

Analysis of the Premier League's Marketing Strategies and Business Operations Methods

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Abstract. The Premier League is the most popular sports league in the world. Since 1992, this League has become more and more popular and eventually occupied first place in the UEFA Coefficient ranking. How did they get such achievement in nearly 30 years? Except for on-field competition, they must make an effort to promote derivative industries like clothes, medical devices, shoes, tickets, field building, and other marketing strategies such as finding sponsors, attracting a new fan base, charity works, and providing television broadcasting rights. This essay is going to analyze what the Premier League has done to elevate its profit competitiveness and what it can do to eliminate existing mistakes in terms of marketing strategies. This may enable it to continue to make a profit and enhance its popularity. The paper will take Man United as an example to develop all of the following research. Besides, a case study approach, textual analysis, and comparative analysis will be used in the following research. Hopefully, this paper may be practical for all football clubs to learn from Man United 's management strategies, as it can allow them to improve their own business model to gain more profit.

Keywords: Man United, Premier League, Marketing, Fans.

1. Introduction

After Premier league was founded in 1992, managers are searching for ways to make money. As a result of the revenue of television broadcasting rights and the increasing quality of players, premier league gradually became the center of concern for fans all around the world. By 2023, according to the performances in European competitions over the past five seasons, the Premier League is beyond La Liga and become the most powerful sport league Besides, with a potential TV audience of 4.7 billion people and aired in 212 territories, it is the most watched sports league in the world.

This essay aims to explore the factors contributing to the Premier League's rapid rise to prominence, enabling it to surpass Serie A and La Liga within a few years and become the leading football league. Furthermore, it will illustrate how other leagues can draw valuable insights from the management strategies employed by Premier League football clubs and use their business model as a reference for their own development. In particular, the Chinese Football Association Super League (CSL) has faced challenges in player development, fan engagement, and the growth of derivative industries. While some of these challenges are attributed to differences in football culture compared to European countries, the CSL can draw inspiration from the approaches adopted by Premier League clubs. By adapting these strategies to suit their unique circumstances, the CSL can potentially enhance its own strategies and overcome existing limitations. This essay serves as a bridge between the success of the Premier League and the opportunities for improvement within other football leagues, such as the CSL. It underscores the importance of studying successful models and adapting them to specific contexts to foster growth and development within the football industry. In order to demonstrate the merit of right management and marketing strategies, the following research will develop around Man United, one of the most famous and successful club in premier league, with the third most fans in social media. Also, the article will use several approaches including case studies, textual analysis and comparative analysis.

2. Overview of English Premier League

2.1. Corporation structure

The 20 member clubs own and run the Football Association Premier League Ltd (FAPL), which is a corporation. Each club has one vote per shareholder on matters like contract renewals and regulation revisions. A chairman, chief executive, and board of directors are chosen by the clubs to run the league on a daily basis. Football Association has veto power as a special stakeholder during the election of the chairman and chief executive as well as when new regulations are enacted by the league, even though it is not directly involved in the day-to-day operations of the Premier League.

chosen as the chief executive in December 2019, is currently in that position. Alison Brittain is scheduled to serve as the chair and take over [1].

2.2. Occupancy

An important and reliable source of revenue for Premier League clubs is stadium attendance. The league clubs had average Premier League match attendance of 35,838 during the 2016–17 campaign, totaling 13,618,596 spectators. This represented a startling rise of 14,712 spectators over the 1992–1993 Premier League season's average attendance of 21,126. Notably, the 2007–08 season set the previous league record for the greatest average attendance with 36,144. The highest average attendance in England's top division since 1950 was achieved in the 2013–14 season, with an average attendance of 36,695 and a total attendance of slightly under 14 million.

2.3. Broadcasting Right

With a potential TV audience of 4.7 billion people and aired in 212 territories, the Premier League is the most watched football league in the world. Premier League Productions, the production arm of the Premier League, is run by IMG Productions and creates content for its global broadcast partners.

2.4. Finance

The Premier League has the highest profit of any other football league in the world, with 7.6 bn pounds added to the UK economy, 3.6 bn direct tax contribution, 94000 jobs supported in the UK and 840% growth in economic contribution to UK in 2021-2022 [2,3].

3. Overview of Manchester United

3.1. Team Brief

Man United, also referred to as Manchester United Football Club, is a well-known international professional football team from England. The club is based at Old Trafford Stadium in Greater Manchester, England, and has a prominent role as a significant player in the Premier League, which is among the top levels of the English football League system.

Manchester United was first created in 1878 under the name Newton Heath LYR Football Club, acquiring the nickname "the Red Devils." The team changed its name to Manchester United Football Club in 1902. Manchester United has won various prestigious football awards over the course of its historic history, including the English FA cup, the Premier League and the prestigious UEFA champions league on multiple occasions.

3.2. Profit

When Manchester United PLC released its financial results for the second quarter of the fiscal year 2023, it showed that the team had made a \$7.8 million net profit for the three months that ended on December 31, 2022. This was a significant improvement from the club's \$1.7 million loss for the comparable time in 2021.

The storied club recorded a 22.2% year-over-year growth in advertising revenue to \$97.5 million but reported decreases of 32.1% and 13.6% in television revenue and match-day revenue, respectively, of \$72.7 million and \$37 million.

3.3. Sponsorship

General Motors, which took over for Aon as the team's jersey sponsor for the 2014–15 season, and United signed a seven-year agreement on July 30, 2012. The new \$559 million shirt agreement, paying \$80 million annually, features the Chevrolet brand of General Motors. After the 2014–15 season, Nike made the decision not to renew their contract to supply Manchester United's uniforms, citing escalating costs. Adidas has been producing Manchester United's uniforms since the beginning of the 2015–16 season as part of a record 10-year agreement worth at least £750 million. Ahead to the 2018–19 season, the producer of plumbing supplies, the first sleeve sponsor for the squad was Kohler. General Motors and Manchester United decided not to extend their sponsorship deal. Thus, the team, in advance of the 2021–22 season, negotiated a five-year, £235 million sponsorship contract with Team Viewer [4].

4. Marketing Tactics and Business Approaches of Manchester United

4.1. Income from Television Broadcasting Right and Tickets Sale

Under the impact of economy crisis, 39% of total income of Manchester United comes from tickets, 76200 seats in Old Trafford stadium enable them to increase their ticket sales for 10% compared to last season. This data indicates the stability of Manchester United's revenue, the loyalty of fans. In terms of television broadcasting right, Man United acquires 51500,000 pounds from premier league broadcast, which break down the historical record and increase 1750,000 pounds compare to 2007/2008 season. This figure accounts for 20% of Manchester United's total turnover, and it is also the highest amount in the history of Premier League championship broadcast fee income. In 2003, Manchester United and British commercial television provider Granada TV launched the team's official television channel, Manchester United TV. Since purchasing United, Glazer has attempted to sell the rights to independently broadcast United games, but the Premier League and the European Commission have objected. However, there is still a wide market space in Asia and America, which are not regulated by the EU. There, United could secure separate international broadcasting rights and expect to make at least £250 million a year on that revenue [5].

4.2. Expansion of Oversea Market

The English Premier League's elite soccer matches have been televised for the rest of the world since the 1980s. The exciting English Premier League matches were particularly well-liked by Asian soccer fans since at the time, Asian soccer was still in a very primitive state. As a result, a sizable population of English Premier League supporters has been fostered. Statistics show that in 2003, 80% of Manchester United's supporters were from outside the country, but 90% of the club's revenue came from domestic sources. There is therefore much room for growth in the international market.

United was drawn in by the prospect of big commercial earnings in foreign markets. Despite China's low per capita purchasing power, the country has a massive population and enormous market potential in a variety of areas. Manchester United targeted Southeast Asia with its marketing in 2000, actively launching marketing in Malaysia, Thailand, and Hong Kong and Shanghai in China, with annual sales of up to ten million pounds sterling. The recent relative economic slump in Europe, the saturation of the UK home market, and the progressive increase in the club's overheads have also prompted Manchester United FC to look for gold in other markets in order to sustain their survival and profitability [6].

4.3. Sponsors that Contribute to Man United's Revenue

Manchester United is seen by many companies as a way to internationalize. After AIG announced that it would not renew its contract, in addition to Beijing Patriot, Advantech, Malaysia's AirAsia, Saudi Telecom, India's Sahara Group and others joined the competition for United's sponsorship, and finally Aigo, a brand of China Flag Information, signed a five-year sponsorship contract with United, with a sponsorship fee as high as 35 million pounds sterling. In August 2002, United signed a 13-year cooperation agreement with Nike, and its global influence was enhanced by the simultaneous launch of Manchester United shirts made by Nike in 58 countries around the world. In August 2002, Manchester United build up a 13-year partnership with Nike, which resulted in the simultaneous launch of Nike-produced Manchester United shirts in 58 countries around the world, increasing their global reach. In September 2004, Manchester United signed a two-season sponsorship deal with Audi UK. Manchester United also signed a partnership agreement with the New York Yankees, the leading baseball team in the United States, in 2001, and the two sides have worked closely together in a number of areas, including marketing and product sales.

4.4. Derivatives Sales

Manchester United has also opened up a lot of activities other than soccer. For example, the opening of the Manchester United Souvenir Shop, where fans can not only buy football-related products such as jerseys, players' signatures and commemorative cards of soccer stars, but also soccer peripheral life products with elements of Manchester United, such as bedding, pajamas, footballs, videotapes, books, toys, ball-point pens, playing cards and so on.

At the same time, Manchester United also has "Manchester United Fans Union", "Manchester United Sky" and other websites, realizing the interconnection of hundreds of millions of Manchester United fans around the world, as well as the opening of Manchester United-themed restaurants around the world, and the Manchester United Soccer Schools 2019 in Beijing opened the Manchester United Experience Center [7].

Statistics show that 90% of Manchester United's income in 2010 came from fans in other countries, and that between 2007 and 2010, the club's revenue climbed by £123 million, or 15% annually, on average. United's total revenue increased by 16% from 2010 to 2011 to reach £331.4 million.

4.5. Social Media

In order to achieve a catch-up on the marketing layout of other big clubs' social platforms, United appointed Phil Lynch as head of media, responsible for connecting and engaging with fans. The former Sony and Yahoo executive is an expert in internet social media operations.

Today Manchester United has amassed a huge online virtual asset. Some statistics show that on the five major social media outlets - Facebook, Instagram, Twitter, Tiktok and YouTube - United have a total fan base of more than 160 million, second only to Real Madrid and Barcelona.

In September 2021 alone, United will have over 550 million social media engagements, a record for any sports club in the world. While much of this figure is down to the return of Crowe, the support of the club's team and their grasp of content is a significant force behind the scenes.

The total number of interactive engagements by Premier League teams on social media platforms such as Facebook, Instagram, Twitter, and YouTube over the course of a season between August 2021 and May 2022 is topped by Manchester United with a figure of 2 billion, a figure that is, more than double that of even Liverpool (947 million), who are in second place.

And with only 170 million platform followers, United is not much higher than second-place Chelsea and third-place Liverpool. But the number of interactions is cliffhanging above the Blues and Reds, which is a testament to the power of the Red Devils' social media marketing.

Manchester United's social media fan activity, even out of the Premier League, in the global soccer world social market is still the first [8].

Two billion fan interaction number, this is a very scary number, ranked in the second place after Manchester United Barcelona, even if they ushered in a season Messi left the team, Harvey return

and other major news, but the number of fan interaction is only 1.6 billion, far lower than Manchester United.

And Real Madrid, who won the Champions League, had only 1.4 billion active social media fans, not even comparable to Barcelona. And perennial favorites Manchester City have just 470 million interactions, not even a fraction of the top three.

5. Case Analysis: Outstanding Business Strategy of Manchester United

5.1. Exploring and Occupying Asia markets

Manchester United visited China in 1999 with the aim of gathering their most loyal fans in the rapidly growing economy. The visit was considered one of the most successful by a European team to China in recent years, benefiting both the team and the hosts, with the club using Hong Kong as a starting point in July 2005, playing friendly matches against local teams in Beijing, Tokyo and Saitama. By organizing league championship trophy tours and hosting preseason friendlies, Manchester United traveled to several Asian nations and regions between 2005 and 2013, including Hong Kong, China, Indonesia, Thailand, Malaysia, Singapore, and Japan. This helped the club get closer to its supporters and left a stronger impression on them. Now more than half of Manchester United's 333 million fans worldwide are Asians [9].

5.2. A Way Home: Cristiano Ronaldo

an extremely bullish piece of business from a capital markets perspective. From the evening of 27 August, when the news of Ronaldo transfer to Manchester United began to ferment, United's share price has continued to rise, at one point up 10.46%. Ronaldo's value to United isn't limited to money.

The surge in followers on the Red Devils' social media accounts following Ronaldo's return to Manchester United underscores his global appeal. Typically, the club experiences a daily Instagram follower growth rate of approximately 30,000. However, upon the announcement of Ronaldo's reunion with the team, this number skyrocketed, with the club gaining an astounding 800,000 new followers in just one hour. Subsequently, when Manchester United officially inked the contract with the Portuguese superstar, an additional 3.1 million individuals began following the Red Devils. As a rough estimate, it can be inferred that Ronaldo contributed to an increase of at least 8 percent in the club's fan base, both before and after his arrival. Simultaneously, United also witnessed a substantial uptick in followers on various other social media platforms [10].

Ronaldo's return to United also became the most popular transfer tweet, with the number of retweets even surpassing the previous level when Lionel Messi joined Paris Saint-Germain. Woodward's behavior in trumpeting the club's social media follower numbers at the AGM sparked derision after a grainy season. Yet for everyone at the club, the number of followers Ronaldo has generated has the potential to translate into revenue.

6. Suggestions for the Future Development of Manchester United

Man, United should make more effort on competition in Premier League and Europe championship league, if they always perform bad in competition aspect, their fans may lose confidence and won't be as loyal as before. As a result, their fan base will decrease and have a negative impact on tickets sale and brand influence.

Man, United should keep strengthening the relationship with fans from oversea. They already have some progress in this way, but they still need to figure out more methods such as send more superstars to Asian countries to communicate with their fans in person, set more friendly matches with local teams in Asian countries, build up more stores that sell Man United's product in different region.

Be innovative in both matches and business. During the Ferguson's time, due to his diverse style of play and tactics, Man United can catch other teams off guards, and eventually become dominate in Premier League. Thus, today's Man United's tactics can be flexible in matches. In terms of business,

Man United should develop more products relate to its own brand like footballs, shoes, clothes, other apparatus. Also, they can do more charitable works to donate money to remote areas where lack condition for playing football.

After Cristiano Ronaldo leaves Man United, they lack a superstar to elevate team's overall strength and to attract more fans to support the teams. Therefore, it is necessary for Man United to explore talented players and develop a better young training system.

7. Conclusion

As one of the most successful football clubs in the world, Man United have won 67 trophies in total. Both the English Premier League and the English Community Shield have seen them win the most championships. In the Premier League, United has finished in the top three four times and has finished second six times. and after winning the title in 2009 became the first club in English football history to complete a second treble! Besides, their brand value reach to 1.485 billion dollars, and they own up to 0.33 billion fans all around the world. After we analysis various business strategies from different aspect, we conclude that:

In terms of product selling strategies, they offer a large variety of goods from various area and make sure all products have good quality.

In terms of brand advertising strategies, they build their own TV channel, website and physical retail shop.

In terms of sponsorship, Man United will choose sponsors carefully and set up positive relationship with them.

Man, United is good at using football stars to attract more loyal fans and promote tickets and products' consumption.

They expand their market into oversea, so they can gain profit by providing TV broadcasting rights and selling products to other countries. What's more, they will arrange a series of friendly matches to football teams from other countries so that they can strengthen their connection to fans from abroad.

On social media, Man United's glory history help it to accumulate huge fan base. Besides, Man United's brilliant operation on social media makes it has the third most followers on Facebook, Twitter, Instagram which only lag behind on Real Madrid and Barcelona.

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