great revenues. Given the global expansion of football and its increasing commercialisation football clubs around the world are facing numerous challenges in a complex and dynamic environment. Enormous amounts of money have been directed into football from different stakeholders such as media corporations, shareholders, or big companies from manufacturing and services industries. This is why a strong brand is often the most valuable asset of a football club. The goals of our paper are to address the concept of brand and to illustrate its application in the case of the football industry. To such ends, the authors used a quantitative research method. The paper demonstrated that the concepts of brand and brand value constitute an important topic both in the football industry and in the literature. Also, it showed that there are several important football clubs located in Europe that have dominated the industry in the period 2018-2020. It is interesting that the first ten football clubs by brand value were the same in this period. All of them are from the major European championships such as Premier League, LaLiga, Ligue 1 or Bundesliga. Real Madrid has remained the world's most valuable football brand, followed by FC Barcelona in 2020 and Manchester United in 2019. However, the English football clubs have dominated the rankings with six brands in top ten.

Keywords: brand, brand value, football club, football, football industry, Europe.

Classification JEL: M39, Z2, Z21

1. Introduction

During its existence, the football game has suffered a significant transformation. It is said that it “has progressed from being a ritual and a celebration to become an amateur sport, a professional sport, and now, increasingly, a commercial sport” (Hamil, and Chadwick, 2010, p. xxiii). Football has become very much a huge business as an increasing number of football clubs are listed on stock exchanges worldwide and are generating great revenues. Given the global expansion of football and its increasing commercialisation football clubs around the world are facing numerous challenges in a complex and dynamic environment.

Enormous amounts of money have been directed into football industry from different stakeholders such as media corporations, shareholders, or big companies from manufacturing and services industries (Kennedy and Kennedy, 2016). The last decades have witnessed the growing importance of football in the domain of sports marketing (Desbordes, 2006). This is why a strong brand is often the most valuable asset of a football club. Its brand's ability to create value represents an important competitive advantage in today's football industry. In this respect, football clubs, especially the big ones, are continuously searching for ways to strengthen their brand in order to satisfy the needs of the loyal fans/supporters and to attract new fans.

The goals of our paper are to address the concept of brand and to illustrate its application in the case of the football industry. To such ends, the authors used a quantitative research method. The structure of the paper is as follows: the next chapter presents the literature review. The research

methodology is displayed in the third chapter. The fourth chapter deals with results and discussion. The paper ends with several conclusions.

2. Literature review

Branding represents one of the most relevant aspects of a business, a key issue of product and/or service policy (Dubois, et al., 2007), and therefore, an important element of the marketing mix of any organization (Grădinaru, et al., 2016; Grădinaru and Toma, 2017; Toma and Grădinaru, 2018). Moreover, successful branding may lead to attaining business excellence (Toma and Marinescu, 2018).

A brand constitutes “a name, term, design, symbol, or any other feature that identifies one seller’s good or service as distinct from those of other sellers” (Pride and Ferrell, 1991, p. 250), “a name, term, sign, symbol, design, or combination thereof that identifies and helps to differentiate” (Sandhusen, 1993, p. 288), or “a product or service that adds dimensions that differentiate it in some way from other products or services designed to satisfy the same need” (Kotler and Keller, 2006, p. 274). Whether the business is a restaurant or a football club, “it is the brand itself that will dictate whether it succeeds or fails” (Haig, 2004, p. 1).

A football brand may be a football club, a national football team, a football player, or a football competition (Bridgewater, 2010). In this respect, considering football clubs as brands are seen as a fact because the commercial significance of football has considerably continued to grow in the last decades. For example, numerous football clubs own their logo and this is the reason why many football fans are able to identify their symbols even if they are not so familiar with the name of the club. Thus, a football club is not only an organization but also a brand and its fans are its customers.

As football has become not only a global game but a global business (Chadwick, et al., 2019), the brand value of football clubs has increased exponentially in the last decades. Football clubs such as Real Madrid, FC Barcelona, Manchester United, Manchester City, or Bayern Munich have a brand value that exceeds 1 €bn (Brand Finance, 2019; Brand Finance, 2020).

3. Research methodology

In order to attain the goals of the paper, the authors used a quantitative method. The data were gathered through desk research. In the first phase, the authors deployed a comprehensive literature review and collected the needed information from books and journals found in libraries and electronic databases. In the second phase, they synthetised and analysed the information. Finally, the authors elaborated their paper.

4. Results and discussion

In the period 2018-2020, the ranking of the top 10 football clubs by brand value did not change significantly. In 2018, Manchester United, the famous British football club, dominated the top, being followed by two Spanish clubs, Real Madrid and FC Barcelona (Table no. 1).

Table no. 1. Top 10 football clubs by brand value in 2018

Ranking	Club	Country	Brand value (€m)
1	Manchester United	United Kingdom	1,562
2	Real Madrid	Spain	1,297
3	FC Barcelona	Spain	1,246

4	Bayern Munich	Germany	1,159
5	Manchester City	United Kingdom	1,097
6	FC Liverpool	United Kingdom	992
7	Chelsea	United Kingdom	985
8	Arsenal	United Kingdom	893
9	Paris Saint-Germain	France	753
10	Tottenham Hotspur	United Kingdom	630

Source: Brand Finance, 2019

In 2019 and 2020 the ranking of the top 10 football clubs by brand value was dominated by Real Madrid (Table no. 2, Table no. 3). Real Madrid has remained the world's most valuable football brand, followed by FC Barcelona in 2020 and Manchester United in 2019.

Table no. 2. Top 10 football clubs by brand value in 2019

Ranking	Club	Country	Brand value (€m)
1	Real Madrid	Spain	1,646
2	Manchester United	United Kingdom	1,472
3	FC Barcelona	Spain	1,393
4	Bayern Munich	Germany	1,314
5	Manchester City	United Kingdom	1,255
6	FC Liverpool	United Kingdom	1,191
7	Chelsea	United Kingdom	968
8	Paris Saint-Germain	France	914
9	Arsenal	United Kingdom	885
10	Tottenham Hotspur	United Kingdom	758

Source: Brand Finance, 2019

Table no. 3. Top 10 football clubs by brand value in 2020

Ranking	Club	Country	Brand value (€m)
1	Real Madrid	Spain	1,419
2	FC Barcelona	Spain	1,413
3	Manchester United	United Kingdom	1,314
4	FC Liverpool	United Kingdom	1,262
5	Manchester City	United Kingdom	1,124
6	Bayern Munich	Germany	1,056

7	Paris Saint-Germain	France	966
8	Chelsea	United Kingdom	949
9	Tottenham Hotspur	United Kingdom	783
10	Arsenal	United Kingdom	719

Source: Brand Finance, 2020

The top 10 football clubs by brand value were the same in 2018, 2019, and 2020. The rankings show the total superiority of Europe at a global level. All of the football clubs are from the major European championships such as Premier League, LaLiga, Ligue 1 or Bundesliga. The English football clubs have dominated the rankings with six brands in the top 10, followed by the Spanish football clubs with two brands, German and French football clubs with one brand each of them.

5. Conclusions

Football has turned into a global business and has a huge impact on media, the economy, and society. As such, branding has become a key function required for a successful football club in the football industry. The biggest football clubs have understood the need to build strong brands in order to maintain their fans and attract new ones, and, therefore, to obtain higher revenues.

The paper demonstrated that the concepts of brand and brand value constitute an important topic both in the football industry and in the literature. Also, it showed that there are several important football clubs located in Europe that have dominated the industry in the period 2018-2020.

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