



Game of the People Insights:

Global game, global market

Globalisation is a much-utilised word these days and is used to describe the “no holds barred” approach to business. Boundaries have come down, borders have been crossed, workforces are transient and multinational and the rise of satellite TV has made all things accessible.

Football is no exception and today, the top teams are collections of hired hands from all over the world. This has, to some extent, diluted the value and appeal of international football and created a group of “super clubs” that have taken their “brand” global.

Historically, of course, certain clubs have always had their overseas fans. Just look at the programmes of any major British club in the 1970s and 1980s and you will see references to supporters in Spain, France and parts of the world that used to be pink on the world map – in other words, part of the old empire.

Sport was always a prime export of the British Empire, although cricket, rather than football, was the choice of the pith-helmeted classes. Nevertheless, Britain’s football was welcomed around the world and you could always come across a Manchester United or Liverpool fan in the most unexpected places.

Clubs have only really started to capitalise on this in the past decade. When they started to install such corporate grandees as a Chief Executive or Chief Operating Officer, you knew that the game had suddenly taken on a new dimension – business.

Put your shirt on it

Matchday revenues are only part of the story. You cannot build stadiums large enough to cater for everyone who wants to watch Manchester United or Real Madrid, no matter how many tiers you add to the ground. United claim to have something like 650 million “fans” around the world. We’ve known for decades that United are the best supported and most iconic of British clubs (as much as we don’t like to admit it), but over half of that figure comes from Asia Pacific.

The vast majority of these fans will never set foot in Britain, let alone Salford, but they have a TV and Internet relationship with the club that invariably involves buying lots of merchandise. As you read this, there’s probably a little lad in Jakarta running around with a Wayne Rooney shirt on his back.

Shirt sales have become primary income for clubs and that’s why when you walk around any provincial English town, you will see United, Liverpool, Arsenal and Chelsea shirts in abundance. So much for supporting your local team. I once asked a teenage lad who was wearing a Liverpool shirt if he had been to Anfield and he didn’t even know where Liverpool “really” was except it was “up north”.

A saturated market

With football at club level now very much a pan-European business market, it is no longer enough for the truly gargantuan clubs to be prominent in their own backyard. For many clubs, they may well have exhausted their local market and football allegiances being what they are, this is where a football club and other strands of business greatly differ. A corporate that makes breakfast cereal can win the hearts and minds of consumers and take them away from a competitor. It’s virtually impossible for an English football club, for example, to win fans from other clubs. Supporters rarely, if ever, switch

clubs. So if, say, Arsenal, wants to expand its audience, it has to look beyond its traditional borders. In other words, seek out new markets.

Ironically, Arsenal was one of the first English clubs to visit Asia Pacific back in the 1960s. They were followed by Tottenham and in the 1970s, teams like Watford and West Bromwich Albion made further in-roads in visiting China. These missions were more diplomatic than commercial, but doubtless there's pockets of Baggies fans in Beijing who still talk about the time that Ron Atkinson brought his talented team to the Far East.

The appeal of Asia for football clubs wishing to broaden their franchise has coincided with the rise of the region as an economic force. Market liberalisation and growing populations that are eager to embrace the west, has provided the globally-aspirational football club with a huge market to tap into.

Globe-ball

The globalisation of the game has led to new debates around the portability of the "football industry". With so many clubs now benefitting from the income derived from new markets, there has been a growing trend to take the game to new parts of the world. Many of the top European clubs undertake tours in Asia and the United States, often participating in tournaments that give themselves grand names – for example, the US-hosted International Champions Cup.

This competition, in the summer of 2014, involved Manchester United, Manchester City, Liverpool, Roma, Internazionale, AC Milan, Real Madrid and Olympiakos.

The crowds were impressive, an average of almost 50,000, but the most astonishing statistic was the 109,000 that saw Manchester United play Real Madrid in a group game in Michigan. If ever anyone needed evidence that football was starting to take hold in the US, it was surely provided by this tournament, but it is doubtful that the crowds would have flocked to see LA Galaxy or any other MLS side in action. It merely underlined the power of European football as a global product. Similarly, when any of Europe's blue-riband clubs travel to Asia, they are welcomed with all the hysteria that once accompanied the Beatles in the 1960s.

Should, then, the top leagues in Europe look to export their product to Asia Pacific and the United States? In a business sense, Asia Pacific's emerging markets does not include Japan, a country that loves English and Italian football. But in the football context, Japan is still a developing nation and therefore ripe for conversion. The handful of Japanese players plying their trade in Europe help to make the likes of Manchester United and AC Milan popular in Tokyo, Yokohama and Osaka. The United States, from a footballing perspective, is a fast-emerging market, largely thanks to a cosmopolitan population that has its roots in traditional footballing cultures such as Italy, Mexico, Latin America and Spain.

Asia's growth as a market for European clubs coincides with the region's increased wealth and importance to the global economy. In 2012, for example, the region spent some EUR 35bn on supporting foreign football clubs. This manifested itself in the form of pay-TV, merchandise and of course, travelling to games. If you visit London football clubs, a noticeable feature over the past few years has been the presence of Asian fans clearly on a flying visit.

The growing middle class has much to do with this. Economists forecast that the global middle class will grow to around 3.2 billion by 2020 and 4.9 billion by 2030. Much of this growth – some 66% – will come from Asia Pacific, accounting for 59% of global consumption.

But the Asian audience, indeed any emerging market audience, is attracted to success. Research suggests that 80% of Asian football fans are drawn to the most successful clubs. Needless to say, a club as committed to its principles as Arsenal claims that 85% "adopt" a club due to its playing philosophy.

It seems to work for Arsenal, because only recently it was revealed – by Coventry University's Centre for the International Business of Sport – that the Gunners are the most popular foreign club in China, one of the fastest-growing markets. Second to Arsenal was Manchester United and, surprisingly, AC Milan was third and the two Spanish giants, Real Madrid and Barcelona, were in fourth and fifth place.

While Asia and the United States clearly have the resources or growth trajectory to provide relatively rich pickings, one might ask, "where next?". The small band of super clubs is setting about occupying these markets with all the fervour of 19th century colonial explorers. Initially, China, Japan and Korea were their targets, but within Asia, Indonesia and Thailand have been added and the Middle East has also joined the ranks of the lands of opportunity.

It's easy to see what the clubs are thinking about. Take their websites as an example. Manchester United's "mission" tells you that they are no longer a sporting entity, but an organisation that is committed to shareholder value and "returns": "We aim to increase our revenue and profitability by expanding our high growth businesses that leverage our global community and marketing infrastructure." When you read that, and take a slug of oxygen to recapture your breath, you know that football people are not steering the ship!

Take another look at the websites of the leading global clubs and you will see that Real Madrid have their website in Spanish, English, French, Portuguese, Chinese, Indonesian, Korean, Japanese and Arabic. It's a similar story with clubs like Bayern Munich, Paris St. Germain, Inter and AC Milan, Juventus, Chelsea, Barcelona, Manchester United and Liverpool.

There are gaps, however. Africa and Latin America. Africa is probably a long way off being considered as a profitable destination for European clubs. The continent provides a rich source of playing resources that has long been tapped into by French, Belgian, German, Dutch and English clubs.

That's not to say that Africans are not attracted to the marquee names of European football. If you walk around the djemaa el fna in Morocco's Marakech you will come across football shirts from Madrid, Munich, Lisbon, London and Manchester, and the occasional scooter-riding youth wearing a Milan or Napoli tracksuit. The power of satellite TV.

It may be some time before Africa becomes a prime market for football clubs, although some countries have greater potential than others. Pele's prediction in 1974 that an African country will win the World Cup is a long, long, way off, however.

Can there possibly be a time when Latin American countries will provide such a market? Can anyone envisage that Brazilian football fans will turn to Manchester United for their kicks instead of Santos, Corinthians or Botafogo? It would seem as unlikely as suggesting that a Milanese would decide to follow Arsenal instead of one of the occupants of the San Siro.

The answer is simple – the global super clubs leverage off the appeal of football, the accessibility of TV and the glamour associated with their "brand". In most emerging countries, they do not have anything to compete with the strength and appeal of Real

Madrid and Barcelona. In Brazil and Argentina, they have a long-established football culture characterised by lengthy family allegiances to particular clubs. So Asia and North America it is.

FIFA recognition

The rising power of the emerging football nations has long been recognised by FIFA, perhaps prompted by the organisation's global sponsors who wish to capitalise on growth opportunities built on the back of the World Cup. Cynics would say that some of these companies have too much influence.

If you look at the host locations over the past 20 years, there is evidence to suggest that FIFA is going where the money is. Traditionally, the World Cup switched from the Americas to Europe. From 1930 to 1990, the locations were: Uruguay, Italy, France, Brazil, Sweden, Chile, England, Mexico, West Germany, Argentina, Spain, Mexico and Italy. Of those, the two leftfield choices were Sweden and Chile, although you could argue that Chile was chosen to maintain the swing from one side of the Atlantic to the other. Mexico's second tournament, in 1986, was in preference to Colombia, who had initially been selected.

FIFA has long recognized the need to bring lesser-developed nations on board. Actually, FIFA elections have been won and lost over votes secured from Africa and Asia.

Since 1990, the competition has largely been tipped in the direction of growth markets: 1994 USA; 2002 Japan and South Korea; 2010 South Africa; and given the business significance of the region, 2014 Brazil. And consider that 2018 will be in Russia and 2022 [controversially] Qatar, countries that have cash in abundance (that statement may now seem inappropriate for Russia). In between that, 1998 France and 2006 Germany were traditional hard-core football territories.

Global teams

There is a strong argument that the top clubs from the UEFA stable are no longer representative of their nation or local identity, and therefore "the love needs to be shared". Of the last five years' UEFA Champions League finalists, only three teams – Barcelona 2011 (seven), Bayern Munich 2012 (eight) and Atletico Madrid 2014 (six) – have fielded teams comprising more than 50% home nation players.

Even Real Madrid only included three Spanish players in 2014 and opted for no less than seven different nationalities, the same number starting for winners Bayern Munich and Chelsea in 2013 and 2012 respectively. In 2011, Manchester United bettered that, with nine different passports in their dressing room. In 2010, Inter Milan, coached by Jose Mourinho, failed to include a single Italian at kick-off time.

It is easy to conclude that Real Madrid no longer belongs exclusively to Madrid, West Ham United to London or Newcastle United to the North East. The clubs may have its roots in Spanish, East End or Tyneside folk lore, but they are as global as Kraft, Philips, Glaxo or General Electric. You could wager that before the many foreign players who have turned out for Newcastle arrived on the banks of the river Tyne, they probably had no idea where the city was located on the map.

The 39th game argument

Given the multi-national nature of the game, with the leading clubs building diverse teams of all-stars, it seems logical that the clubs themselves will inevitably look to make

their players more accessible to a broader audience. It is not just the clubs, either – in England the Premier was keen to take its entire constitution global, hosting league games in different locations. It's a tactic employed by American football (Gridiron) and it will surely happen among the top European football leagues. The Bundesliga has already explored the possibility and part of the English Premier's anxiety was built around the fact that somebody was bound to launch such an initiative soon and they wanted to benefit from "first mover" advantage.

In reality, there are only five leagues that could pull it off – England, Spain, Italy, Germany and France. Italy and France have already taken their football abroad, Italy playing their Supercoppa in the US and China and France using their version of the Community Shield as an experiment in Africa, the US, Canada and China.

There has been some disagreement over the proposal to play a 39th English Premier League game as an overseas fixture. The entire division would take itself to Asia or the US, or anywhere else that offers lucrative TV rights. In some ways, it does make sense, but in others, it is a ludicrous and foolhardy idea. Would Stoke City v West Bromwich Albion have any box office currency, for example when all the Asian audience really wants is Arsenal v Manchester United?

"They belong to us," would be the cry from Stamford Bridge or Emirates regulars. But the fact is, the major clubs of Europe have long since moved on. The fans are merely customers and they represent a body of people that is continually being bombarded with blatant commercial opportunism from the clubs. They know it, recognise it, but they continue to feed the animal. They are global clubs and their future audience is, accordingly, global, so the pressure to send their teams around the world to connect with their fans will be too much to ignore in the future. We live in a global world that has become smaller than at any stage in mankind's evolution. Book that flight to Beijing for Liverpool v Southampton now.

Conclusion: What can stop it?

Football's globalisation is a by-product of the age in which we live. The world has shrunk and football, still very much the opium of the masses, has become embedded even more into society thanks to TV and the internet age. Football's success as a spectator sport, and its resurgence from the 1980s and early 1990s is largely due to mega-deals from TV broadcasters. If the TV money dries up, this will have a profound impact on the health of a game that is creating its own bubble.

But at the same time, the rise of Asia and the sheer strength of the United States, once it has become used to feasting royally on high quality football from the major leagues of Europe, will surely sustain demand and provide the necessary investment the game needs. The plethora of owners from Asia, Russia and the US suggests that the influence in the European game has shifted some time ago. And if you want a classic example of how football can often live outside the economic state of a nation, look no further than Real Madrid and Barcelona. The globalisation train has left the station – it will take something very seismic to derail it.

Main points from this paper:



The super clubs have become global concerns – no longer representative of their domicile



Asia Pacific and the United States represent the markets with most potential



Clubs are reaching out to new audiences – the advent of the multi-language website is a strong indicator of this trend



With huge supporter groups in other regions, pressure to make teams accessible to audiences in Asia and the US, among others, is increasing.



A growing middle class in Asia, for example, will create more potential supporters.