

MARKETING ANALYSIS OF THE MAJOR LEAGUE OF THE SPANISH FOOTBALL MARKET

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ABSTRACT: *In order to obtain success both in sport, but also in the management, a football organisation must know the marketing environment in which it is operating. The analysis of the environment and the planning of the actions corresponding to it are factors that the football club managers have to take into consideration when making administrative and economic decisions with the aim of development. The paper presents a marketing analysis of the LaLiga, the most valuable football league in Spain. As other football leagues, LaLiga can be analyzed as a market, with its characteristics known in economics. Football clubs are active on this market and are influenced by it.*

KEYWORDS: *marketing, professional football.*

JEL CLASSIFICATIONS: *M31.*

1. INTRODUCTION

The Primera División, also known as LaLiga, officially called LaLiga Santander for sponsorship reasons, is the most important professional football competition in Spain. It is considered one of the most valuable leagues in the world.

In April 1927 Jose Maria Acha, a director of the Arenas Club de Getxo, proposed for the first time the establishment of a national league in Spain.

After much debate about the size of the league and the participants, Real Federación Española de Fútbol finally agreed with the ten teams that formed the first Primera División in 1929.

Barcelona, Real Madrid, Athletic Bilbao, Real Sociedad, Arenas Club de Getxo and Real Union were selected because they were the previous winners of the Copa del Rey. Atlético Madrid, Espanyol and Europa qualified because they were

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finalists of the Copa del Rey, and Racing Santander qualified after an eliminatory competition.

Only three of the founding clubs, Real Madrid, Barcelona and Athletic Bilbao, have never been relegated from the Primera Division.

Although Barcelona won the first season in 1929 and Real Madrid won the titles in 1932 and 1933, Athletic Bilbao was the club that set the pace, at first, winning the Primera Division in 1930, 1931, 1934 and 1936. They were also, runners-up in 1932 and 1933. In 1935, Real Betis, known as Betis Balompié, won the title for the first and only time. The Primera Division was suspended during the Spanish Civil War.

In 1937 the teams from the Republican area of Spain, with the notable exception of the two clubs from Madrid, competed in the Mediterranean League, and FC Barcelona was the champion. Seventy years later, on 28 September 2007, Barcelona asked the RFEF to recognize the title won in the Mediterranean League.

LaLiga, the first value football league in Spain, is one of the most developed championships in the world, holding for several years the world record for the average number of spectators per match in a season.

Like any other professional league in the world, LaLiga also comes into contact with multiple organizations, the most important being the football clubs that make it up. That is why LaLiga can be seen as a market for the top 18 football clubs in Germany.

At the same time, football, in general, has its own market, specific to it. This paper aims to analyse the football market, starting from the most general level, globally, and reaching the specific level of LaLiga, the first league in Spain. In the second part of the research, the characteristics of the LaLiga market will be analysed, namely capacity, area, structure and dynamics.

2. THE DEFINING ELEMENTS OF THE FOOTBALL MARKET

In order to move from the global football market to the Spanish first league market, four distinct steps can be identified. The first step, the most general of all, analyses football as a sport that offers the same values and respects the same rules all over the world. Once this step is exceeded, the second level follows, that of Spanish football, because La Liga is a championship that is played in Spain. If the second step also includes amateur table football in Spain, the third focuses exclusively on professional football, while the fourth step analyses the most valuable market of Spanish professional clubs, La Liga. The three parts of football to be analysed are therefore the following:

- The global football market.
- The Spanish professional football market.
- Spanish first league football market, 1. LaLiga.

In the following chapters short descriptions of each step can be read, whilst the football service market will be more extensively analysed in the paper as a fourth step.

2.1. THE GLOBAL FOOTBALL MARKET

Football is an old game. If we believe the history and the first records, then the football market appeared in 2967 BC. H., when the Chinese emperor Huangdi discovered kicking the ball as a means of leisure. At that time, football was not an industry exploited for profit, as is the case today, but a military exercise in disciplining soldiers. Also in antiquity, football games appeared in Mexican and Egyptian cultures, so that, after passing into our era, popular football was in great demand, a game practiced in Great Britain and France on the occasion of religious holidays.

During the Industrial Revolution, the British capitalized not only on enterprises and factories, but also on sports games. In the first fifty years of the 19th century, football teams were set up in universities and public schools. The first attempts to unify the different types of games played in English educational institutions belong to the students, so that, in the end, football received a set of official rules on October 26, 1863, a day that can be considered the foundation of the football market. which we know today.

We can speak about the football market in economic terms starting with 1885, the year in which the English football association legalized professionalism, i.e. the payment of players for the services provided. In other words, from 1885, the clubs began to use what we would today call management and marketing to obtain income from which to pay their players and ensure their existence.

2.2. THE SPANISH PROFESSIONAL FOOTBALL MARKET

Spanish football turned professional in 1963. As footballers' pressure escalated in the 1950s, demanding that they be paid for their work at the club, the Spanish Football Federation decided it would be better to set up a professional league. Even though salaries were still limited, at least one player was allowed to receive 1,200 marks a month in exchange for the football game he played for his team. If until 1963 the teams played in five regional leagues, since 1963, the best 16 teams were grouped in a professional national league: 1. La Liga.

The pursuit of performance and the need for clubs to stay on the market has also brought football closer to economic reality in Spain, with finance and management gaining a not insignificant role for football clubs.

Professional football in Spain generated in 2013 a gross added value of over 7.6 billion Euros, respectively 0.75 percent of the Gross Domestic Product (GDP), as revealed by the director of the Spanish strategy sector of the consulting firm KPMG, Jorge Sainz, in a Forum dedicated to sports, organized by the EFE agency. Clubs offer and buy footballers on and off a transfer market, specific to sports.

A club sets a price for a footballer which he no longer needs and sells it to earn an income, and often out of money which he collects, he buys another footballer, whose marginal production to be over that of the purchase price and over that of the player sold, so that team performance to increase. Or, it happens just as often as a football club to offer their image, and in exchange for association with it to ask a sponsor financial resources.

Another argument for the existence of a football market is that it is also structured according to sports performances. The square takes on a pyramidal shape, taking into account the structure of the leagues, with the weakest league at the base and the league more prestigious at the top. The closer it is to the top, the better a league is exploited from a commercial point of view.

Markets are profitable and productive capital the top three leagues, their advantage being that they also enjoy recognition high quality legal, which allows them various economic actions to which the leagues of at the base of the pyramid I can only dream.

Another resemblance to the economic market in theory is that the league markets football there are barriers to entry. Directly, the main barrier is that of sports performance: the best teams in a league promote at the end year in the top league in value, while the weakest relegate to the league lower value. The absolute champion is the winner of the first league in the top, that is the team that finishes the season on the first position

Thus, indirectly, sectors such as those in the cultural, sports, telecommunications, construction and real estate fields have benefited from the football industry, this impact study also shows.

2.3. THE FOOTBALL MARKET IN THE SPANISH FIRST LEAGUE, LALIGA

If we look at the market as defined by economic theory, as a meeting place of supply and demand, then it can be easily demonstrated that there is also a market for professional football. Clubs offer and buy footballers on and from a sports-specific transfer market. A club sets a price for a footballer it no longer needs and sells it to earn income, and often, from the money it receives, buys another footballer, whose marginal output is above the purchase price, and over that of the player sold, so that the team's performance increases. Or, just as often it happens that a football club offers its image, and in exchange for associating with it to ask a sponsor for financial resources.

Another argument for the existence of a football market is that it is structured according to sports performance. The square acquires a pyramidal shape, taking into account the structure of the leagues, with the weakest league at the base and the most prestigious league at the top.

At the base of the pyramid of Spanish football leagues is the Copa Eva Duarte, a neighbourhood league existing in most localities, followed by the Copa Del Rey. Going up the steps of the pyramid you reach 3. LaLiga, the first professional value league, from the base to the top.

The closer it is to the top, the better a league is exploited commercially. The markets of the first three top leagues are profitable and capital-producing, their advantage being that they also enjoy a high quality legal recognition, which allows them various economic actions that the leagues at the base of the pyramid can only dream of.

Another resemblance to the economic market in theory is that there are barriers to entry in football league markets as well. Directly, the main barrier is that of sports performance: the best teams in a league are promoted at the end of the year in the upper value league, while the weakest are relegated to the lower value league.

The absolute champion is the winner of the first league in the top, ie the team that finishes the season on the first position of 1. LaLiga.

3. THE CHARACTERISTICS OF THE LALIGA MARKET

Next, the paper will focus on the characterization of the LaLiga market, the reference factors being the capacity, area, structure and dynamics of the market.

3.1. LaLiga Capacity

The capacity of the market indicates the “magnitude of the transactions occasioned by the confrontation between the demand and the supply” of a football show, from a certain period. On the LaLiga market, transactions are expressed, in particular, as the volume of sales and purchases of access tickets to the football show, ie the attendance of spectators at football matches.

If in 2004/2005, 37,813 spectators came, on average, to a match, in the next season, the number increased by almost 3000 units. Furthermore, in the seasons 2006/2007 and 2007/2008, the average number remained close to that of 2005/2006.

Another factor that has contributed to the increase of the number of spectators and, implicitly, to a better penetration of the market, is the construction of new stadiums or the modernization of old ones, so that the spectator enjoys a more pleasant experience and a higher comfort. during the football match.

3.2. Development Surface LaLiga

The market area "refers to its spatial dimension". And the LaLiga market has a spatial dimension, which can be most easily defined as the surface of Spain. LaLiga is an internal market, at the level of the whole of Spain, but whose specificity compared to other markets is that its area changes from year to year, or, more correctly expressed, from football season to football season¹.

The competition system stipulates that at the end of a season, the three lowest ranked teams (16th, 17th and 18th places in the standings) will be relegated from LaLiga and give way to the top three ranked teams (1st, 2nd and 3rd places) out of 2. LaLiga, the second value league. So, every season, three teams leave LaLiga, leaving the place of three more. This rule changes the area of the LaLiga market annually, as it is never constant.

3.3. LaLiga Structure

The structure of the LaLiga market consists of 18 competing football clubs, each of them trying to satisfy the needs of identifying with the favourite team and consuming the customers' football show.

Overall, it can be said that in the Bundesliga market there is only one service offered to the consumer, namely the football show. In detail, however, there is talk of eighteen types of football shows, because each team performs differently, and has other athletes in the group. If there were eighteen theatres in a theatre market, then each theatre would have its own specific offer, depending on the actors and directors it has. The same happens in football, where each team offers a different show, depending on the footballers in the team, coaches, stadium or organizational culture.

There are, therefore, eighteen types of football spectacle, which appeal to tens of millions of football fans across the country. There are also eighteen target groups of consumers, they are segmented according to buying and consuming behaviour. This behaviour shows where the consumer prefers to purchase his services, i.e. for the football services of which of the eighteen football teams he is willing to pay. This segmentation reveals eighteen types of consumers, one type for the football service of each team in the LaLiga.

3.4. LaLiga Dynamics

The market dynamics can be analysed according to several factors, such as the total revenues of the participating football clubs or the number of consumers.

The total revenues of LaLiga clubs increased from 308 million euros in 1994 to over one billion euros ten years later. An important role in exceeding the threshold of one billion euros was played by the revenues collected from the sale of television rights. With the development of technology, television has become an increasingly luxurious industry, with good opportunities to penetrate markets. And football helps televisions sell their shows. That is why the television buys from the football league the right to broadcast the sports show, and then offers it, for a fee, to the intermediate consumers (other television stations) or final consumers (the football viewer).

4. TELEVISION RIGHTS, THE PREROGATIVE OF BIG CLUBS

For some, the "unequal distribution" of television rights is the leading cause of the club's financial situation. After 1996, the negotiation of television rights in Spain is done individually and not collectively as in France or England. The result: Real Madrid and Barcelona "receive 50% of the television rights and the other clubs are fighting for the other half", explains the president of FC Sevilla Jose Maria del Nido.

According to Jose Maria Gay de Liebana's calculations, Real and Barcelona, the richest clubs in the world, received a fifth of the 636 million euros given in total in exchange for the transfer of television rights for the 2009-2010 season. By comparison, Getafe obtained less than 1% of the total (6 million euros).

In England, Chelsea and Manchester United collected 6% of the total revenue received by the Premier League in exchange for television rights, while the less titled English clubs collected 3.5% of the total.

A change in the distribution of the amounts from the transfer of television rights in the 2015-2016 season provides for a decrease in revenues obtained by Real and Barca to 34%, but the measure was accepted only by 14 of the 20 clubs in Primera.

"There is no direct relationship between television rights and the degree of indebtedness of the clubs. Real and Barca are the most indebted clubs in the league, and the English clubs have even more debts than the Spanish ones," said Jaume Roures, founder of Mediapro, who owns the television rights of all the clubs in the first two Spanish divisions (<https://www.zf.ro/>).

In addition, "revenues from television rights represent less than half of Real and Barcelona's revenues, respectively 36% and 44%," according to audit firm Deloitte (<https://www.zf.ro/>). The two Spanish "giants" receive 80% of the marketing revenues of Spanish football, according to the German firm specializing in Sports Markt.

Javier Gomez, the journalist of the La Sexta sportiv channel, believes that a more equitable distribution of television rights revenues will not solve anything.

"Give 15 million euros more to a club that has poor financial management and the result will be the same. The Spanish football league is not a serious league, some clubs do not even submit their annual tax returns to the trade register," adds Jose Maria Gay from Liebana. Everyone agrees that Spanish football lacks transparency, economic control and sanctions.

"Football clubs should be controlled in the same way as the lambda company. But in Spain, some things are a little different," said Jaume Roures (<https://www.zf.ro/>).

5. CONCLUSIONS

LaLiga's capacity, area, structure and dynamics are among the best in Europe, both in terms of sports and economy. The analysis shows a growing Spanish football market, despite of the economic crisis of 2008-2010. Where quality is offered, the supporter will continue to consume football, because this sport has become a way of life, and the consumer's thirst for football will benefit both the media and commercial companies, as well as football clubs and the league. to which they belong.

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