



Football 50 2015

The annual report on the world's most valuable football brands

June 2015

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Foreword



**David Haigh, CEO
Brand Finance**

Welcome to the 9th annual Brand Finance Football 50, the only study of its kind to analyse and rank football clubs by the value of their brands, providing a deep understanding of the opportunities and challenges facing the industry.

It is becoming increasingly important for clubs, no matter what their size, to recognise the value of their brands. Enduring fan loyalty, ever-increasing income from broadcasting rights and the deep pockets of owners can mean that brand is overlooked as an opportunity to maximise revenue by some major clubs. However with wage inflation pressing from one side and financial fair play regulations from the other, maximising revenue is critical and harnessing brands is a key way to do so.

Brand can be leveraged for financial gain across all three income streams, not just commercial (which includes sponsorship and merchandising). If we look at the 'broadcasting' stream, the record-breaking Premier League deal for the right to show games from the three seasons from 2016 reflects the strength of the Premier League brand. That strength comes both from the shrewd management of those in charge of the league, but also from the individual clubs themselves, whose mythology and iconography have been integral to the league's development.

When looking to improve match-day revenue, the first and often only recourse is to attempt to enlarge stadia. While a worthwhile endeavour, this is not always possible, certainly in the short term. Focussing on the sorts of brand equity drivers that underpin the strategies of traditional commercial and retail organisations can be a much quicker and more efficient route to take. Improving match-day experience within the stadium, optimising retail opportunities and engaging with fans can reap rewards.

Huge investments are already being made in the design, launch, re-launch and ongoing promotion of football brands. As we have established, this makes sense. Unfortunately, most clubs fail to go beyond that, missing huge opportunities to effectively make use of what are often their most important assets.

Understanding the value of brands is key. As with any asset, without knowing the precise, financial value, how can you know if you are maximising your returns? If you are negotiating sponsorship of your brand, how do you know what is a fair fee? As a sponsor, how do you know which organisations are worth associating your brand with? When considering multiple sponsorships, how do you determine the funds to allocate to each? How do you best determine return on investment? Even players should take note. Few will be as commercially successful as 'brand Beckham', but image rights can be very lucrative and form a detailed part of contract negotiations. If you are intending to license your personal brand, how can you know the correct price?

Brand Finance has conducted hundreds of brand and branded-business valuations to help answer these questions. We have worked with companies of all shapes and sizes, from blue-chip internationals such as Vodafone and Shell, to football clubs and other sports franchises from Europe and the wider world. Whether you're an owner, marketer, director, sponsor, player or a fan, we hope you enjoy the Brand Finance Football 50 2015 and come away with a better understanding of why brands matter and what they can do for you.

About Brand Finance

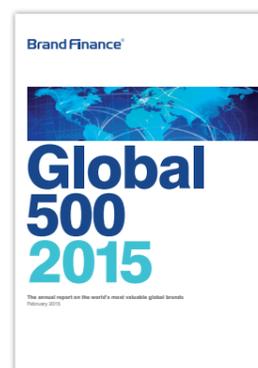
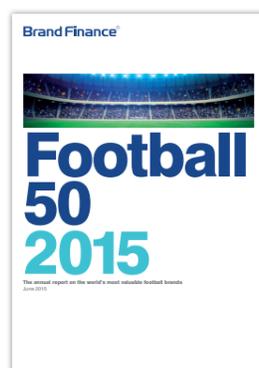
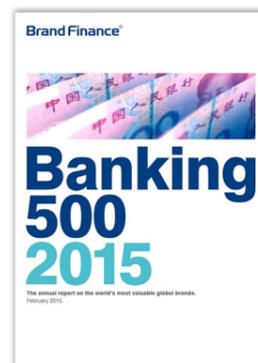
Brand Finance is the world's leading independent brand valuation and strategy consultancy. Brand Finance was set up in 1996 with the aim of 'bridging the gap between marketing and finance'. For almost 20 years we have helped companies and organisations of all types (including clubs, sponsors, leagues and governing bodies) to connect their brands to the bottom line.

We pride ourselves on four key strengths:

- Independence
- Technical Credibility
- Transparency
- Expertise

Brand Finance puts thousands of the world's biggest brands to the test every year, evaluating which are the most powerful and most valuable. The Football 50 is just one of many annual reports produced by Brand Finance.

For more information, please visit our website: brandfinance.com



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Data Sources

Bloomberg

Deloitte.

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Executive Summary

Football 50



Billion Dollar Devils

Despite another season without silverware, Manchester United has reclaimed its position at the top of the Brand Finance Football 50, knocking Bayern Munich off the top spot. The Red Devils have become the first billion dollar football brand, with 63% growth bringing the total brand value to \$1.2 billion.

Fergie Time

Manchester United became the world's most valuable football club brand for the first time in 2009. With Sir Alex Ferguson still at the helm the club dominated the English game and (following that year's Champions League victory) the European one too. Though not always popular with fans, the Glazers' commercial strategy saw United outshine rivals off the field. A peak brand value of \$853 million was reached in 2012, with the club even further ahead of the competition.

Slip Ups on the Pitch

However even at that point cracks appeared to be forming; United lost the Premier League to Man City, long-term local rivals but a new force at the top of English football. Though the Red Devils reclaimed the title the following year, news of Sir Alex Ferguson's retirement made it a Pyrrhic victory, with the future success of the club thrown into doubt. This uncertainty saw United's brand value drop for the first time to \$837 million, but worse was to come.

David Moyes' disastrous debut season saw United finish 7th, losing not just the pride of the Premier League title, but the crucial income from European football, with even the Europa League seemingly beyond them. In consequence, United's brand value fell again, this time much more steeply, to \$739 million. This put United 3rd in the Brand Finance Football 50 2014, the club's lowest position since the inception of the study.

Real Madrid moved up into 2nd place following the glory of 'La Decima' and world beating revenues, while Bayern Munich remained the world's most valuable football club (despite flat growth) thanks to lucrative, loyal sponsors and committed fans.

Moyes was dispatched swiftly in favour of Louis van Gaal, much admired manager of the Dutch national team. Yet the hoped for revitalisation of van Gaal's countryman and star striker, Robin van Persie, has failed to materialise, new signing Falcao has fallen flat and United appear to be some way off a realistic title challenge. A recent report from Spain's Sport newspaper suggested United's global fan base had dropped by as much as 19% due to its recent performance. As a result, it might seem reasonable to conclude that United's brand is in a rather precarious state.

But Success in the Boardroom

However on the marketing and financial fronts, United has continued to thrive. Even if recent reports of fan losses are to be believed, United retains legions of followers in India, South East Asia and China, contributing to a total of over half a billion individuals and the news certainly does not appear to have deterred sponsors. The current shirt deal with Chevrolet is worth more than double that with previous partner AON and has secured £47 million a year for seven years. In 2014, Nike decided to end its longstanding relationship with United, but rather than heralding a loss of faith amongst sponsors, it merely opened the door for another record-breaking agreement; Adidas will be Man U's kit provider for the next 10 years in a deal worth £750 million. On an annual basis, this is more than triple what Nike had been paying (£23.5 million / year). Though United's revenues for the 9 months to March 31st 2015 actually fell compared to the previous period last year (mainly due to the lack of Champions League football), the huge windfalls that it can expect will see both revenues and brand value continue to increase in the coming years.

Top 10 Most Valuable Football Brands

	1	Rank 2015: 1 2014: 3 ↑	BV 2015: \$1,206m BV 2014: \$739m +63%	Brand Rating: AAA
	2	Rank 2015: 2 2014: 1 ↓	BV 2015: \$933m BV 2014: \$896m +4%	Brand Rating: AAA
	3	Rank 2015: 3 2014: 2 ↓	BV 2015: \$873m BV 2014: \$768m +14%	Brand Rating: AAA+
	4	Rank 2015: 4 2014: 5 ↑	BV 2015: \$800m BV 2014: \$510m +57%	Brand Rating: AAA-
	5	Rank 2015: 5 2014: 7 ↑	BV 2015: \$795m BV 2014: \$502m +58%	Brand Rating: AAA
	6	Rank 2015: 6 2014: 4 ↓	BV 2015: \$773m BV 2014: \$622m +24%	Brand Rating: AAA+
	7	Rank 2015: 7 2014: 6 ↓	BV 2015: \$703m BV 2014: \$505m +39%	Brand Rating: AAA
	8	Rank 2015: 8 2014: 8 →	BV 2015: \$577m BV 2014: \$469m +23%	Brand Rating: AAA-
	9	Rank 2015: 9 2014: 10 ↑	BV 2015: \$541m BV 2014: \$324m +67%	Brand Rating: AAA-
	10	Rank 2015: 10 2014: 12 ↑	BV 2015: \$360m BV 2014: \$248m +45%	Brand Rating: AA+

Executive Summary

Van Gaal Steadies the Ship

Though van Gaal's first season has been somewhat underwhelming, he has at least steadied the ship and secured his team an all important Champions League place. That represents minimum guaranteed broadcasting income of €12 million, but should United progress it could be substantially more. It provides the international visibility and prestige for sponsor brands, justifying their faith in the club, as well as an additional stream of matchday revenue.

No Gold Without Silverware

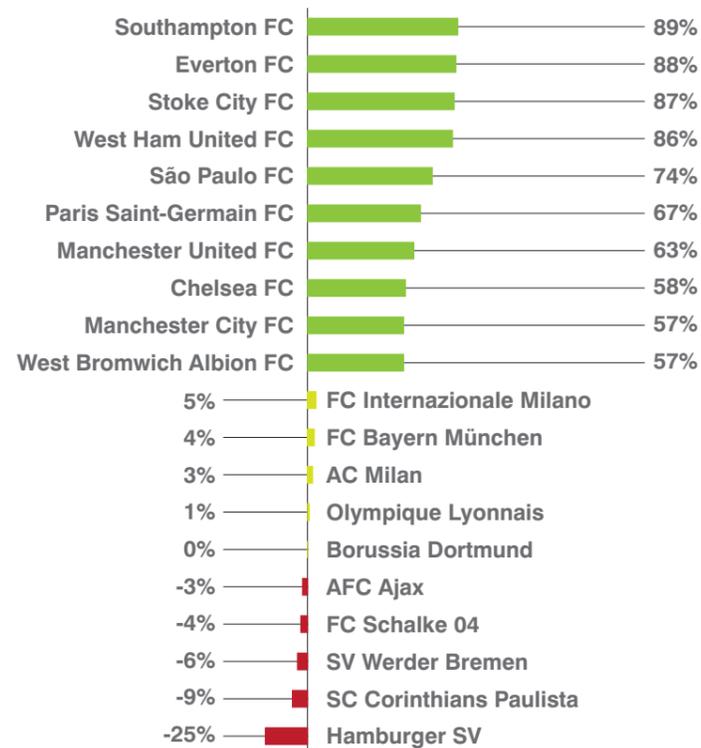
Fortunately for fans, this is a key area where on-pitch performance and commercial concerns are closely aligned. Though United is back in the Champion's League, this year's performance will not have been enough to settle sponsors' nerves decisively. A more convincing finish in 2016 will be essential to reassure them and any future suitors. In addition, United's brand rating, which reflects the brand's power and prestige, remains AAA. Regaining AAA+ status (which Barca and Real Madrid enjoy) will provide a further boost to United's brand value but will require titles and trophies. Executive VP Ed Woodward clearly understands that the commercial and competitive sides of the club cannot be run in isolation. United's commercial architect has suggested United will be aiming for all four trophies next season, commenting recently "Is the squad deep enough to challenge? The squad will be absolutely deep enough and ready to challenge on all fronts, all competitions next year."

Premier League Payday

The most critical success factor in the Manchester United brand's renewed financial potency has been this year's record-breaking £5.1 billion deal for the UK broadcast rights of the Premier League. The deal will cover the three seasons from 2016 and the high price, which represents a 71% increase on the last round, is the result of an accelerating battle for content between telecoms companies BT and Sky. Premier League clubs will receive an average of £81 million per season each. The news saw Manchester United's share price immediately jump 5%.



Winners and Losers



The deal has been a boon to all Premier League clubs, which have surged up the rankings of the Brand Finance Football 50. Leicester, a team which in April was bottom of the Premier League table and seemingly destined for relegation and obscurity, has entered the rankings at 42nd with a brand value of over \$100 million. The Foxes ended the season on a high with seven wins from nine, guaranteeing a second successive season in the English top flight and a slice of the record-breaking revenues. Despite lacking a global profile, these alone give Leicester's brand the financial pulling power to enter the list of the world's most valuable football club brands.

The Saints Go Marching On

Southampton is another club to have benefitted. The Saints' brand value has grown more than any other this year, up 89% to \$183 million. However Southampton has been more than a passive beneficiary of booming broadcast revenues. Despite changing manager twice and selling many of their top players to larger clubs, it has gone from strength to strength since promotion in 2012. The club's apparent knack for indentifying talented young players at a reasonable cost and developing them into stars has enabled it to climb the Premier League rankings whilst turning a tidy profit. Ronald Koeman has masterminded a 7th place finish that means a club facing administration in 2009 and playing in the third tier of English football in 2010 is just two points behind Liverpool, a club with an enduringly popular global brand. Southampton can look forward to European football next season and the chance to build its own brand on the international stage.

Southampton's recent rise is one of the features that explain the popularity of the Premier League. Though the Bundesliga is efficiently and equitably run, arguably offering a better deal for fans, and La Liga has the drama of El Clasico, neither can match the Premier League for drama. Three different teams have now won the title in the last three years. Though five or six dominate the Champions' league places, any of these big beasts can be toppled by dogged opposition from provincial minnows that fight until the end of injury time.

Executive Summary

Barclays Calls Time

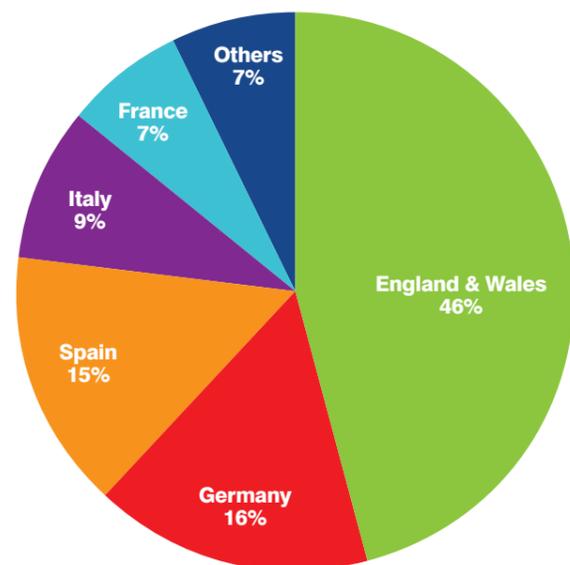
With that in mind it is interesting to note that Barclays, the league's sponsor since 2001, has decided not to renew when the current agreement comes to an end in 2016. Barclays paid £120 million for the three seasons from 2013 to 2016. Though this was a 50% increase on the previous deal, it still appears a very good deal for the bank. Not only is it the title sponsor of the world's most popular league, its name and logo are pervasive, appearing on the trophy ribbons, press boards, the shirt of every player in the league and in almost every piece of coverage about the league, including that from the endorsement-wary BBC. The Premier League has helped Barclays expand its Asian operations and forms an integral part of its visual identity in bank branches. While the cost for Barclays' successor is likely to be significantly higher than the existing deal, it would appear that the return on investment for the right sponsor (perhaps from the tech, telecoms, auto or airlines sectors) could be very significant.

Bayern Puts on the Brakes

Only four of the clubs in the top ten are not part of the Premier League. Bayern Munich is top amongst them. Last year's most valuable football club brand has had another year of relatively flat growth, increasing its brand value by just 4%, so is being rapidly caught up by fast-growing English teams. Bayern must internationalise its appeal in order to stay at (or near) the top. Though commercial revenue is high, there are few opportunities to extract further value from its current fan base, which is much more domestic in its composition than other top teams. Broadcasting revenues are much lower than the top Premier League, La Liga and even Serie A clubs as the Bundesliga simply does not excite international audiences in the same way. That is a harder problem to fix and Bayern's dominance of that league makes it a victim of its own success.

Real Madrid has the highest revenues of any club and along with Barca is the only club to have been awarded the top AAA+ brand rating. However Spain's riskier political and economic climate, as well as forecasts of Real's potential for growth, limit the financial potential of the brand. A lacklustre Champions league campaign, by

Geographic Split of Total Brand Value 2015



Country	Total Brand Value (USDm)	% of total
England & Wales	6129	46%
Germany	2208	16%
Spain	1984	15%
Italy	1172	9%
France	983	7%
Turkey	297	2%
Netherlands	230	2%
Brazil	173	1%
Scotland	120	1%
Portugal	103	1%
Total	13,401	100%

Brand Values of the Major Kit Suppliers



Real's usual standards, and a second place finish in La Liga have not helped matters. As a result there has been a relatively modest growth in brand value of 14% and Real returns to third place with a brand value of \$873 million.

\$28 Million CL Victory Can't Stop Barca's Slide

Barcelona's successes on the pitch have helped it close the gap on Real. Securing the treble has enhanced Barca's brand strength yet further, allowing it to overtake Real to become the most powerful football club brand. Brand value has been boosted by \$28 million by the Champions win league alone, contributing to a total increase of \$151 million dollars that brings Barca's total brand value to \$773 million. However as glorious as Barca's record may be, it simply has not been able to harness its brand to the same extent as either Real or the rapidly growing English teams. Man City and Chelsea have both overtaken it.

Paris Saint-Germain continues its rapid rise. After adding \$238 million to its brand value from 2013 to 2014, this year it has almost equalled the feat, adding \$217 million to reach a total of \$541 million. Though there is still scope for PSG to grow, to avoid its brand value reaching a plateau, it may be forced to show rival clubs a little fraternité in order to revive the fortunes of and international interest in Ligue 1.

Juventus Rejuvenated

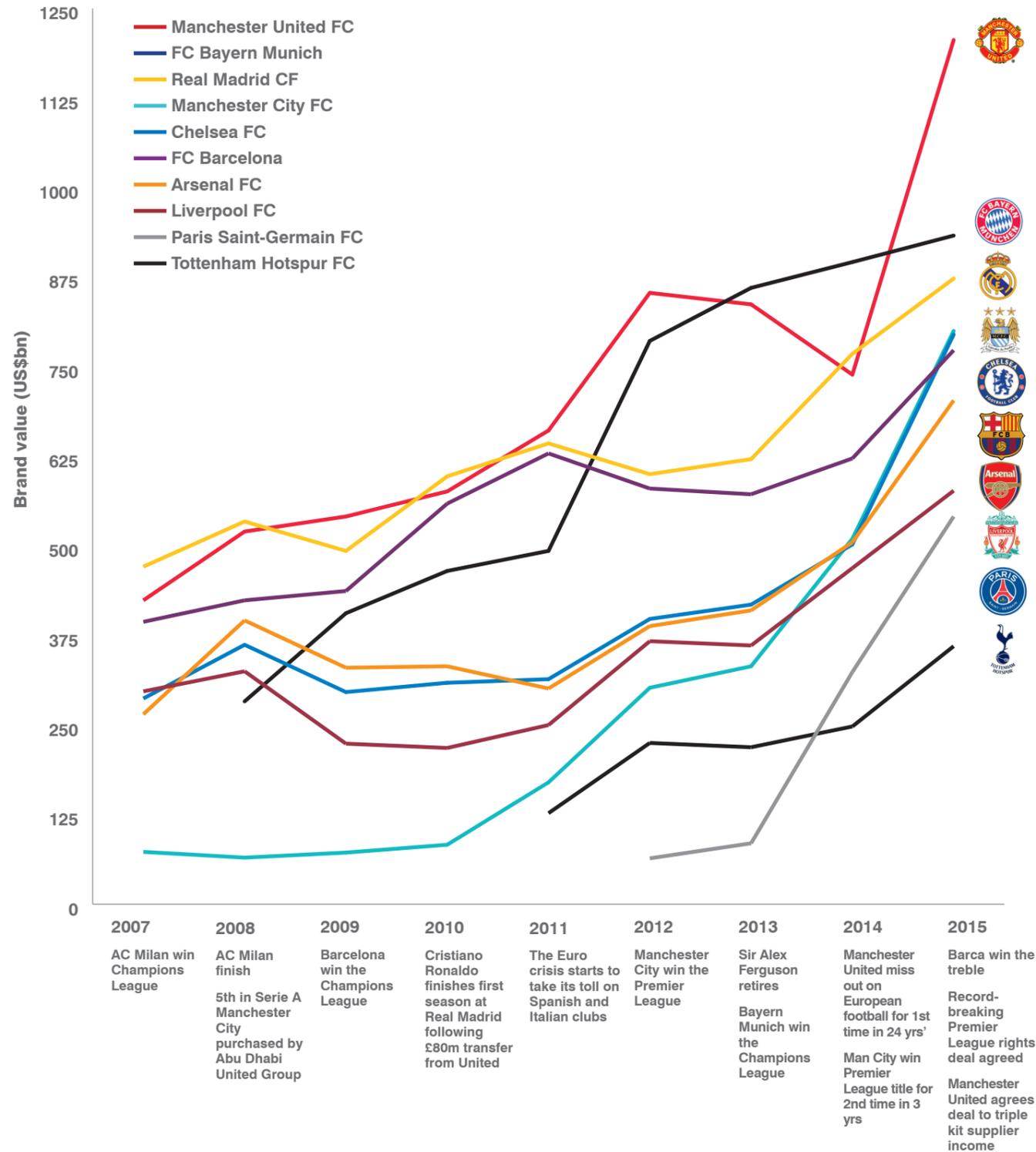
Juventus has just missed out on a place in the top ten after what was so nearly a perfect season. Victory in Serie A and the Coppa Italia made it a triumphant year for manager Massimiliano Allegri who has defied the critics. On pitch success has been matched by lucrative commercial deals. Adidas will replace Nike as the club's kit supplier in a €139.5 million deal. Brand value has risen 42% to \$350 million. Juventus appears to have made a comprehensive recovery from the scandals that dogged the club a decade ago. The sale of a 48% stake in AC Milan to Thai businessman Bee Taechaubol suggests that global audiences and investors are beginning to see Serie A clubs as prospects that cannot be ignored. If Juventus continues to perform so well, in particular in Europe, prospects for further growth look good.

Top 10 Most Powerful Football Brands

	1 Brand Rating AAA+ BSI Score (/100): 93
	2 Brand Rating AAA+ BSI Score (/100): 91
	3 Brand Rating AAA BSI Score (/100): 89
	4 Brand Rating AAA BSI Score (/100): 88
	5 Brand Rating AAA BSI Score (/100): 88
	6 Brand Rating AAA BSI Score (/100): 86
	7 Brand Rating AAA BSI Score (/100): 85
	8 Brand Rating AAA- BSI Score (/100): 83
	9 Brand Rating AAA- BSI Score (/100): 82
	10 Brand Rating AAA- BSI Score (/100): 82

Executive Summary

Historic Team Brand Value



Brand Finance Football 50 2015 Full Results (USDm)

Most valuable football brands USD 1-50.

Rank 2015	Rank 2014	Club	Country	2015 Brand Value (\$m)	2015 Brand Rating	2014 Brand Value (\$m)	2014 Brand Rating	Change (\$m)	% Change
1	3	Manchester United FC	England	1,206	AAA	739	AAA	467	63%
2	1	FC Bayern Munich	Germany	933	AAA	896	AAA	36	4%
3	2	Real Madrid CF	Spain	873	AAA+	768	AAA+	104	14%
4	5	Manchester City FC	England	800	AAA-	510	AAA-	290	57%
5	7	Chelsea FC	England	795	AAA	502	AAA-	293	58%
6	4	FC Barcelona	Spain	773	AAA+	622	AAA+	151	24%
7	6	Arsenal FC	England	703	AAA	505	AAA-	198	39%
8	8	Liverpool FC	England	577	AAA-	469	AAA-	108	23%
9	10	Paris Saint-Germain FC	France	541	AAA-	324	AAA-	217	67%
10	12	Tottenham Hotspur FC	England	360	AA+	248	AA+	111	45%
11	13	Juventus FC	Italy	350	AAA	247	AAA	103	42%
12	9	Borussia Dortmund	Germany	326	AAA-	327	AAA-	(1)	0%
13	11	FC Schalke 04	Germany	302	AA+	313	AA+	(12)	-4%
14	14	AC Milan	Italy	244	AAA-	236	AAA-	8	3%
15	20	Everton FC	England	228	AA	121	AA+	107	88%
16	24	West Ham United FC	England	209	AA	112	AA-	97	86%
17	New	AS Monaco	France	202	A+				
18	30	Southampton FC	England	183	AA	96	AA-	86	89%
19	17	Galatasaray AŞ	Turkey	177	AA+	141	AA+	36	26%
20	15	FC Internazionale Milano	Italy	160	AAA-	152	AA+	7	5%
21	23	Aston Villa FC	England	155	AA	115	AA	40	35%
22	27	Newcastle United FC	England	155	AA	102	AA	53	52%
23	19	Club Atlético de Madrid	Spain	151	AA+	126	AAA-	24	19%
24	21	SSC Napoli	Italy	147	AA+	121	AA+	27	22%
25	16	AFC Ajax	Netherlands	145	AA+	149	AA+	(4)	-3%
26	41	Stoke City FC	England	140	AA-	75	AA-	65	87%
27	New	Swansea City	Wales	135	A				
28	22	Bayer 04 Leverkusen	Germany	135	AA	116	AA	19	16%
29	32	Sunderland AFC	England	134	AA	93	AA-	40	43%
30	New	Crystal Palace	England	133	A				
31	33	Olympique de Marseille	France	129	AA	91	AA	38	41%
32	28	VfB Stuttgart	Germany	121	AA-	102	AA	19	19%
33	35	Fenerbahçe SK	Turkey	120	AA	87	AA	33	38%
34	38	Celtic FC	Scotland	120	AA	84	AA+	36	43%
35	26	AS Roma	Italy	117	AA+	108	AA+	9	8%
36	34	VfL Wolfsburg	Germany	116	AA	91	AA	25	27%
37	42	West Bromwich Albion FC	England	115	AA	74	AA-	42	57%
38	25	Olympique Lyonnais	France	111	AA	110	AA	1	1%
39	29	Valencia CF	Spain	107	AA	99	AA	8	8%
40	39	SL Benfica	Portugal	103	AA+	83	AA+	20	24%
41	18	Hamburger SV	Germany	103	AA	138	AA	(35)	-25%
42	New	Leicester City	England	102	A				
43	48	São Paulo FC	Brazil	95	AA	54	A	40	74%
44	31	SV Werder Bremen	Germany	88	AA-	94	AA	(6)	-6%
45	New	Borussia Mönchengladbach	Germany	86	A+				
46	45	PSV Eindhoven	Netherlands	86	AA	59	AA+	27	46%
47	40	Sevilla FC	Spain	81	AA	77	AA	4	5%
48	36	SC Corinthians Paulista	Brazil	79	AA	87	A	(8)	-9%
49	44	SS Lazio SpA	Italy	78	AA	62	AA	16	27%
50	New	ACF Fiorentina	Italy	76	AA	0	AA	76	

Brand Finance Football 50 2015 Full Results (GBPm)

Most valuable football brands GBP 1-50.

Rank 2015	Rank 2014	Club	Country	2015 Brand Value (£m)	2015 Brand Rating	2014 Brand Value (£m)	2014 Brand Rating	Change (£m)	% Change
1	3	Manchester United FC	England	727	AAA	440	AAA	287	65%
2	1	FC Bayern Munich	Germany	562	AAA	534	AAA	28	5%
3	2	Real Madrid CF	Spain	526	AAA+	457	AAA+	68	15%
4	5	Manchester City FC	England	482	AAA-	304	AAA-	179	59%
5	7	Chelsea FC	England	479	AAA	299	AAA-	180	60%
6	4	FC Barcelona	Spain	465	AAA+	370	AAA+	95	26%
7	6	Arsenal FC	England	423	AAA	300	AAA-	123	41%
8	8	Liverpool FC	England	347	AAA-	279	AAA-	68	24%
9	10	Paris Saint-Germain FC	France	326	AAA-	193	AAA-	133	69%
10	12	Tottenham Hotspur FC	England	217	AA+	148	AA+	69	47%
11	13	Juventus FC	Italy	211	AAA	147	AAA	64	44%
12	9	Borussia Dortmund	Germany	196	AAA-	195	AAA-	2	1%
13	11	FC Schalke 04	Germany	182	AA+	187	AA+	(5)	-3%
14	14	AC Milan	Italy	147	AAA-	140	AAA-	7	5%
15	20	Everton FC	England	137	AA	72	AA+	65	91%
16	24	West Ham United FC	England	126	AA	67	AA-	59	89%
17	New	AS Monaco	France	122	A+				
18	30	Southampton FC	England	110	AA	57	AA-	53	91%
19	17	Galatasaray AŞ	Turkey	107	AA+	84	AA+	23	27%
20	15	FC Internazionale Milano	Italy	96	AAA-	91	AA+	5	6%
21	23	Aston Villa FC	England	94	AA	68	AA	25	37%
22	27	Newcastle United FC	England	93	AA	61	AA	33	53%
23	19	Club Atlético de Madrid	Spain	91	AA+	75	AAA-	16	21%
24	21	SSC Napoli	Italy	89	AA+	72	AA+	17	24%
25	16	AFC Ajax	Netherlands	87	AA+	89	AA+	(2)	-2%
26	41	Stoke City FC	England	84	AA-	45	AA-	40	89%
27	New	Swansea City	Wales	82	A				
28	22	Bayer 04 Leverkusen	Germany	81	AA	69	AA	12	18%
29	32	Sunderland AFC	England	80	AA	56	AA-	25	45%
30	New	Crystal Palace	England	80	A				
31	33	Olympique de Marseille	France	78	AA	54	AA	23	43%
32	28	VfB Stuttgart	Germany	73	AA-	61	AA	12	20%
33	35	Fenerbahçe SK	Turkey	72	AA	52	AA	21	40%
34	38	Celtic FC	Scotland	72	AA	50	AA+	22	45%
35	26	AS Roma	Italy	71	AA+	64	AA+	6	10%
36	34	VfL Wolfsburg	Germany	70	AA	54	AA	16	29%
37	42	West Bromwich Albion FC	England	70	AA	44	AA-	26	59%
38	25	Olympique Lyonnais	France	67	AA	65	AA	2	3%
39	29	Valencia CF	Spain	64	AA	59	AA	6	10%
40	39	SL Benfica	Portugal	62	AA+	50	AA+	13	25%
41	18	Hamburger SV	Germany	62	AA	82	AA	(20)	-24%
42	New	Leicester City	England	61	A				
43	48	São Paulo FC	Brazil	57	AA	32	A	25	76%
44	31	SV Werder Bremen	Germany	53	AA-	56	AA	(3)	-5%
45	New	Borussia Mönchengladbach	Germany	52	A+				
46	45	PSV Eindhoven	Netherlands	52	AA	35	AA+	17	48%
47	40	Sevilla FC	Spain	49	AA	46	AA	3	6%
48	36	SC Corinthians Paulista	Brazil	47	AA	52	A	(4)	-8%
49	44	SS Lazio SpA	Italy	47	AA	37	AA	10	28%
50	New	ACF Fiorentina	Italy	46	AA	0	AA	46	

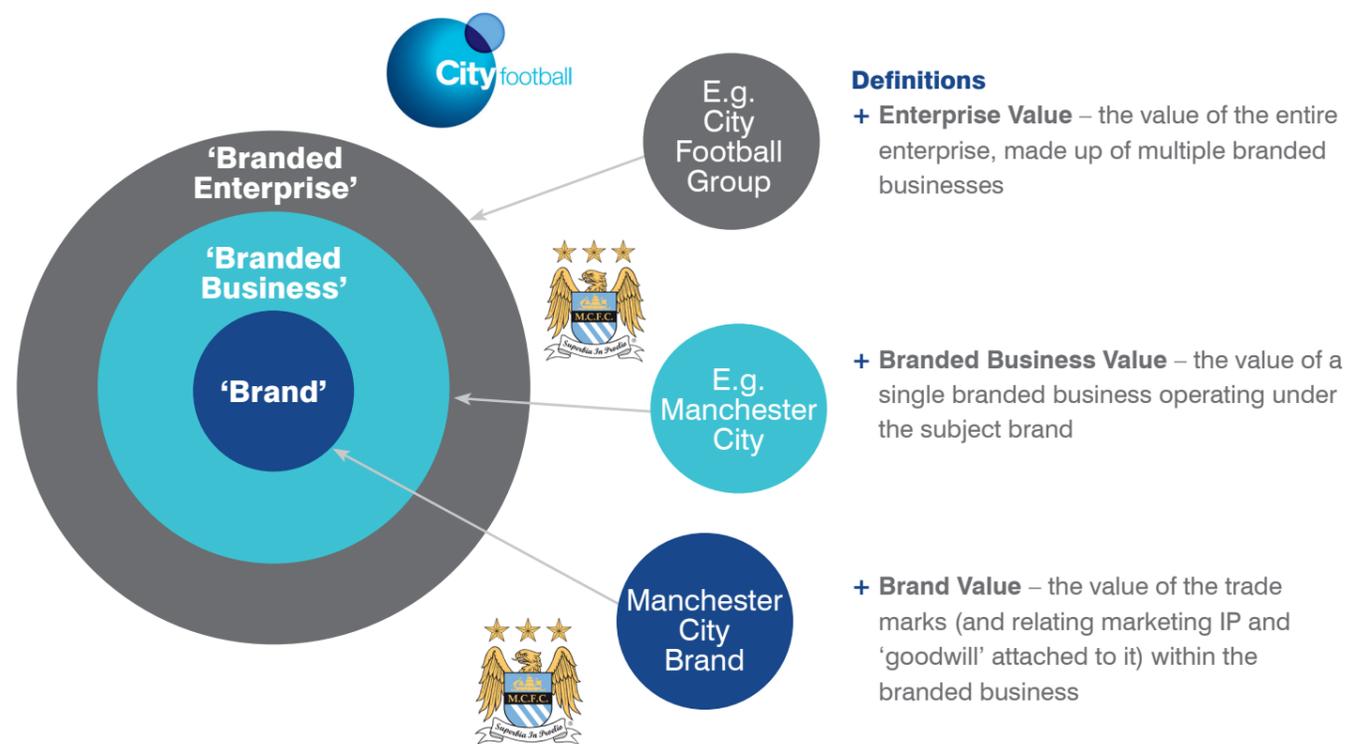
Brand Finance Football 50 2015 Full Results (EURm)

Most valuable football brands EUR 1-50.

Rank 2015	Rank 2014	Club	Country	2015 Brand Value (\$m)	2015 Brand Rating	2014 Brand Value (\$m)	2014 Brand Rating	Change (\$m)	% Change
1	3	Manchester United FC	England	914	AAA	543	AAA	371	68%
2	1	FC Bayern Munich	Germany	707	AAA	659	AAA	48	7%
3	2	Real Madrid CF	Spain	661	AAA+	565	AAA+	96	17%
4	5	Manchester City FC	England	607	AAA-	375	AAA-	232	62%
5	7	Chelsea FC	England	602	AAA	369	AAA-	233	63%
6	4	FC Barcelona	Spain	586	AAA+	457	AAA+	128	28%
7	6	Arsenal FC	England	533	AAA	371	AAA-	162	44%
8	8	Liverpool FC	England	437	AAA-	345	AAA-	92	27%
9	10	Paris Saint-Germain FC	France	410	AAA-	238	AAA-	172	72%
10	12	Tottenham Hotspur FC	England	273	AA+	183	AA+	90	49%
11	13	Juventus FC	Italy	265	AAA	181	AAA	84	46%
12	9	Borussia Dortmund	Germany	247	AAA-	240	AAA-	6	3%
13	11	FC Schalke 04	Germany	229	AA+	230	AA+	(2)	-1%
14	14	AC Milan	Italy	185	AAA-	174	AAA-	11	7%
15	20	Everton FC	England	173	AA	89	AA+	84	94%
16	24	West Ham United FC	England	158	AA	82	AA-	76	92%
17	New	AS Monaco	France	153	A+				
18	30	Southampton FC	England	138	AA	71	AA-	67	95%
19	17	Galatasaray AŞ	Turkey	135	AA+	104	AA+	31	30%
20	15	FC Internazionale Milano	Italy	121	AAA-	112	AA+	9	8%
21	23	Aston Villa FC	England	118	AA	84	AA	33	39%
22	27	Newcastle United FC	England	118	AA	75	AA	42	56%
23	19	Club Atlético de Madrid	Spain	114	AA+	93	AAA-	21	23%
24	21	SSC Napoli	Italy	112	AA+	89	AA+	23	26%
25	16	AFC Ajax	Netherlands	110	AA+	110	AA+	0	0%
26	41	Stoke City FC	England	106	AA-	55	AA-	51	92%
27	New	Swansea City	Wales	103	A				
28	22	Bayer 04 Leverkusen	Germany	102	AA	85	AA	17	20%
29	32	Sunderland AFC	England	101	AA	69	AA-	33	47%
30	New	Crystal Palace	England	100	A				
31	33	Olympique de Marseille	France	98	AA	67	AA	31	45%
32	28	VfB Stuttgart	Germany	91	AA-	75	AA	17	22%
33	35	Fenerbahçe SK	Turkey	91	AA	64	AA	27	42%
34	38	Celtic FC	Scotland	91	AA	61	AA+	29	48%
35	26	AS Roma	Italy	89	AA+	80	AA+	9	12%
36	34	VfL Wolfsburg	Germany	88	AA	67	AA	21	31%
37	42	West Bromwich Albion FC	England	88	AA	54	AA-	33	62%
38	25	Olympique Lyonnais	France	84	AA	81	AA	4	4%
39	29	Valencia CF	Spain	81	AA	73	AA	8	12%
40	39	SL Benfica	Portugal	78	AA+	61	AA+	17	28%
41	18	Hamburger SV	Germany	78	AA	101	AA	(23)	-23%
42	New	Leicester City	England	77	A				
43	48	São Paulo FC	Brazil	72	AA	40	A	32	79%
44	31	SV Werder Bremen	Germany	67	AA-	69	AA	(2)	-3%
45	New	Borussia Mönchengladbach	Germany	65	A+				
46	45	PSV Eindhoven	Netherlands	65	AA	43	AA+	22	50%
47	40	Sevilla FC	Spain	62	AA	57	AA	5	8%
48	36	SC Corinthians Paulista	Brazil	60	AA	64	A	(4)	-6%
49	44	SS Lazio SpA	Italy	59	AA	45	AA	14	31%
50	New	ACF Fiorentina	Italy	58	AA	0	AA	58	

Methodology

What do we mean by 'brand'?



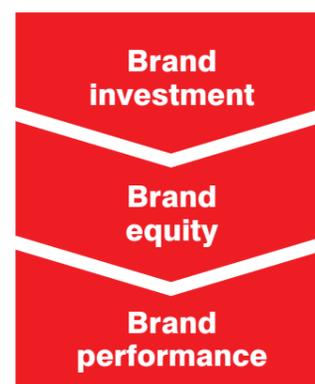
Definition of 'Brand'

In the very broadest sense, a brand is the focus for all the expectations and opinions held by fans, players, staff and other stakeholders about a club. However when looking at brands as business assets that can be bought, sold and licensed, a more technical definition is required. Brand Finance helped to craft the internationally recognised standard on Brand Valuation, ISO 10668. That defines a brand as "a marketing related intangible asset including, but not limited to, names, terms, signs, symbols, logos and designs, or a combination of these, intended to identify goods, services or entities, or a combination of these, creating distinctive images and associations in the minds of stakeholders, thereby generating economic benefits/value"

Brand Strength

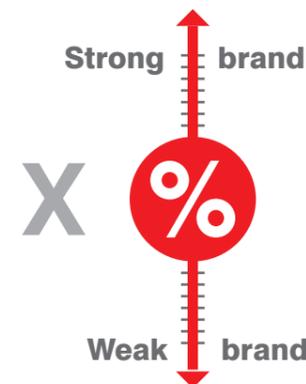
Brand Strength is the part of our analysis most directly and easily influenced by those responsible for marketing and brand management as well as success on the pitch. In order to determine the strength of a brand we have developed the Brand Strength Index (BSI). We analyse marketing investment, brand equity (the goodwill accumulated with fans, customers, staff and other stakeholders), which includes on-pitch success, and finally the impact of those on business performance. Following this analysis, each brand is assigned a BSI score out of 100, which is fed into the brand value calculation. Based on the score, each brand in the league table is assigned a rating between AAA+ and D in a format similar to a credit rating. AAA+ brands are exceptionally strong and well managed while a failing brand would be assigned a D grade.

Brand strength index (BSI)



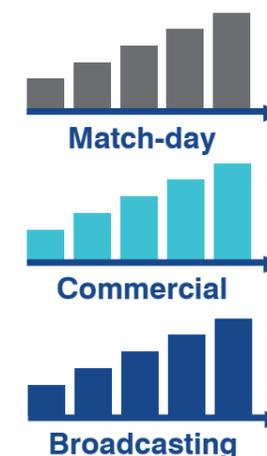
Brand strength expressed as a BSI score out of 100.

Brand 'Royalty rate'



BSI score applied to an appropriate sector royalty rate range.

Brand revenues



Split revenue into separate streams for each service area. Royalty rates applied to forecast revenues to derive brand values

Brand value



Post-tax brand revenues are discounted to a net present value (NPV) which equals the brand value.

The Valuation Process

Brand Finance calculates the values of the brands in its league tables using the 'Royalty Relief approach'. This approach involves estimating the likely future sales that are attributable to a brand and calculating a royalty rate that would be charged for the use of the brand, i.e. what the owner would have to pay for the use of the brand if it were not already owned.

- 1 Calculate brand strength on a scale of 0 to 100: the BSI captures the ability of clubs to drum up popular interest and then convert interest into support and custom. The BSI covers three broad topics of brand investment, equity in the form of emotional connection harboured by a brand, and bottom line commercial performance.
- 2 As brand has differing effects on each source of income, we then split revenues down into three streams: match-day, broadcasting and commercial. As brands have differing effects on different revenue streams, these will

each have their own respective royalty rate applicable to them. The royalty rates are derived by looking at comparable agreements and through in-house analysis.

- 3 Calculate royalty rate. The brand strength score is applied to the royalty rate range to arrive at a royalty rate. For example, if the royalty rate range in a brand's sector is 0-5% and a brand has a brand strength score of 80 out of 100, then an appropriate royalty rate for the use of this brand in the given sector will be 4%.
- 4 Determine brand specific revenues estimating a proportion of parent company revenues attributable to a specific brand.
- 5 Determine forecast brand specific revenues using a function of historic revenues, equity analyst forecasts and economic growth rates.
- 6 Apply the royalty rate to the forecast revenues to derive brand revenues.
- 7 Brand revenues are discounted post tax to a net present value, equal to the brand value.

Top Ten Profiles



Brand Value
\$1,206M
Brand Rating
AAA



CHEVROLET
Shirt Sponsor
Annual Value
\$79.9M



adidas
Kit Manufacturer
From 2015/16
Annual Value
\$126.8M

1 Manchester United FC

After a two year absence Manchester United FC is back on top of the Brand Finance Football 50 as the first football brand to smash the Billion Dollar Brand barrier. Improved on pitch performance, new commercial mega-deals and the English Premier League's (EPL) new TV deal work together to ensure United's Phoenix-esque return to the top.

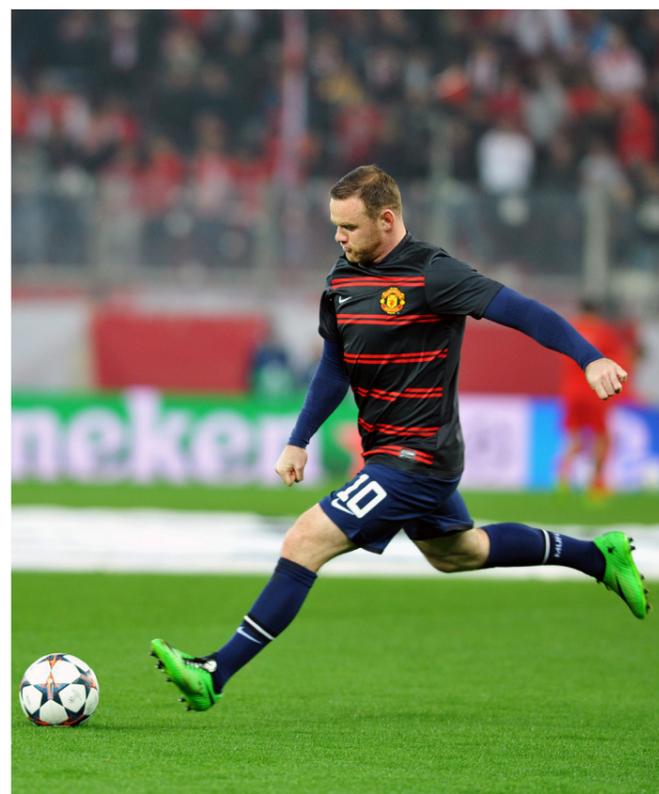
Louis Van Gaal halted the club's decline this year, dragging the club back into the UEFA Champions League and reinstalling a sense of optimism and belief. Backed up by big signings over the summer (Angel Di Maria, Ander Herrera & Radamel Falcao) Van Gaal and United signalled their intent that the dismal 2014 would go down in history as just a small blemish footnote rather than a turning point.

As a testament to this renewed belief in the United brand, new technical sponsor Adidas was brought on board for a record breaking £750m over ten years. Proof if ever it was needed that a strong brand will help you in tough times. United can now boast 64 different partners, by far the most diverse portfolio of sponsors and technical partners in the business, providing a wide variety of brand touch points for fans.

It is no surprise global brands are desperate to join United's ever growing commercial cast list. Travelling to the US on its pre-season tour, United beat Real Madrid in front of 109,318 fans – demonstrating there is no small appetite for their brands in the world's biggest economy, let alone the rest of the world.

Equally, the new EPL broadcasting deal will kick in for the 2016/17 season, doubling the Red Devils' expected broadcasting earnings. With buoyed revenues, all EPL clubs including United, will be able to spend more on top footballing talent, cementing their place in their fans' hearts, playing better football and ultimately, in United's case, allow them to compete at the very highest level of European competition.

Over the next few years everything is set for an English resurgence in Europe and van Gaal will definitely have his eyes set on his second Champions League trophy and United's fourth.



Brand Value
\$933M
Brand Rating
AAA



Shirt Sponsor
Annual Value
\$37.5M



Kit Manufacturer
Annual Value
\$67.3M

2 FC Bayern Munich

A 25th Bundesliga wasn't enough for the FCB to stay on top of the Brand Finance Football 50, with Manchester United's return relegating them into 2nd place.

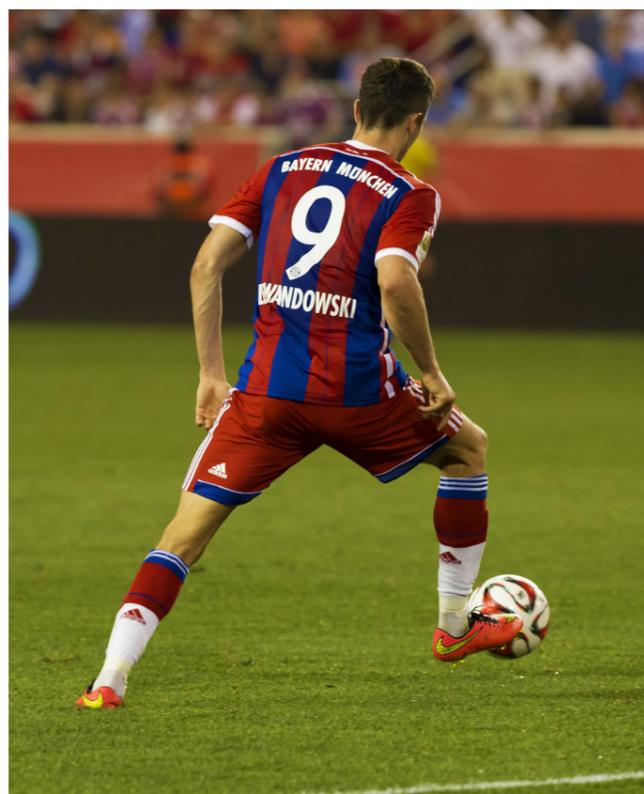
Bayern's brand value remained fairly static in 2015 with marginal growth of 3%. The German club has become a victim of its own success where a European semi final and the foregone conclusion of an all-too-easy domestic campaign left little for the footballing community to get excited about.

When compared to their European Football 50 rivals, Bayern has failed to excite in the transfer market. Where Real, Man Utd and Barca have signed megastars Rodriguez, di Maria and Suarez, Bayern signed Robert Lewandowski. Without doubt an excellent signing, but one that did not excite – the deal being a free transfer and sewn up well before the end of the 2013/14 season. Equally the signing of Xabi Alonso was no doubt good business, but not something that caught headlines and captured the imagination of fans around the world.

To call Bayern stereotypically German – efficient, but a bit dull – would be doing a disservice to the excellent football they play and the vibrant personalities they already possess. But it does highlight that at the very top of the highly competitive football environment, staying still is the same as going backwards.

After all, Bayern has made a very successful club out of being very German. A look at its key sponsors shows there is a clear strategy, with Samsung the only non-German sponsor of significance. Linked up with huge German brands such as Audi, Allianz, Adidas and with its headline sponsor Deutsche-Telekom agreeing to a €30m a year extension there is a lot to be said for sticking to your core market.

However, the Munich giants appear to recognise that to grow they must become more global, recently setting up an office in New York and embarking on a USA pre-season tour – even if they did rather embarrassingly lose to the MLS All-Star team!



Top Ten Profiles



Brand Value
\$873M
Brand Rating
AAA+

Fly Emirates
Shirt Sponsor
Annual Value
\$39M

adidas
Kit Manufacturer
Annual Value
\$49M

3 Real Madrid CF

On the back of “La Decima” (Real’s 10th Champions League Title), cementing Real as the most successful European club of all time, the Spanish giants have had a difficult season per their own high standards. Although it maintains its AAA+ rating, Real is no longer the strongest brand in football, losing out to Barcelona, whose Champions League victory finally puts it on top.

A season lacking major silverware puts their haul over the last decade at 6 major titles – no mean feat if this was any other club. However, Real is not any other club and questions must be asked about whether its transfer outlay over the same period of €1,108m has been worth it. Ancelotti is the latest in a long line of managerial victims that go with the huge expectations surrounding the Bernabeu, sacked just 366 days after winning Real’s first Champions League title for 12 years.

This sentiment is reflected in Real’s results in the Brand Finance Football 50; despite a small growth in brand value (to USD\$868m) it has been leapfrogged by the return to form of European rivals Manchester United.

It is by no means all doom and gloom in Madrid. Los Merengues again toured the USA in preseason, attracting record crowds. The club also signed James Rodriguez and World Cup winner Toni Kroos to add to an already talent-stacked squad worthy of any Hollywood blockbuster. This enhances the mouth-watering proposition of history and star players that sponsors crave – Emirates has agreed to pay €30m a season to put its name on the famous white shirt.

This commercial clout means Real still has the largest revenues in football (€550m) and the highest broadcasting revenues (€204m), however this top position will not last for long. The new Premier League broadcasting rights deal is set to catapult English teams high up into the revenue generating stratosphere. Real may still have the advantage of history and the pulling power on the top stars, but with limited scope for rapid growth it may be an uphill struggle to hold its position in future editions of the Brand Finance Football 50.



Brand Value
\$800M
Brand Rating
AAA-



Shirt Sponsor
Annual Value
\$11.7M



Kit Manufacturer
Annual Value
\$19M

4 Manchester City FC

It is testament to how far the brand has come that commentators speak about a season where Manchester City doesn’t win a trophy as a “failure” or a “disappointment”. The financial reality couldn’t be more far removed.

Manchester City’s rise has been fuelled by a rapidly growing fan base. One report has suggested that its fan base has grown by a staggering 523% in recent years, in comparison, the same report also suggested that Manchester United’s fan base fell by 19% over the same period.

It is now the flagship brand in the group of clubs which form the City Football Group. This international, multi-club structure allows the City brand to be leveraged across the globe whilst simultaneously benefiting from synergies through association with its regional partners. As a result City now has a diverse portfolio of partnerships ranging from Nissan in Japan to Etisalat in the UAE.

The club’s plans to expand its stadium capacity by a further 10,000 seats will provide a healthy boost to match-day income in future (an area in which City lags behind its rivals) allowing the brand to accommodate its growing fan base whilst increasing its appeal to new commercial partners.

That being said, the club’s performance this season will be a cause for concern amongst some stakeholders not least the fans. The brand’s rapid rise relies upon continual success and many will be unhappy with the way Chelsea seemed to win league with relative ease. City’s ageing squad earning well-publicized large salaries must also be considered, with many believing an overhaul is required to revitalise the brand’s on-pitch performance.

The brand is likely to see a busy summer period with many existing personnel on the move and this could play a decisive role in the coming season’s performance. There will undoubtedly be an expectation that City makes more of a title challenge next year, and perhaps more importantly, that it makes further inroads into European competition.



Top Ten Profiles



Brand Value
\$795M
Brand Rating
AAA



Shirt Sponsor
From 2015/16
Annual Value
\$60M



Kit Manufacturer
Annual Value
\$32M



5 Chelsea FC

Jose Mourinho's second season in charge since his return to Chelsea has undoubtedly been far better than the first. To strengthen the team's attacking prowess, which was arguably one of its few weaknesses last year, Chelsea secured the high profile transfers of Diego Costa, Loïc Remy and Cesc Fàbregas. These transfers turned out to be critical as Costa and Fàbregas proved instrumental in Chelsea's 14/15 campaign. After winning the League Cup in March, Chelsea secured the Premier League title three weeks before the season concluded, and, when it did, Chelsea had been in pole position for 274 days.

Chelsea's stellar performance in domestic competitions combined with the Premier League's extremely lucrative broadcasting deal has resulted in a brand value growth of an incredible £293m (58%). This growth has propelled Chelsea to a record fourth place finish in the Football 50 this year, meaning the west London club has overtaken Arsenal, Manchester City and Barcelona. However, European success continues to elude Mourinho at Chelsea. The Portuguese manager has never reached a Champions League final with the Blues, let alone won it. This year was no exception as Mourinho's Chelsea left the European stage in the round of 16, after conceding a bitter PSG goal from former team mate, David Luiz.

Japanese tyre manufacturer, Yokohama, has become the team's new shirt sponsor, ending Chelsea's 10 year partnership with Samsung. In that time Samsung's logo has prominently featured on numerous podiums and victory parades for what can only be considered a bargain £20m a year, in what is becoming a highly competitive sponsorship market. Chelsea's new deal with Yokohama is believed to be worth over £40m a year which makes it the second most valuable sponsorship deal of its kind, surpassed only by last season's record breaking £53m a year deal between Chevrolet and Manchester United.

Shrewd transfers and record commercial deals have put Chelsea in very good shape, both commercially and on the pitch. The team's domestic dominance has resulted in remarkable growth, but European trophies are still crucial to increase international exposure and commercial worth, which may allow Chelsea to take a swipe at the top three.



Brand Value
\$773M
Brand Rating
AAA+



Shirt Sponsor
Annual Value
\$45M



Kit Manufacturer
Annual Value
\$43M



6 FC Barcelona

Despite rumours of a rift between players and the manager, Luis Enrique's first season in charge of the Catalans has been an overwhelming success. In addition to a comprehensive win over Juventus in the 2015 Champions League final, Barcelona has secured its 26th La Liga title and 27th Copa del Rey title to become the first team in history to win the treble twice.

Thanks to this clutch of honours, Barcelona has overtaken Real Madrid to become the world's most powerful brand, with the highest Brand Strength Index score of any club and a corresponding, unbeatable AAA+ brand rating. Brand value is up 24% to \$773 million. \$28 million of that has been added thanks to Champions League final victory alone.

While Barcelona may have had the upper hand this season on its rivals on the pitch, it has none the less fallen down the rankings of the Brand Finance Football 50. Manchester City and Chelsea have both overtaken Barca thanks to expansionary brand strategy, new sponsorship deals and the forthcoming broadcasting windfall. In terms of domestic rivalry, Real Madrid that continues to leverage its brand in a more profitable manner. Both brands achieve similar Brand Strength Index scores, but Real Madrid's brand value is \$100 million higher than that of Barcelona.

With the two brands generating similar match day revenue, we can trace the difference in brand value back to Real Madrid's success in converting brand strength to greater revenues in both broadcasting and commercial streams. Despite this, it is important to recognise that this year's Football 50 shows progress for Barcelona, as brand value increased 24% in contrast to Real Madrid's increase of 14%. To continue to close the gap Barcelona will need to work hard to improve its ability to leverage its powerful brand to stand any chance of making financial performance match up to on-pitch success.

Top Ten Profiles



Brand Value
\$703M
Brand Rating
AAA

Fly Emirates
Shirt Sponsor
Annual Value
\$46.7M

PUMA
Kit Manufacturer
Annual Value
\$49.5M

7 Arsenal FC

As is ever the case with Arsenal, the season has had its fair share of drama. The summer saw the signing of Chilean Alexis Sanchez, who undoubtedly adds extra marketability to the squad. However, Arsenal sat sixth by Christmas with fans baying for the blood of the manager. This was soon followed by a dramatic turnaround in form which culminated in a third placed finish, a ten year joint high for the Gunners, and an FA cup to boot.

So far so good, but, CEO Ivan Gazidiz had claimed that after 2014 and the negotiations of new deals, the club's new financial firepower would make it one of the top five in the world by revenue. This reality has not materialised. Arsenal remains eighth in the world in terms of revenue and with the key kit sponsor and supplier deals accounted for, it is hard to see any further dramatic improvements in the near term.

All of this makes reaching a conclusion regarding the Arsenal brand very difficult.

The squad is now arguably the best in the league and undoubtedly has the potential to win any and every trophy next year. It has a fine stadium and the brand benefits from an affluent fan base that not only tolerates some of the highest ticket prices in the country, but a sustainable model which eschews jam today for the promise of tomorrow.

On the other hand, having finally gained the freedom to negotiate new commercial deals, the brand is still nowhere near its more successful rivals in financial terms. Whilst the incoming Premier and Champions League revenues will provide additional economic benefits, this will also be felt by Arsenal's closest rivals, making the most competitive league in the world all the more competitive.

Time will tell whether or not the incremental improvements this year will translate into a tangible long term gain. However, for now it is difficult not to feel like these results are to be endured rather than applauded by the brands stakeholders who will no doubt be looking to next season for their long awaited jam.



Brand Value
\$577M
Brand Rating
AAA-

Standard Chartered
Shirt Sponsor
Annual Value
\$31M

new balance
Kit Manufacturer
From 2015/16
Annual Value
\$40M

8 Liverpool FC

Following a fairly muted sequel to its title-challenging 2013/14 season, perhaps the most notable moment of the previous campaign was the departure of longstanding club captain and local hero Steven Gerrard. Brendan Rogers' side finished 6th overall, scraping into the Europa League by default and after long periods of lacklustre performances, finished the season on a particularly sour note with a 6 - 1 drumming away at Stoke. Having lost Luis Suarez to Barcelona and Daniel Sturridge to injury for most of the season, Liverpool struggled to find its free-scoring identity that brought it success over the previous season, scoring just over half of the 2013/14 goal tally.

The strong core of the club's brand remains intact however. Its rich heritage and fervent fan-base make it one of the most recognisable brands in football. Commercially, Liverpool is clearly still able to attract top investment, signing an extension to its £25 million a year kit deal with Warrior parent company New Balance, as well as benefitting from the premier league's £5bn broadcasting deal. There are also signs that Liverpool's business model is beginning to bear fruit, with the club announcing its first annual profit of 0.9m in March for the year ending 31 May 2014.

Undoubtedly its owners have big plans for the club and Liverpool's business model hinges on Premier League success. Whether the club realises these visions depend on Brendan Rodgers' transfer market performance this summer. Having already proven that with the right team Liverpool can be a title contender, the latest additions to the squad have fallen short of expectations. The club may rank as a top 10 global brand, yet remains outside the top four in England. The recent rise of Man City has broken the established hegemony of the traditional top 4 at predominantly Liverpool's expense. Without the certainty of regular Champions League football, a transfer budget deficit will become increasingly unsustainable and, whilst we can look to The Reds having all the resources its owners can spare for the next transfer window, stiff competition for Champions League places may just leave Liverpool walking alone.



Top Ten Profiles



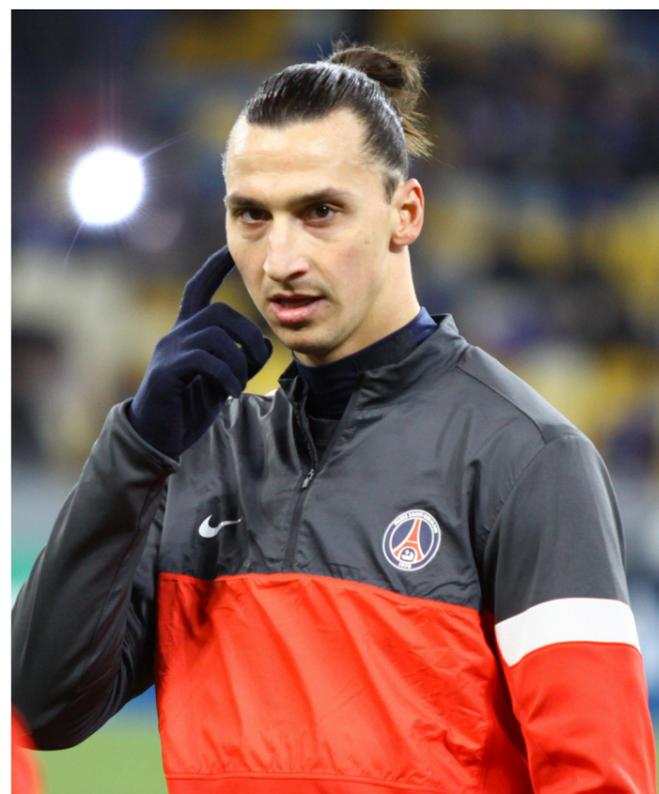
Brand Value
\$541M
Brand Rating
AAA-

Fly
Emirates



Kit Manufacturer
Annual Value
\$8.8M

Shirt Sponsor
Annual Value
\$32.6M



9 Paris Saint-Germain FC

The team from Paris have combined another strong season on the pitch with commercial success off it that has enabled the club to increase in brand value by 67% to \$541m making Paris Saint-Germain the 9th most valuable football brand in the world and the only French team in the top 10.

The French champions failed once again to progress beyond the quarter finals of the Champions League. However, the team did manage a clean sweep in France, winning all four of the domestic cups; the Ligue 1 title, the Coupe de France, the Coupe de la Ligue and the Trophée des Champions. This dominance over French football gives PSG an almost automatic route into the Champions League competition every year, making the brand an attractive proposition for both new and existing sponsors.

PSG increased in brand value across all three revenue streams. The contribution to brand value from broadcasting increased by 14% with match-day brand value increasing by 57%, however the commercial stream made the biggest contribution. PSG was able to translate higher commercial revenues into an additional US\$ 182m of brand value. The costs remain a concern with Financial Fair Play (FFP) restricting PSG's ability to spend big. President Nasser Al-Khelaifi believes that FFP is the only thing holding the club back from acquiring the likes of Barcelona's Lionel Messi and Real Madrid's Cristiano Ronaldo.

PSG's hard work on and off the pitch is benefitting not just the club itself but Ligue 1 as a whole. The French champions have brought global superstars to the league, from Edinson Cavani and Zlatan Ibrahimovic to Thiago Silva and David Beckham. Wherever superstars go, supporters will follow, with sponsors and broadcasters close behind. PSG cannot shoulder the entire burden of raising Ligue 1's profile however. Therefore, although the rise of AS Monaco may be perceived as a threat, PSG should welcome the competition as it will go a long way to improving the financial fortunes of both clubs and Ligue 1.



Brand Value
\$360M
Brand Rating
AA+



Shirt Sponsor
Annual Value
\$24.9M



Kit Manufacturer
Annual Value
\$16.1M



10 Tottenham Hotspur FC

Another year, another 5th place Premier League finish for Tottenham Hotspur, which despite significant improvement in league performance over the last decade remains just outside the promised land of Champions League qualification. The challenge of balancing Europa League commitments with chasing that elusive top 4 place has meant maintaining a relatively large squad. There is a reasonable level of salary control discipline (leaving Emmanuel Adebayor to one side), but the general view of observers and fans alike is that much of the club's transfer spending on players has been unwise, and integration of players brought in with the Gareth Bale windfall has been difficult.

Financially however, the overall player strategy seems to have been more successful. This year has seen the breakthrough of several home grown players, including England international Harry Kane, who will add to the book value of the squad. The club has the highest brand value of those not habitually in the Champions League. Brand value has grown by around 45%, albeit mainly due to the increase in overall Premier League broadcast revenues. Commercial revenues are static.

The real key to the club's future lies with the stadium. Tottenham has for years been limited by the capacity of White Hart Lane, inadequate for its strong supporter base, and with the cramped and antiquated nature of the ground holding back the ancillary match day revenues. However, after years of wrangling, planning permission and land acquisition for the much vaunted 56,000-seater stadium has finally been granted and this, along with a state of the art training ground already in place, means that Spurs could be poised to increase its brand value significantly when the ground opens in 2018/19. Increased match-day revenue flows and stadium sponsorship rights should strengthen the already robust financial position. The move is a statement of ambition that should aid signing and, crucially, retention of two or three top class players.

Until then, the most probable prognosis is more of the same – glorious failure to displace the current top 4 and domestic cups as the only chance of silverware.

Football in the Middle East

GCC FC – Gulf States and World Football

The Arabian Gulf states' changing relationship with world football has received a great deal of publicity in recent times, and the trend shows no sign of slowing down. If anything it is intensifying as the interests of football brands in building brand value and commercial opportunity align with the global ambitions of strong Gulf companies and the nation brands that sit behind them.

Qatar, with its much-discussed FIFA World Cup 2022 award, its acquisition of Paris Saint-Germain, and Qatar Airways' high-profile sponsorship of Barcelona, has attracted much attention.

At the same time the UAE is constantly in the news for Emirates Airline's sponsorship of several top teams, as well as being the official worldwide partner of FIFA, the sport's governing body. Abu Dhabi's investment in

Manchester City FC and its subsequent expansion into Australia (Melbourne City FC), the USA (New York City FC) and Japan (Yokohama F. Marinos) – together with the concurrent sponsorship deals with Etihad and other Abu Dhabi-based companies, has been widely discussed.

Indeed, such has been the investment in sponsorship and ownership by Gulf interests that 5 out of the top 10 Brand Finance Football 50 clubs have shirt sponsorship deals with Gulf Airlines, and 2 of the top 5 clubs' stadia are named after them. The investments by Abu Dhabi and Qatar in Manchester City FC and PSG respectively represent 18% of the total value of the top 10 clubs in Brand Finance's Football 50.

In addition, in late-2014, IPIC, an Abu Dhabi investment fund, announced a long-term strategic partnership with

Real Madrid with the stated objective of globalizing Real Madrid's assets. Included will be redevelopment of the famed Bernabeu stadium (supposedly with Abu Dhabi in the naming), a number of Real Madrid Schools of Football being established in Abu Dhabi and other global locations, and the development of Real Madrid museums in key cities around the world. Dubai is already host to a Real Madrid café, and it is rumoured that a Real Madrid theme park is being planned in Abu Dhabi. The National Bank of Abu Dhabi is also the club's official banking partner.

The appeal of linking with the biggest clubs in the world is obvious, given the global reach and depth of interest that football generates the world over. But a noticeable feature of more recent investments is that they are no longer limited to the Top 10. For example, Qatar's Aspire Zone acquired KAS Eupen, a second division club in Belgium, with the aim of leveraging the club as a launch pad for talented young players identified by the Aspire Academy in Qatar and 14 developing countries across 3 continents. Kuwaiti interests have acquired Nottingham Forest, Sheffield United is owned by Saudi Arabian investors, Getafe Madrid is owned by Dubai and Malaga is owned by Qatari investors.

And whilst the international investments attract global attention, the leadership of the Gulf states is now placing a strong emphasis on growing football at home. This is seen in the development of licensed football schools and academies in the region (Real Madrid, MCFC, Manchester United) as well as a keen interest in national teams and local and regional leagues. This is an essential strategy to avoid the problem, often discussed, of global football brand interest potentially dampening growth in the domestic game. It must be remembered that by comparison with European leagues, the national and individual clubs in the Gulf are relatively new arrivals and still in the process of creating their legacy and legend. Whilst grassroots fans in the region do follow international clubs, they are also fiercely loyal to their local clubs, and it is crucial for the long term value of the game in the Gulf that this aspect is nurtured. A good example is Al Ain FC in UAE, which is making great strides to build a club that represents community, history,

excitement and success, all ingredients that the best European clubs have built up over time.

Undoubtedly this considerable support for football on a local and global scale is driven by a passion for the game, which runs deep in the region, but there is more to it than emotion.

Fundamentally, the leaders of the Gulf nations have recognized the need to diversify and grow their economies and are investing heavily to achieve this – establishing their countries as global banking, trading and transport hubs, developing industrial and technical capabilities and growing their tourism industries.

And in doing so they have recognized that the global appeal of football is an ideal vehicle to publicise and promote their nation brands, and their key global businesses, on a world stage, which is critical to the success of their diversification strategy. The rise of the Gulf nations has been clearly charted in Brand Finance's Nation brand studies, which have seen the value of the UAE brand rise from \$249 billion to \$293 billion, Saudi from \$420 billion to \$463 billion and Qatar from \$184 billion to \$256 billion in the last year, Qatar's being the fastest growth of any nation brand.

Perhaps the clearest example of this use of football to build a nation brand is Abu Dhabi's Manchester City FC investment, which has given Abu Dhabi rapid global awareness and has provided Etihad (owned by Abu Dhabi) a global platform to expose and promote its brand to a receptive audience. Other Abu Dhabi brands such as Etisalat and Aabar have also benefitted from the international exposure.

Abu Dhabi is extending the Manchester City formula to Australia, the USA and Japan, leveraging the integrated approach of football, branding, marketing and commercial development of the clubs in the City family – exposing both the nation brand and Etihad to countries not traditionally considered strong football markets, but with growing fan interest, markets in which Abu Dhabi and Etihad need to promote themselves for commercial reasons.



Football in the Middle East

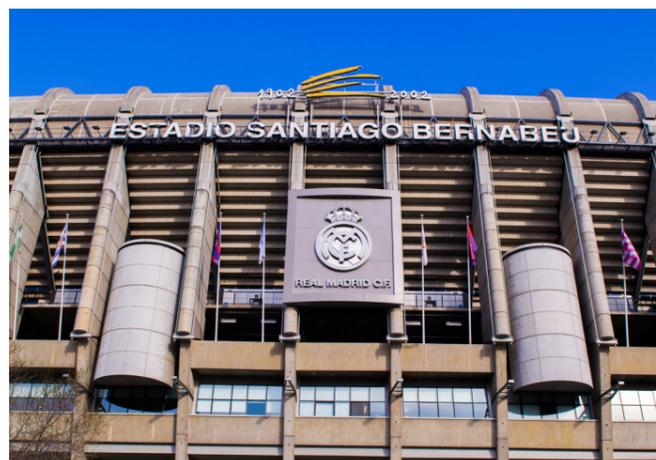
GCC FC – Gulf States and World Football

The outcome is that the 55,000-seater stadium in Melbourne (one of the biggest sporting cities in the world) is now the Etihad Stadium - and Etihad is the shirt sponsor of Melbourne City FC.

Etihad is also expected to announce a shirt sponsorship deal with NYCFC, and has already become the official airline partner of the US Major League Soccer.

Hosting of prestigious tournaments plays an important role. In addition to Qatar hosting the FIFA World Cup 2022, the UAE will host the 2019 AFC Asian Cup, as well as the 2017 and 2018 FIFA Club World Cups, having hosted the 2003 FIFA World Youth Championship, the 2009 and 2010 FIFA Club World Cup, as well as the 2013 FIFA Under 17 World Cup. These tournaments have several effects, not least the familiarisation of the world's top young players with the Gulf football scene and the raising of the bar and the aspirations of local home grown talent.

All of this activity, however, comes at significant financial cost, which is why it is critical for investors and sponsors, as well as the clubs themselves, to continually manage and measure their financial exposure against the benefit gained from the relationship. With growing competition between different European football brands for global presence, comes a requirement for Gulf state investors to work out how to have a truly differentiated strategy that has demonstrable payback. Mere association with a club is valuable in the short term in terms of building awareness, stature and positive association, but when awareness is no longer a goal in itself, more sophisticated ways to leverage these partnerships will need to emerge, and picking the right partner from both a brand fit and a strategic alignment perspective become essential. We can anticipate continued high levels of activity from the Gulf States in the world of football, and a greater need to track how value is being derived for sponsor and club alike.



Football in the Middle East

An In-Depth Look at Al Ain FC

We spoke in detail to Al Ain FC, AFC Champions League winners and 12 time Arabian Gulf League winners to discover how they are building a regional football powerhouse and a brand that is now worth well over \$30 million.

The club clearly understands the importance of brand as part of the healthy development of a club. Al Ain are the first club in Asia to undergo our brand valuation which speaks volume to their future ambitions in directing their resources to growing their brand. The Marketing department oversees the brands of Al Ain Football Club, Al Ain Sports Game Club, the Hazza Bin Zayed Stadium and its surrounding Mixed Use Development, currently has a total of seven members including two graphic designers, two social media coordinators outsourced from a social media agency, two marketing managers, and overseeing them, the head of marketing. This is significant for a club of Al Ain's current size; many teams in the English Championship clubs will only have two or three people in their marketing teams for example. This in itself is evidence of Al Ain's ambitious growth plans and its recognition of brand as a core asset.

This understanding has been particularly clear since the Al Ain Club Investment Company assumed control of Commercial, Marketing and Operations activities in 2013. The brand was revamped to coincide with the launch of the Hazza Bin Zayed Stadium (voted 2014 'Stadium of the Year' by StadiumDB.com). A new brand position as 'the Home of UAE Football' was developed, a powerful message that elevates Al Ain to a pre-eminent position domestically. It is more than an empty boast however.

With a brand position that places Al Ain at the centre of the country's sporting life, social responsibility is a must to sustain the credibility of the claim. An anti-obesity week, cancer awareness and a recent partnership with insurance company Daman to promote healthy lifestyles fall under the 'Health' pillar of its CSR (Corporate Social Responsibility) program. A host of green initiatives cover 'Environment'. The third and final pillar is 'Education'. A partnership with



Football in the Middle East

An In-Depth Look at Al Ain FC

the Ministry of Education will be established to publish a series of books. Engaging with fans and the wider community secures the club's reputation and supports its brand positioning, but it is more than a hygiene factor.

CSR activities are helping to draw fans in and boost revenues more directly. Unlike in more established footballing cultures, on pitch performance has a significant impact on short term attendance and engagement with a team and a poor start to a season can affect attendances throughout the run in. Nassar points to spikes in fan interest and engagement with the club when key players take part in CSR projects. Clearly many fickle fans can be drawn in even if performance on the pitch is less than perfect.

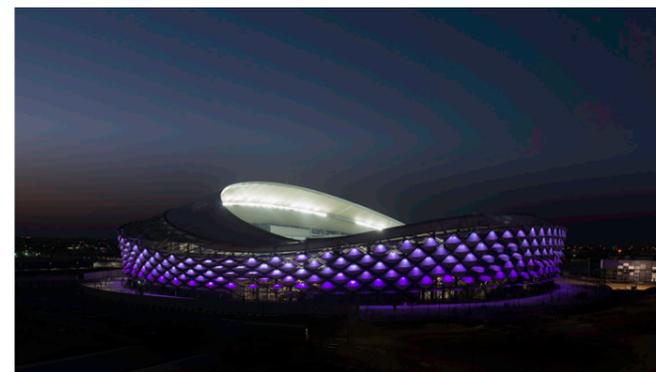
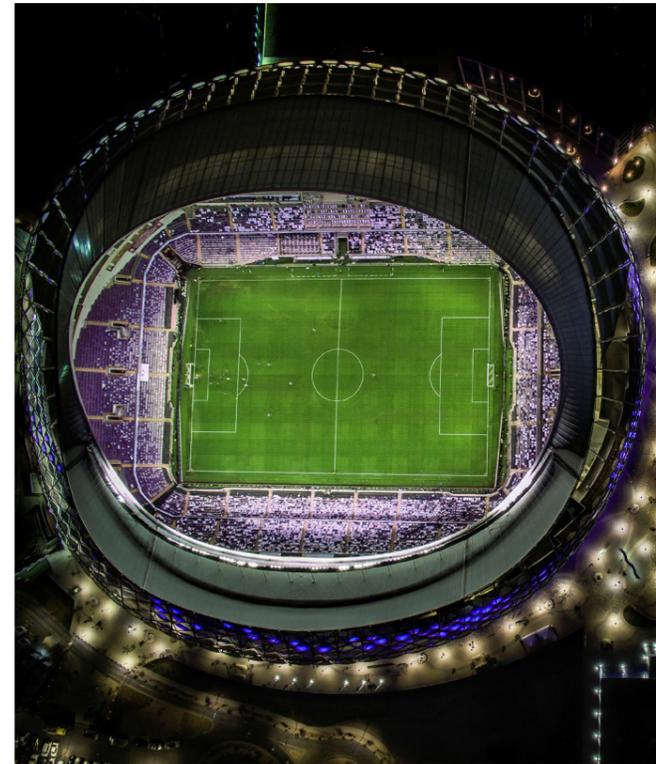
A new mascot will soon become the ambassador of the club's CSR program. Merchandise and a planned series of books based on the character will generate revenue in the short run. Longer term, the mascot will build brand loyalty among young football fans, helping to develop a solid base of support that will stick with the club through thick and thin and a culture more akin to that of established European and South American teams. A recent family festival on the clubs five-a-side pitches is another step in this direction.

This sort of activity will be crucial in convincing people that their local club and domestic football are worth being passionate about. European football brands can have a stifling effect on the development of those in the Middle East (and many other regions). When the Middle East's local fans can watch the best quality of football on television in air conditioned homes, convincing them to attend their local club's matches in a hot stadium can be a hard sell. Countries with smaller populations and a large proportion of expatriates, such as the UAE, can find the situation particularly challenging. To counteract this, campaigns are produced in English as well as Arabic, with increasing signs of success. Ex pat number at Al Ain home matches, especially on AFC Champions League nights, are rising.



Al Ain already has the highest average attendance in the UAE and the third highest in the GCC, but in the coming months the marketing team will be centring their efforts on boosting numbers further, building hype for the new season before it starts, involving the players early on to generate pre-season ticket and merchandise sales. They plan to use the momentum from last season, when Al Ain secured a record 12th league title.

Looking further ahead, Al Ain's plans are as ambitious as they are diverse. An interactive football museum, the first of its kind in the region, and the first Al Ain Café will follow the highly acclaimed Al Ain Megastore and provide an immediate source of revenue generation as well as a new way for fans and consumers to engage with the brand.



Even with the brand's domestic strength still being solidified, international plans are afoot. Commercial partnerships with Etihad Airways and the Abu Dhabi Airports Company, not to mention the 'Home of UAE Football' positioning, give Al Ain the upper hand over the other UAE football clubs in attracting tourists and curious international fans looking to catch a game or the Arabian football experience. Global travel agencies and Abu Dhabi's Tourism and Cultural Authority will help to raise the brand's profile outside the UAE. So too will the annual Hazza Bin Zayed Under 17 tournament featuring the youth teams of top clubs from across the Middle East, Africa, Asia and Europe.

Al Ain has the best track record of any club in the UAE and the only one to have won the AFC Champions League, with its new brand positioning and a string of powerful partnerships its position at home is looking increasingly secure. However on the international stage, whether competing with foreign leagues for domestic audiences or increasing interest in the club outside the UAE, the challenge is much bigger. Rather than despairing though, the club sees the silver lining, "European clubs can offer us opportunities to learn from their vast experiences in developing their respective brands and maintaining a loyal and growing fan base." Al Ain is one of the few clubs in the Middle East to have established strategic partnerships with European football clubs, including Atletico Madrid and Eintracht Frankfurt. In designing its CSR platform, the club researched all of the top football club brands and leagues in the world, as well as the National Basketball Association (NBA), tweaking the insights with local knowledge and plans to do the same as it develops its ROI metrics, with the help of Brand Finance.

Al Ain is having to act as a trailblazer not just for its own brand but for Middle Eastern football as a whole. Its optimistic attitude, ambition and recognition of brand as fundamental to financial performance (and thus ultimately sporting success) is heartening. Brand Value is growing rapidly and though still some way off reaching the giddy heights of the Brand Finance Football 50, Al Ain is one of a select group of non-European clubs that stand a chance of entering the list in the coming years.

Sponsorship History, Highlights and Howlers

Brand Finance examines the most successful sponsorship deals over the last few years and those which have perhaps not delivered on the brand owner's objectives.

Assessing the benefits of a sponsorship deal from the outside looking in is challenging as often only the headline terms are disclosed, internal brand and campaign measures are not available and sponsorship objectives, which may vary greatly, are not divulged. But Brand Finance will attempt to do just this based on our own observations and experience with the brand owners we work with.

Sponsorship has evolved significantly since the days of cigarette cards and local tyre companies sponsoring shirts in volume and level of sophistication. Furthermore, as marketers have woken up to the benefits of association with much-loved sports brands the cost of sponsorship rights has increased exponentially.

Creating awareness in new markets has been and remains the most common objective for sponsorship investment. In the 1980s and 1990s Japanese electronics brands such as JVC, Canon and Sharp were dominant, the trend having started with Hitachi in 1979. In the following decade tech companies from around the world followed, in addition to a plethora of new sports betting sites. More recently, Middle Eastern and Asian brands, in particular airlines, have risen to prominence as they seek a foothold in new territories.

However, increasing awareness is by no means the only motivation. Yokohama's £40 million per annum, five year shirt sponsorship deal with Chelsea is designed not just to increase awareness in Europe, but also to enhance the brand's positioning in Asian growth markets where it is already well known.

It is important that sponsors do more than adopt a passive 'build it and they will come' approach. Anheuser-Busch has been particularly effective in this regard. Its £9 million a year deal to position Budweiser as the sponsorship of the FA Cup has been activated through a range of ongoing brand initiatives in social media and

live at events that involve and engage target audiences to develop a genuine emotional connection.

Activation is no silver bullet however. Finding the right audience to deliver ROI is also key. Brand Finance research suggests a high awareness of the relationship, but with limited impact on trial, consideration or purchase. Perhaps it was a stretch too far for Anheuser-Busch to hope to change the preferences of UK drinkers who stick loyally to more established European brands or reject mass-market lagers in favour of craft beer and real ale. Consequently, the FA cup sponsorship deal will not be renewed. However, Budweiser will continue to be a FIFA world cup sponsor for 2018 and 2022, enabling the brand to reach consumers in high growth East Asian markets who may be easier to target.

Heineken has suffered from a different problem. It is another brand with a track record of pioneering use of social media to activate its sponsorships. However, Brand Finance suggests that despite being an official sponsor of the Champions League since 2005, at an annual cost of \$70 million, most consumers fail to identify a specific connection between Heineken and football.

Heineken's challenge is one of brand dilution both as a result of the number of co-sponsors of the Champions League it must share billing with (Gazprom, HTC, MasterCard, Nissan, Sony PlayStation, UniCredit and Adidas), but also the number of other brands in the beer / alcoholic beverages category involved in sponsorship. Budweiser has already been mentioned, but other include Budweiser, Carling, Corona and Brahma.

Success Stories include insurance giant Allianz. Its focus on stadium naming rights has been shrewd. There is a greater air of permanence to such deals compared to shirt sponsorship, fostering a deeper relationship with fans. Its association with Bayern Munich is well known and its name is clearly displayed across Germany's best known stadium, the innovative Allianz Arena (home of both Bayern and 1860 München) following a 30 year deal that began in 2005. Nice's Allianz Parque, the Allianz Riviera (São Paulo) and the Allianz Stadium in Sydney form part of an international network.



Top, Emirates' exemplary partnership with Arsenal. Middle, Champions League sponsors fail to stand out. Bottom, Allianz Arena

When Emirates' ground-breaking, £100 million, 15 year deal to name Arsenal's new stadium was signed in 2004, it seemed expensive. With the benefit of hindsight the deal, which included eight years of shirt sponsorship, has clearly been a terrific investment.

The success of the Arsenal sponsorship convinced Emirates to extend its sponsorship program to include AC Milan, Hamburger SV, Real Madrid and Olympiacos. Emirates is now one of the most-well known and regarded airline brands in the world, with a deeper and more extensive relationship with football than more or less any other brand. Emirates' brand building investment, with sponsorship at its centre, is clearly paying off. Revenues have risen from \$3.5 billion in 2004 to \$22 billion in 2014 (an increase of over 50%) while the airline's load factor increased from 73% to 79% over the same period.

As the saying goes, mimicry is the highest form of flattery. Other airlines, envious of Emirates' success have followed suit with significant investments in football sponsorship including Qatar Airlines (Barcelona) and Delta (Chelsea). Etihad's £40 million annual sponsorship of Manchester City underlines the value of Emirates' pioneering deal with Arsenal.

Sponsorships have the potential to go badly wrong of course. Wonga.com's sponsorship of Newcastle, signed in 2012 for an estimated £8 million a year over four years, being a prime example. Wonga certainly achieved greater awareness as a result of the deal. Unfortunately, it merely served to enhance the firm's notoriety and reputation for profiting from the unfortunate and financially illiterate. The fact that Wonga's logo has been removed from children's kits put it in the same bracket as pariahs from the tobacco industry, prompting even more consumers to avoid the brand. In 2013, profits fell by 53% and the brand has lately been forced to transform its image, portraying itself as a responsible lender, supporting hardworking families.

The fallout extended to Newcastle FC's brand too. Supporters and the general public were outraged that the club would associate itself with such an inappropriate brand. Even some of the players were scandalised, with

Sponsorship History, Highlights and Howlers

Muslim striker Papiss Cisse refusing to wear kit bearing the Wonga logo on religious and ethical grounds. This profit at any cost approach reflected badly on the club's already unpopular owner, Mike Ashley. He has lost the trust of loyal supporters who are increasingly voting with their wallets. In its present state it is very difficult indeed to foresee the club retaining current levels of support indefinitely, let alone attracting new followers.

To add to the misery of both club and sponsor, when Newcastle's 2015/16 season kit was unveiled it featured Wonga's old logo, an unpleasant reminder of the period Wonga was hoping to leave behind and an indication of poor communication from both sides.

There are many factors which help drive effective sponsorship investment and limit the chances of failure to generate adequate returns, in the opinion of Brand Finance the key factors are:

- A clear, measurable objective that underpins all aspects of the sponsorship programme from partner selection to tactical activation activities.
- Good brand fit between rights holder and sponsor, with consistent values, will ensure the sponsorship program is credible, on message and delivers on customer expectations.



(l) Newcastle's 2015/16 kit with old Wonga logo, (r) how it should have looked

- Strong, innovative activation will help maximise returns on the sponsorship investment through engagement with target customers and reduce the chance that the sponsorship will be perceived as 'hollow' and no different from advertising.
- The rights holder and sponsor must work closely together in partnership to maximise the benefit of the investment for both brands.
- Short-term deals (two years or less) where the sponsor has changed regularly dilutes effectiveness as consumers confuse or easily forget current and past sponsors while creating a perceived lack of commitment to the relationship with the rights holder.
- Competition for the best rights is ever increasing, pushing up the value of the rights hence locking in a longer deal is likely to generate greater returns over the duration of the agreement.
- A high level of due diligence is required to minimise the risk of failing to meet objective, or worse reputational damage to the brand owner. Financial stability, pending litigation, disputes with previous sponsors and partners and compliance with all relevant regulations are areas that should be of particular concern.
- While it is certainly possible to measure returns on sponsorship investment after the event, it is far more cost effective and accurate to put in place a robust measurement system prior to activating the sponsorship program with additional benefit of indicating early when objectives are not being met so that steps can be taken to address.

Much can go wrong with sponsorship but when executed well it can be one of the most effective brand building tools in the marketer's box. In an age where many consumers are selective in their media consumption, hard to reach via both traditional and digital channels and increasingly apathetic towards brands, sponsorship remains a bastion where brand owners can emotionally connect with target customers.

Sponsorship Foul Play at FIFA

VISA, McDonalds, Coca-Cola, Hyundai, Budweiser and Adidas are among the major companies that have set out to build their brands through association with international football, the World Cup and the now embattled organisation that oversees it, FIFA.



For a fee now in the region of \$24-\$44 million a year, the sponsors have guaranteed exposure to a global audience well in excess of a billion consumers and association with the world's most loved sporting event.

There has no doubt been a significantly positive effect on their brands over the years. Brand values for the top sponsors currently total nearly \$100 billion (Coca-Cola: \$35.8 billion, McDonalds: \$22 billion, Hyundai motors: \$8.6 billion, Kia: \$5.2 billion, VISA: \$8.5 billion, Gazprom: \$7 billion, Adidas: \$6.8 billion, Budweiser: \$4.3 billion).

These billion dollar valuations refer specifically to the value of brand rather than the business entity, so theoretically all of this value could be lost as it is intangible and contingent upon reputation and continuing consumer goodwill. That goodwill is ebbing away and only a comprehensive overhaul of the governance of the organisation is likely to reverse it.

Accusations of endemic corruption within FIFA are becoming not just widespread, but impossible to ignore. The sands are rapidly shifting, making any kind of association with FIFA increasingly risky for a brand's reputation. Negative headlines now surround not just

FIFA itself, but the sponsors too. With FIFA apparently deaf to calls for change, activists and social media users are turning their fire on the top tier sponsors, accelerating the reputational risk.

FIFA's own brand is in the most imminent danger of all, being heavily contingent upon the support of its partners and sponsors. It is down to \$2.8 billion, having lost \$400 million in the last few days alone as the result of the arrests and subsequent negative attention. Even broadcast revenues could be under threat as the possibility of relocation of World Cups in Russia and Qatar creates significant uncertainty. A boycott of FIFA by national football authorities has even been mooted, which would lead to the collapse of FIFA's \$12 billion franchise.

Brand Finance CEO David Haigh has expressed his views in robust terms, "Sponsors have partnered with FIFA in order to build their brands, not have their reputations tarnished. The kind of activities that are alleged to have been going on could destroy billions of dollars of brand value. Blatter's resignation may finally herald the change that is so desperately needed, but the problem goes much deeper than Blatter himself and until a clean, credible leader who is prepared to challenge many of FIFA's established figures, sponsors should be wary. Without a thorough clean-out the Augean stables, my recommendation to the likes of VISA, Coca-Cola and McDonalds would be to move towards the exit."



Club Interviews

City Football Group

Manchester City may have conceded its status as the Premier League's number one club after losing the title to Chelsea (who also picked up the 2015 League Cup). Yet despite the two clubs being at near-parity in brand value terms last year, Man City has managed to remain ahead, improving its position in our rankings from 5th to 4th. This is largely down to the innovative approach it has taken to its brand, on the one hand creating an award-winning matchday experience to build loyalty and on the other extending the brand to a network of clubs across the world. We spoke to Alison Canning, CMO to City Football Group, to find out more.

How many people do you have working in your marketing/ brand team?

We have a very small brand team at the centre – basically a Brand Guardian (the Chief Marketing Officer) with an agency and in-house designer in support – plus Marketing professionals in each of our Clubs. In addition, we've appointed Brand Representatives throughout the wider business (communications, HR, partnerships, digital, media, football, etc.) to ensure that all decisions and actions reflect and reinforce our brand. These people are supported by a Central Brand Library which contains materials to guide our 'look and feel'.

The brand is also embedded in our Performance Development Review system via the culture and values we champion and reward. New employees (and commercial partners) are always introduced to the brand during their initial induction sessions.

Do you benchmark your brand value in any way?

We've started to measure the brand value of each majority-owned Club using studies conducted by Brand Finance. The first Melbourne City FC valuation is now complete, Manchester City FC is work-in-progress and New York City FC will be undertaken at the end of its first season (October 2015). Brand Finance will repeat these surveys annually so that brand growth



can be tracked over time and also derive a brand value for the group as a whole, so that the 'halo effect' of the parent (City Football) can be assessed.

Do you have a documented set of brand guidelines/values?

We've created a Brand Book for City Football Group (CFG) detailing all elements of the brand framework – vision, mission, values, essence, personality, positioning, identity, etc. – as well providing style guidelines for various applications. We've also developed a Brand Book for each Club.

The CFG brand architecture comprises two systems:

- A 'monolithic' system in which the group companies share a common identity (the Aura logo) and set of brand elements. Group companies are global 'centres of excellence', set up to drive best practice across the Clubs. They include, for example, City Football Services (which deals with scouting, human performance and talent development) and City Football Marketing (which oversees partnership acquisition and activation).
- An 'endorsed' brand system where each local Club develops its own identity (crest) and distinct positioning, but retains certain signature elements such as the 'City' name, primary colour (City Blue) and brand values. This allows them to compete effectively in their own market but still retain, and benefit from, a connection to the group.

Do you have a unified return on investment (ROI) metric that you use with all commercial partners/sponsors?

Our overriding aim when working with commercial partners is to understand their business and brand objectives and identify the role that CFG and its brands can play in supporting these. Having agreed the partnership goals, we then construct a bespoke programme to support and realise these goals, measuring impact at regular intervals to monitor

success. For brands seeking awareness or visibility, we always aim to provide a 3:1 return on investment, based on the tangible media value of the assets acquired (i.e. an advertising equivalent value calculated by Repucom).

How do you balance the dual role of fans as both customers from whom you must make money and supporters/brand ambassadors?

With much care and attention – our fans (and players) are our greatest assets!

We therefore aim:

- To keep ticket prices as affordable as possible within market constraints. For example, Manchester City has always had the most affordable season tickets in the northwest of England (@ £299 p.a.) and with the new expanded Etihad Stadium, we now offer even more seats at this price. Our other clubs also offer competitive ticket prices compared to their markets.
- To keep fans as close as possible to our Clubs. One of our central brand pillars is 'participation' so, as far as we're able, we encourage fans to participate in key decisions about their Club – its name, identity, matchday events, etc. – so they can 'co-create' the experience they want. This is done either directly through City Voice (our weekly fan forum) and Cityzens (our global membership programme) or indirectly, through Supporters Clubs.

How much impact can off-pitch activities have when compared to the effect of on-pitch success on brand?

Football has the huge advantage of having passionate fans as 'consumers' – whose loyalty often transcends winning or losing on the pitch. Our brand marketing efforts are, therefore, largely aimed at attracting new fans to our Clubs and encouraging them to move along the fan journey from 'interested supporters' to 'engaged fans'.

Club Interviews

City Football Group

Players are obviously crucial to your image, how do you manage the risks that they may personally damage the club's brand?

We make every effort to ensure that all CFG employees – including players, managers and coaches – understand and commit to our brand values. These include integrity, respect, teamwork and community, and have been thoroughly integrated into our day-to-day behaviours and decision-making. We are proud of the fact that all of our teams reflect these values in their conduct both on and off the pitch.

We also have one of the best communications teams in football. These professionals are seamlessly aligned with the brand team and fully prepared to pre-empt or manage issues if they ever arise.

City has taken the innovative approach of not just marketing a European club brand globally, but extending the City brand to a network of clubs worldwide. What was the motivation behind this 'mono-brand' approach?

CFG is committed to playing a consistent style of football across each of its Clubs – in essence, a technically-skilled, possession-based, forward-playing game that we call 'beautiful football'. The rationale for this is two-fold: firstly, we believe that it delivers a more attractive and exciting game for our fans; and secondly, it allows City players to move easily between our different Clubs.

So, for example, a young player graduating from the City Football Academy in Manchester may start playing professionally in Melbourne, move to the EPL in the zenith of his career and then finish with a stint in New York, before returning full circle to coach at one of our Academies. The system, therefore, offers long-term career opportunities for players.

We also regularly move staff around the world to develop their careers and transfer skills and best practice to other markets. We therefore need to ensure, not only that the style of football we play is consistent,



but also that our values, culture and behaviours are shared by every member of our team.

Have there been any significant challenges?

In branding terms, creating a new Club like NYCFC is relatively straightforward. Incorporating an existing Club into the group, especially one with an established history and fan base, is clearly more challenging. For example, following the acquisition of Melbourne Heart, and to assist its transition to Melbourne City, we undertook early and extensive stakeholder consultation and communications and, based on feedback, incorporated a number of important elements from the Club's past (including symbols and colours) into the new crest and Club platforms.

We also take care to 'dial-up' or 'dial down' the City Football brand in appropriate ways. For example, New Yorkers want a Club of their own that is independent of Manchester City. The parent brand, therefore, has a limited role in our current NYCFC marketing activity. On the contrary, Melbourne City's association with a global group is seen as a source of competitive advantage and so the City Football brand is much more visible.

In what ways can the different clubs reinforce and support one another?

From a footballing and business perspective, the group companies ('centres of excellence') ensure that best practice is shared across the group. From a fan perspective, the picture is slightly different. The worldwide status of the EPL means that fans in many markets already support an English club – which may or may not be Manchester City. However, we've noticed that fans of our smaller clubs – Melbourne and New York – have started to support each other. This reinforces the fact that fans are interested in other Clubs and leagues around the world and that the Group is helping to expand interest and involvement in the global game.

Does the success of the Premier League globally stifle interest in domestic football in parts of the

world with a less-well developed footballing culture or does it stimulate it?

Football is the world's most popular sport and is growing at an exponential rate in many developing markets. In our view, the global stature of the Premier League, as well as iconic events such as the World Cup, help to fuel this growth. As noted, the connections made between fans in different markets through the CFG group structure, is also helping to raise the profile of, and support for, other leagues round the world.

What do you view as key opportunities for further brand growth?

There are many ways to grow the City brand:

- In the football arena, via the acquisition of further Clubs or through consultancy services offered to other leagues and Clubs in regions or markets where we have no conflicting interests.
- In the fan arena, through the development of retail and digital products or the provision of health and fitness education based on City Football Academy methodologies.

Overall, we believe that a strong brand is central to our business success and we will continue to invest in, and expand, its equity and appeal.



Club Interviews

Southampton FC

Southampton is this year's fastest growing football club brand. Brand Value is up 89% to \$183 million thanks to a strategy that is paying dividends both on and off the pitch. We spoke to Kate Tarry, Southampton's Marketing Director, to learn the secrets of the Saints' success.

How many people do you have working in your marketing/ brand team?

We have a team of 14 across marketing, brand and media; an increase of 6 from this time last year.

Do you have a documented set of brand guidelines/values?

This was a priority when I joined a year ago. Southampton Football Club has always been built on a strong set of values that underpin 'The Southampton Way' but they weren't written down or articulated. Working with staff across departments (many of whom have been with the club a long time and are passionate Saints fans) and with fans, we crafted five values that guide everything we do and everything we aspire to be. They are:

WE PLAY THE RIGHT WAY

We uphold the true values of the game, not just on the pitch, but off it too. We are committed to supporting and improving our community.

WE GROW TALENT

We have an illustrious history of turning potential into excellence and a world-renowned youth academy.

WE'RE FORWARD THINKING

We will be successful tomorrow as well as today. We spend our money wisely and invest sensibly in the future.

WE PUSH THE BOUNDARIES

We lead, not follow. We constantly innovate beyond the expected in every aspect of our club and have invested heavily in state of the art sports science and training facilities.

WE NEVER STOP



We constantly strive to be better in everything we do. Whatever the circumstances, whatever the pressure, we never stop believing in who we are and how we do things. We never stop moving forwards.

Born out of our five values is our brand positioning and manifesto that articulates who we are and what we stand for, giving us a way to express ourselves. We launched the manifesto and our strapline 'We March On' at the start of the 14/15 Season with a video to bring it to life. It was important to us that this wasn't a marketing campaign, we didn't want to force this onto anyone, it needed to be natural and yet ownable by us – something no other club could have done. Fans, players, staff, commercial partners and the media immediately picked it up and started using the language. And it's continued throughout the season and will do for many years to come.

The strength of the values and manifesto have been invaluable in setting us aside from other clubs, connecting us immediately with partners that have similar values, ways of working and aspirations; something forward thinking and like-minded brands are immediately drawn to.

What is the secret to Southampton's ability to continue to pick players that deliver on the pitch at very good value? And do you think this has an impact on the Southampton brand?

We have built our club on sound business principles and the academy and development of young players is part of that business plan. We have a philosophy that drives the development of young players because we want a team with young, homegrown players, a team of players who have come through from eight or nine years of age, not all imported later on in life.

Any manager of Southampton has the comfort of knowing that we are all working to the same philosophy, so he can pick young players and allow them to make mistakes, and he is not going to be put under pressure for that.

The pathway for young players to progress to first team

football is clear. In any given week the best of our U21 and U18 players will train with the first team and if they are good enough they can feature for the first team – five academy players made their Premier League debuts this season.

The perception of Southampton as a club that breeds the best talent has helped progress our brand massively. We are successfully competing with and winning against clubs that spend many times what we do, yet we do so with homegrown players such as James Ward-Prowse, Matt Targett and Harrison Reed.

Our 'black box' – a cinema room housed deep within the main training pavilion – offers bespoke software that allows us to track players from across the world and compare their attributes with the players already at Southampton. This enables us to fine tune every aspect of player recruitment in order to offer the manager the most in depth portfolio of potential recruits in every position so that they hit the ground running when they arrive in Southampton.

Furthermore, the environment in which our players train enables us to get the best out of players who we have recruited from elsewhere. Jose Fonte and Graziano Pelle both made their international debuts this season despite entering what would normally be considered the latter stages of their careers.

This is what makes us exciting and unique as a club and makes people all around the world sit up and take notice of Southampton.

Do you have a unified return on investment (ROI) metric that you use with all commercial partners/sponsors?

No we don't. We believe every partner should be treated individually and be evaluated and measured based on their objectives. Of course we use media values that we share with sponsors, but this will only be interesting to those partners whose only objective is to gain eyeballs on their brand. We can't compete on this metric alone, but we do offer unique opportunities for each partner, which

Club Interviews

Southampton FC

means they can enjoy bespoke activation, and targeted fan engagement that they wouldn't be able to do at a 'bigger' club. We work with each of our partners to develop very specific ROI figures that meet their specific objectives.

How do you balance the dual role of fans as both customers from whom you must make money and supporters/brand ambassadors?

Very carefully and respectfully; something that originates from our values as a club. Football clubs will always be subject to high operating costs, and as a sustainable club that wants to be successful today as well as in the future, we need to drive commercial revenue outside of the revenue generated by football and TV rights. However, our club is run for the fans and we want it to remain that way for many years to come. We have upmost respect for our fans who are there for the club through the highs and the hard times. The last thing we want to do is take advantage of their unwavering support. That's why this year we've frozen – and in some cases reduced – ticket prices and shirt prices. We hope this demonstrates our commitment to keep this a club with the fans at its heart.

We therefore have to drive revenue elsewhere. We're looking at innovative ways to drive commercial growth with partnerships in relation to football development and international growth. As part of our commitment to growth in this area, we've just received board approval to implement our new CRM solution that will allow us and our partners to engage with our audience in a much more targeted and intelligent way, especially on an international level, thereby giving fans a better, richer experience and the club and our partners increased engagement.

How much impact can off-pitch activities have when compared to the effect of on-pitch success on brand?

They have to work hand-in-hand. Success on the pitch certainly makes my job easier! But to maximize the brand and commercial opportunities from the hard work on the pitch, this is what my team and I are here to do. In the last year, marketing and media have been raising the profile of the club and the brand by continually trying new things



and doing things differently to other clubs.

For example, we were the first club to use Snapchat, which at the time raised eyebrows, but has now become an accepted way for a brand to communicate with their audience. Our kit reveal campaign – where we created a documentary about a colour psychologist and his Player Integrated Stripes Strategy – involved first team players, Les Reed – Director of Sport and Gareth Rogers – CEO, and went viral with over 250K views and gained coverage across football, mainstream and trade press. It was a campaign that no other club could do. Our social figures demonstrate the growth of the brand and our followers even in the last year – Facebook likes grew 185% between April 2014 and April 2015 and have since passed the one million mark. The media team are constantly producing new and interesting content and reacting to fan feedback and comments. Back in January our #GoodLuckTim message to a fan helped him pluck up the courage to speak to a girl who sat near him at St Mary's. It pulled at the heartstrings of the nation and received global press and social media coverage.

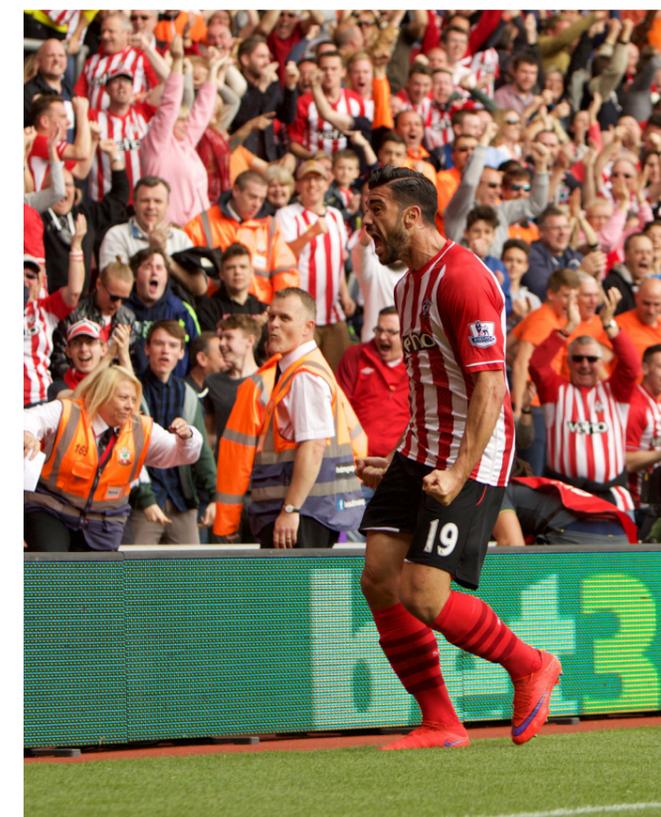
What do you view as key opportunities for further brand growth?

We are in a really exciting and dynamic place. We have big ambitions and these ambitions are shared through everyone from the Board down. We have a relatively flat structure and small teams that allows us to be agile and to try new things out without fear. This allows us to really push things and open up opportunities that clubs with lesser ambitions or are big and hierarchical, can't do. The brand to us is much more than the result on the pitch. We have so much depth, from our brand values to our academy (we provide more England internationals at all levels than any other club), and sport science (last season we witnessed fewer soft-tissue injuries than any other Premier League side) to our 'black box' for recruitment and analysis, we have a unique and exciting package that we've only just scratched the surface of. We launched our new state of the art training facilities in November and opened them up to the media for the world to see. This was very much a starting point, we have so much talent and ambition and this coupled with

our values, makes us a really exciting brand that has huge opportunity...watch this space!

Do you have aspirations for Southampton to become a global brand?

Absolutely! We've started on this journey this year, attracting huge interest from around the world. This included an hour long feature on the club by NBC which took their prime-time spot on New Years Day and focused on 'The Southampton Way' of developing talent from within. We have maximised our increased global presence with targeted feature length player and manager interviews in key markets such as Asia and the Middle East. The board and senior management team are now developing plans for international growth, looking at how we focus our resources and maximise opportunity. We are ready to go out and share our exciting and unique club with the world!



Club Interviews

West Ham FC

West Ham is one of this year's fastest growing football brands, up 86% in a year to \$126 million, putting the Irons firmly within the global top 20. With a new manager recently confirmed and a move to a spectacular new stadium not far off, we spoke to Tara Warren, West's Ham's Executive Director, Marketing and Communications to hear about the strategy driving this year's growth and the exciting plans for the future.

How many people do you have working in your marketing/brand team?

We have 3 people in the core marketing team, within a larger team encompassing digital communication, marketing, media and sales, and one of our great strengths is how closely integrated and aligned all those functions are. Our strategy is to recruit individuals who really understand what we are trying to achieve as a Club and have the talent to make a substantial contribution towards it.

Do you benchmark your brand value in any way?

Our Board's vision for this club and the trajectory required to get there separates West Ham from any other team in Europe. The transformation, in terms of speed, scale and sustainability, is unlike any other club has experienced.

Therefore whilst we do benchmark our brand value, our immediate focus is on working to further enhance the West Ham brand, and remaining flexible and ambitious about how high we can go. That said, we are mindful of highly respected and independent reports such as this which reinforce the belief that West Ham is fast becoming one of the most investable brands in world football.

That is backed up by the exponential growth in supporter numbers and soaring demand for Season Tickets we are seeing. One of our brand pillars focuses on youth so our recent 23% growth in under-18 attendance is a trend we want to maintain, so our New Stadium pricing strategy includes a flat rate £99 Season Ticket for all under 16's.



Top: West Ham's new, simplified crest.
Middle: (l) Vice-Chairman, Karen Brady (r) Executive Director, Marketing & Communications, Tara Warren.
Bottom: West Ham's new home, the Olympic stadium will be refitted and feature the club's visual identity.

Do you have a documented set of brand guidelines/values?

As part of our re-branding exercise, we revisited our brand values, and – while rooting them in our strong heritage and traditions, including playing football in the 'West Ham way' – we also sought to communicate that we are a dynamic, cutting-edge Club with a clear vision of how we want to grow in scale, and the determination to make it happen.

We also reflected our Board's beliefs that this Club should stand for bringing football back to the working man, while still giving our fans a first-class experience and the most cutting-edge facilities; remaining rooted in our local community, while still pursuing our global ambitions.

That formed the basis of our new Stadium business strategy, applying the traditional marketing mix, starting with getting the product and price right in line with our values, including the pricing of Season Tickets. We are reaping the benefits in terms of the enthusiastic response of supporters, and our task now is to market our offering to the full potential support base via the right channels.

Why have you decided to re-brand the club and what do you hope to achieve by doing so?

It was a reflection of where we are as a football club, about to bid a fond farewell to our home of more than a century, but taking a major step forward to occupy one of the most famous Stadiums in the world, with a 54,000 capacity and an iconic status that can truly be a game-changer for West Ham.

Our re-branding honours and celebrates our history, while demonstrating the exciting and ambitious future ahead for the Club; this included incorporating 'London' into our new crest, celebrating the fact that we have been the heart and soul of football in the capital for more than 100 years and that we are moving to one of its most iconic venues.

What impact do you think the new stadium will have on the West Ham brand?

What the move shows is that this is a hugely ambitious Club, with a Board, a new manager and – with further investment planned in the playing squad – a team to deliver those ambitions. We are already seeing the impact of that ambition on the global reach of our brand, and the attraction of new supporters, investors and corporate partners.

The Stadium is part of that overall package and will give us the platform to maximise the potential of our growing fanbase. The opportunity to fill it to capacity will lead to increased revenues to invest in the team, and that will in turn enhance our brand.

It's what we call the virtuous circle: having invested heavily in our business goals to drive our revenue growth and expand our fan base, working with passion and determination to achieve those goals, we are able to increase investment in the playing squad; and the success that produces on the pitch will in turn drive even stronger growth in our revenues and fan base.

Do you have a unified return on investment (ROI) metric that you use with all commercial partners/sponsors?

We favour a more tailored approach, given our commercial partners and sponsors are operating in such varied markets, from well-established British businesses wanting to tap into our expanding global presence, to international companies wanting to associate their brand with ours. We work with them all individually to develop bespoke partnerships and ROI projections that fit their objectives.

What all those companies have in common is seeing us as the most investable Club in the Premier League, because we offer a great heritage, a growing supporter base, an expanding global reach, strong revenue projections, and of course, the new Stadium – all combining to maintain the trajectory I've described.

Club Interviews

West Ham FC

How do you balance the dual role of fans as both customers from whom you must make money and supporters/brand ambassadors?

Very few football club Boards are there to make money, especially West Ham. Our Joint-Chairmen are fulfilling their childhood dreams by running the Club they watched as schoolboys.

They've always made clear they consider themselves the Club's custodians, while the fans are the Club's lifeblood and true owners. That's why the Season Ticket Holders in our new home are called 'Founders' because they are making that move possible with their support and by bringing their fellow supporters with them.

Instead of hiking ticket prices in the new Stadium, we've slashed them and introduced the lowest-priced Season Tickets in the Premier League, both for adults and under-16s. That gives something back to those Founders, and makes it more affordable for new supporters to join them.

Of course, the supporters remain our customer base, but the revenues from ticket and merchandise sales are invested directly back into the playing squad so they can see the benefit of the money they invest in the Club and know that any revenue growth benefits us all.

How much impact can off-pitch activities have when compared to the effect of on-pitch success on brand?

In our case the impact is huge as all revenue we generate off the pitch is re-invested on the pitch. Coupled with the diligent management and work ethic of the Board, particularly in David Sullivan's player recruitment, the success that produces will further promote the brand and generate additional revenue.

Some football clubs favour the reverse model, investing first in the playing squad to fuel expansion of their brands, revenue and fan base. At West Ham we believe our model is more sustainable and better reflects our brand values of determination and effort as the ultimate drivers of on-pitch success.



Players are obviously crucial to your image, how do you manage the risks that they may personally damage the club's brand?

We believe in the 'West Ham way', which is not just about how the team plays football, but about behaving in a way befitting the Club's traditions and values. That means we attempt to develop good men, not just good players.

Whether they come through our Academy system, steeped in the 'West Ham way' from their youth, or come here as new signings, my communications team is constantly engaging with the players and impressing on them that they are Club ambassadors in everything they do, on and off the pitch.

We have also established protocols to communicate the Club's vision to the players and help manage their media activities, corporate engagement, and any off-field problems, working closely with them to handle everything the right way.

What do you view as key opportunities for further brand growth?

We want to keep growing the West Ham brand on a global scale, whether agreeing new corporate partnerships with international companies, planning future overseas tours, or improving the sense of community amongst our worldwide supporters clubs via our new website.

Here at home, the clear focus of my team is on selling out the new Stadium.

We've already seen extensive interest in our 'Club London' hospitality facilities as a premier option for corporate client entertainment, a natural choice given we are on the doorstep of the world's largest financial centre - Canary Wharf. The revenue generated from our corporate products is allowing us to offer the cheapest Season Tickets in the Premier League.

Beyond that, we have three tasks: acknowledging the loyalty of existing supporters and ensuring that they feel

part of the journey; re-engaging with lapsed supporters; and attracting entirely new supporters to what we believe will become London's greatest football Club.

With a family of four able to buy Season Tickets at the new Stadium for £10 per head per game, we also offer outstanding value as a day out, especially with all the other attractions of Queen Elizabeth Olympic Park, and its excellent transport links.

We are therefore confident we will fill the Stadium and create an atmosphere like no other, which will in turn sustain the Club's growth.

Do you have aspirations for West Ham to become a global brand?

When Vice-Chairman Karren Brady arrived at West Ham five years ago, she instilled a belief that we could establish the Club as a truly global brand, attracting partners and supporters from all over the world, and competing with the top clubs in English and European football, both on and off the pitch.

When Karren has a vision it is realised and quickly, so as one of those tasked with delivering it, not only am I confident it will happen – I believe that shift is imminent. Indeed, with West Ham currently the most investable brand in the Premier League, we are already seeing that vision become a reality.

The move to a world famous Stadium will help to maximise our global potential and we are seeing the effects with new supporters clubs springing up around the world and international companies seeking to associate themselves with the Club, particularly because our brand association with London is so valuable for potential partners.

Ted Fenton, the founder of the West Ham Academy, said in the 1950s: "I want to make [West Ham] the jewel of the east. I want to make us so Ritzly that people will travel miles to see us." He never realised all his dreams, but we are close to them now, so keep watching this space.

Visual Identity Changes in Football: Keeping The Fans Onside

Few, if any brands in the world generate such passion and obsession as football brands. And arguably nothing inspires that passion more than the club logo and colours. In branding terms, these key components comprise the visual identity. It's been intriguing therefore to watch the various football club rebrand projects that have been taking place over the last few years, some which have been far from smooth. Of course it is nothing new to change a logo, or a strip, or even a club name, but now that these changes are being made in the name of 'The Brand' it seems fans have become more sensitive to change.

As the football industry becomes ever more commercialized, the drivers for visual identity change seem to be increasing. They include a desire to modernise, to drive merchandise sales, to reach new global audiences and occasionally simply for the ego of the club's owner. Clubs are now being renamed following a merger or acquisition as in the case of City Football Group's (holding company owning Manchester City) and the purchase and rebranding of Melbourne Heart to Melbourne City. We are seeing in many cases however that these changes are being made to simplify reproduction of visual identity across an increasing number of brand carriers.

Visual identity for a football club means more than a logo design. However, the logo or club crest is the core of the identity and often most precious to fans. Traditionally many of these logo designs have drawn from a heraldic system and this has led to complicated designs as new elements are added to denote some part of the club's heritage. A club such as Newcastle United is a particularly good example of a complicated heraldic crest. Even if the club's crest only features one or two of these extra elements (see Real Madrid's crown or Roma's Romulus and Remus) they all add to complexity making them harder to reproduce. We are therefore seeing more and more clubs evolving their designs, simplifying them, giving them a more professional edge, and reflecting the behaviours pioneered by the big commercial brands. But change is not always welcomed and simplification can result in conflict between fans and club owners. Making the transition can be very challenging.



The fans are obviously key to the club and therefore to the brand. Large clubs with a solid fan base and strong brand can find it easier to bounce back from adversity. Juventus, Lazio and Fiorentina were relegated in 2006 following the Serie A match fixing scandal and all have returned now to Serie A, with Juventus crowned champions this year. Admittedly the club infrastructure, financial strength and other factors associated with these clubs will have played a part. Even in cases where clubs have moved across multiple divisions (take Glasgow Rangers or the steady rise of AFC Wimbledon for instance) we are seeing the retention of brand strength reflected in their fan following.

Strengthening the brand is the obvious course of action for owners but not simply to increase the chance of bouncing back from relegation. Clubs are looking to strengthen their brands to maximise revenue from merchandise, sponsorship deals and TV rights and to support in attracting and retaining the best talent, both on and off the pitch.

By refreshing, or changing the identity of the club, many owners are hoping to strengthen the brand and differentiate. Some clubs and owners however are underestimating the attachment that fans have to the visual identity. Understanding these sensitivities is key to diplomatically navigating this often extremely tricky process.

When club owner Assem Allam announced to Hull City AFC fans that their club would be renamed Hull City Tigers there was uproar from fans. There was however arguably a sound theory at the core of the decision. The club was already nicknamed 'The Tigers', featured a tiger



Everton



Top, Everton's crest from 2000-2013 featuring the iconic Prince Rupert's Tower. Middle, the unpopular, short-lived, simplified version. Bottom, the club's new crest, introduced after extensive fan consultation, reflects the rejection of the previous design.

on the club crest and played in orange and black. Renaming the club would simply strengthen that identity and serve to differentiate the brand. The fans however are still extremely unhappy with the change and the club was relegated this year. When the difference between relegation can be as little as a single point, is it too much to suggest that a more unified club might have produced better performances and avoided the drop? Engaging fans in the process can go a long way to avoiding problems.

Of course with any visual identity change there is always going to be opposition. Brands such as GAP and Tropicana have all faced vociferous opposition to their new and improved designs. Football supporters with their close connection to the club and sense of ownership are tribal and often very traditional. Add to this the power of the internet and social media and supporters groups are able to air their views, sign online petitions and create formidable disruption to brand reputation. The result is that the fans now hold considerably more power to influence decisions and are likely to make their voice heard, loudly.

The Everton rebrand in 2013 is an excellent example of just how much sway the fans can have over the club. The changes to the club logo were reportedly requested by the TV stations who were finding it difficult to use for graphics in matches. With all clubs now relying heavily on the huge TV rights money it would have been impossible to say no. When the fans reacted angrily to the new design and 24,000 signed a petition the club swiftly returned to using the old logo and began a fan consultation process. The process unsurprisingly resulted in the choice of a new design which was very similar to the original. Everton as a result, has been left with a damaged relationship with the fans (although the swift engagement process helped considerably), but they still have a design which is just as complicated for use on TV as before.

There is therefore an argument to be made for allowing these decisions to play out for a little longer and allow implementation of the new design first. A visual identity change should be more than just an updated logo reveal

Visual Identity Changes in Football: Keeping The Fans Onside

but encompass a full strategy for implementing business change. Who can say whether fans of Everton would not have warmed to the design over time? 24,000 signatures may seem a lot but perhaps not when we consider that Everton have over 2 million likes on their Facebook page and a global fan base around the 10 million mark. The Arsenal rebrand in 2002 was poorly received initially by fans but, in retrospect has proved to be a superb, almost glaringly obvious decision which tied in perfectly with the new stadium and other club improvements. Manchester United dropped 'Football Club' from their logo, but most fans have no doubt forgotten it was ever there. If not they must surely now be able to see the benefit of making 'Manchester United' more prominent on the design. Outside of football, LOCOG (London Organising Committee of the Olympic Games) faced vociferous opposition after the unveiling of the London 2012 logo but once the holistic visual identity strategy was implemented it was an outstanding success.



Conflict between fans and clubs is likely to continue for the foreseeable future as more clubs attempt to adjust their visual identities. Hopefully the fans can begin to trust that the changes being made are, in the most part, for the better. To do this, clubs must communicate and engage fans early on, not to give them design control but to explain the reasons for the change and to convince them of the strength of the strategy. They must show that these changes are in the name of 'The Brand' but that the brand belongs to the club and the fans. A stronger brand commercially will mean more revenue streams for the club and potentially more money to compete for top players and the development of better facilities.

Once the identity has been refined it is possible to implement a strategic brand architecture across the club. Many clubs now use new sub brands for fashion labels, club stores, and hospitality and in some cases these can vary dramatically in design. Detailed long term planning from the outset is critical to a successful brand implementation. The optimal time for this is to incorporate architecture thinking into the logo design phase. Inter in 2014 unveiled an updated visual identity which at face value looked to be a very small simplification of the logo. The club has taken this opportunity however to also



rebrand over 10 sub brands, develop its own unique typeface and refine implementation across the board. This has created an impressively consistent identity covering apparel, academies, media and education. The level of consistency here is of a type more commonly seen for the world's largest and most valuable brands and is an example of what can be achieved when a long term and holistic strategy is planned and executed.

Many more clubs will simply be thinking about modernising their core identities to ease the production of merchandise and other brand carriers as well as to build up recognition among existing and potential fans globally. It should be remembered however that some clubs are further away from perfecting a consistent, holistic visual identity than others. Each case will have its own unique sensitivities and cultural differences. For some this will mean lengthy consultation processes with the fans to negotiate the removal of certain emotive elements. Liverpool's design including the Hillsborough eternal flame for instance will be a very important element to discuss in any redesign. Others such as Newcastle United whose fans reacted angrily to the renaming of St James' Park will need to be treated carefully should a brand refresh ever be considered.

Throughout the transition, clubs will need to be sensitive to heritage and tradition as well as the opinions of fans. Communication will be key, as will having the courage and conviction to develop winning visual identity strategies that are judged on their implementation over time.

Conflict with fans is not necessarily an inevitable outcome of change, providing respectful engagement programmes are put in place to appraise fans of club strategy and rationale, as well as test out opinion. If clubs can articulate strategies which reconcile commercial priorities with the benefits of a loyal fan base, then the visual identity change process will inevitably be smoother and club brands will grow from strength to strength.



Tom is a visual identity consultant for VI360. VI360 is a visual identity management consultancy which specialises in helping clients implement, monitor, measure and control all visual elements of their brand identity. <http://vi360.com/>



Understand Your Brand's Value

A Football League Table Report provides a complete breakdown of the methodology, data sources and calculations used to arrive at your brand's value.

Each report includes expert recommendations for growing brand value to drive business performance and offers a cost-effective way to gaining a better understanding of your position against competitors. A full report includes the following sections which can also be purchased individually.



Brand Valuation Summary

Overview of the brand valuation including executive summary, explanation of changes in brand value and historic and peer group comparisons.

+ Internal understanding of brand

+ Brand value tracking

Trademark Audit

Analysis of the current level of protection for the brands word marks and trademark iconography highlighting areas where the marks are in need of protection.

+ Highlight unprotected marks

+ Spot potential infringement

+ Trademark registration strategy

Royalty Rates

Analysis of competitor royalty rates, industry royalty rate ranges and margin analysis used to determine brand specific royalty rate.

+ Licensing/ franchising negotiation

+ International licensing

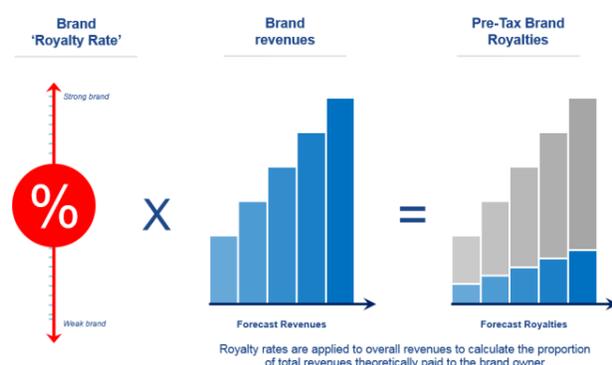
+ Competitor benchmarking

Cost of Capital

A breakdown of the cost of capital calculation, including risk free rates, brand debt risk premiums and the cost of equity through CAPM.

+ Independent view of cost of capital for internal valuations and project appraisal exercises

Applying Brand Royalty Rates



Sports and Sponsor Credentials



English Premiership Club - Brand Co

Brand Finance conducted a brand valuation for a major Premier League club to provide a formal independent opinion of the fair market value of the brand. The report helped this club to consider options relating to the transfer of the asset into a newly incorporated entity (BrandCo) and alternative financing opportunities.



Portuguese Liga Club - Brand Valuation and Royalty Rate Analysis

Brand Finance carried out a royalty rate analysis for a Portuguese club in order to determine the appropriate arm's length royalty rates that the club should charge group companies for the use of the brand. An indicative valuation was also undertaken on the brand. The study enabled the club to comply with transfer pricing regulations whilst charging an arm's length royalty rate to other group companies.



Arabian Gulf League Club - Brand Valuation and Strategy

Brand Finance is conducting brand valuation for a leading club from the UAE. The valuation involves an analysis of the brand in order to provide strategic recommendations for growing brand value.



Shell - Sponsorship

Brand Finance was asked by Shell International Petroleum Company Limited to conduct an evaluation of the costs and benefits of the Ferrari sponsorship. The top down approach to sponsorship evaluation thus provides compelling evidence that the Shell involvement in Formula One, and the link with Ferrari in particular, is an extremely worthwhile investment.



Global Insurance Company - Sponsorship

Brand Finance was appointed to conduct an audit on the brand's rugby sponsorship. We provided an analysis to determine whether the brand's existing measurement of sponsorship effectiveness was in line with best practice and also provided our opinion on whether the brand should continue its sponsorship. We identified how the brand's measurement systems could be improved in order to better measure historic effectiveness, justify future investment and help strategic decision making for management.



Société Générale – Sponsorship Audit & Positioning Strategy

An audit of Asian sponsorship activities, including benchmarking against competitor activities and providing recommendations of sponsorship activities both relevant to Asian markets and aligned with Soc Gen's brand promise and culture. The sponsorship report was used for management reporting and to prioritize marketing investment allocation.

Sports Club Services



Commercial purposes

- Valuation – demonstrate the value of your club to potential investors in order to raise funds
- Royalty rate setting – what should I be charging manufacturers and retailers for the right to create and sell my clubs merchandise?

Brand strategy

- Visual identity management – how might a change in logo impact the club's fan engagement and consequently its brand and business value
- Visual identity audit – is the club's visual identity consistently applied throughout all physical and digital touchpoints
- Brand tracking – how has the club's brand strength, brand value and business value evolved over time compared to competitors

Sponsorship evaluation

- Stakeholder drivers analysis – demonstrate to a current or potential partner how a sponsorship of your club might favourably impact its key stakeholders
- Fan base analysis – develop a demographic/psychographic profile of your supporters which will allow for comparison against the consumer profile of a potential sponsor and thereby ensure a better fit

Revenue maximization

- Analysis of current sponsorships and stadium naming rights - what deals are other clubs achieving and does our current deal represent good value
- Negotiating contracts/terms with sponsors
- Marketing collateral – does the club have compelling materials with which to convince potential sponsors?

Sponsor Services



Financial impact analysis

- Return on investment – quantify the impact of how a particular sponsorship might affect consumer behaviour and how this in turn impacts revenue, brand and business value

Brand Strategy

- Brand fit – is the current or potential sponsorship an appropriate fit for the company's target audience and ambitions?
- Activation – is the sponsorship being backed by appropriate levels of activation?
- Brand extension/new product development – what avenues for further commercialization of the partnership may exist?

Sponsorship evaluation

- Stakeholder impact analysis – does my sponsorship have a positive impact on customers, distributors, staff, etc
- Competitor profiling – what sponsorship activities are competitors undertaking and how does my deal compare?
- Negotiations – is there room to negotiate a more favourable deal?

For more information about our services and what we can do for you please contact:

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