



The Economy Of Football In The Changing World: An Analysis Of Football Economy (1980-2020)

Değişen Dünyada Futbol Ekonomisi: Futbolun Ekonomisi İle İlgili Bir Analiz (1980-2020)

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ABSTRACT

In this study, a research has been made on the economic structure of football which is one of the most important tools of popular culture. In the first part of the study, a literature review has been made about the development of football, which has started at the beginning of the 19th century and turned into a big economy. In the main part of the article, the developments in the economic structure of football for the forty-year period between 1980-2020 are examined. The fact that football is a sector and the change in its economic structure has been investigated for the last forty years. In this forty-year period, the factors that affect the formation and growth of the economic structure of football were analyzed, and the effects of these factors on football economy were analyzed. In the conclusion part of the study, projections were made for the future of the economic structure of football. It was emphasized that the football economy will grow further in the future and it is ecosystem will be affected positively from this.

Key Words: Football , Economy, Football Economy

ÖZET

Bu çalışmada popüler kültürün en önemli araçlarından biri olan futbolun ekonomik yapısı hakkında bir araştırma yapılmıştır. Çalışmanın birinci bölümünde futbolun 19. Yüzyılın başında başlayan gelişiminin nasıl bir ekonomiye dönüştüğüne yönelik literatür araştırması yapılmıştır. Makalenin ana bölümünde futbolun ekonomik yapısında 1980-2020 yılları arasındaki kırk yıllık dönemde yaşanan gelişmeler incelenmiştir. Futbolun bir sektör olması, ekonomik yapısının değişmesi kırk yıllık süreçte araştırılmıştır. Bu kırk yıllık süreçte futbolun ekonomik yapısının şekillenmesinde ve büyümesinde etkili olan faktörlerin incelendiği çalışmada bu faktörlerin futbol ekonomisine olan etkisi analiz edilmiştir. Çalışmanın sonuç bölümünde futbolun ekonomik yapısının geleceğine yönelik projeksiyonlar yapılmıştır. Futbol ekonomisinin gelecekte daha da büyüyeceği ve futbol ekosisteminin de bundan olumlu yönde etkilenmesinin kaçınılmaz olduğuna vurgu yapılmıştır.

Anahtar Kelimeler: Futbol, Ekonomi, Futbol Ekonomisi,

1.INTRODUCTION

This paper sets out to investigate the football economy with a focus on its dynamics and how they have changed over history. Economics of Football is now a universally admitted reality with football clubs investing and gaining significant returns (Zhang & Pitts, 2018). Due to its popularity and engagement with sponsors, broadcasters, and other market actors at different levels, Football has now become an important contributor to the economy. The industry has taken the shape of a globally recognized sector due to its popularity spread across all parts of the world (Zhang & Pitts, 2018). The football club and federations generate revenue from multiple sources. Key sources of revenue for them include broadcasting rights, matchday revenue, and sponsors (Zhang & Pitts, 2018). It is also evident that the sport has undergone significant changes with time that have also reflected in its economic dimensions. A major consideration in this regard is the continuous rise in the popularity of Football and the change in the dynamism of its external environment.

Within the external environment, media and sponsors are key factors. Since 1980, media has seen substantial evolution. Not only that the number of channels have dramatically multiplied, but the number of viewers have also grown manifold. In the race of supremacy, each media outlet is striving to continuously level up the quality of its content. The coverage of mega-event is seen as a privilege as it earns the media houses the attention of masses which subsequently brings potential commercials to them (Zhang & Pitts, 2018). Football, with its growing popularity, can capitalize on this environment by making the broadcasters compete for broadcasting rights. Each broadcaster will have to prove its competence and capacity by offering a substantial bid (Zhang & Pitts, 2018). From this, it can be inferred that the earnings of football clubs and organizing bodies are trending upwards with positive changes in broadcasting.

However, it is not only the background of broadcasting that has shifted since 80s, but trends of sponsoring have also seen a remarkable change. From the sole focus on jersey sponsoring, now brands are engaging in a robust practice of booking as many slots as they can to gain maximum exposure. The organizing bodies of Football are also showing a positive propensity to convert the potential of their sponsors into tangible value optimally. For this purpose, they continuously create opportunities for sponsors to be maximum engaged in their events (Zhang & Pitts, 2018). This indicates that sponsorship is one of the major contributors to the continuous growth of the football economy.

In this paper, all key income items of Football are covered with light shed on their contribution to the revenue of respective football clubs. Furthermore, the changes associated with those income items have also been assessed over the past 40 years. This is followed by the coverage given to key figures and statistics relating to a few mega-events. Finally, the future prospects of the football economy are brought to light.

2.HISTORY OF THE ECONOMICS OF FOOTBALL

The history of Football engages a controversial debate. Some historians argue that it was Chinese who first invented Football, while some others find the traces of its origin in Greece. In some accounts, hints are also shared for Turkey's being the inventor of the earliest variant of Football. However, there is consensus among the historians that Football played in ancient times had some different rules than presently applied (Pomfret & Wilson, 2019). Furthermore, there is an

agreement over the fact that Football started to be played in an organized form in 12th century in England. However, for the next 600 years, Football had no stringent rules to consider. It was played between two teams formed by the crowd of people. The two sides may have as many people as they desire. However, the goal was to help the ball reach the goal post (Pomfret & Wilson, 2019). The goal has been consistent across history.

From 1200 to 1800, different monarchs kept banning and unbanning Football for one reason or another. However, in 19th century, the formal rules were determined and the Football emerged as a much more organized and comprehensive sport. In 1845, Cambridge University introduced a few rules and in 1866 the number of players to be contained by each team was worked out at 11. In 1862, the game began to be played at school level and showed the earliest signs of its possible interaction with economy (Zhang & Pitts, 2018). It was in the same year that the first club namely Nottingham Country was formally introduced. By 1879, several other clubs emerged and Football spread across the global level. In the same year, the first-ever league was organized in England (Zhang & Pitts, 2018). In 1879, the first-ever transfer of a player from one club to another was recorded against a transfer fee and allurements created by the bidding club in the form of benefits to be offered (Pomfret & Wilson, 2019). The transfer of player from one club to another indicated that Football was going to emerge as a profession.

Then, in 1889, the legal authorities, looking into different prospects, legalized professionalism in Football. With this legalization, the clubs were allowed to engage in the practices of bidding for players and cross-transfer of players among different clubs (Rohde & Breuer, 2017). With the start of this business-oriented approach, Football ushered into a new era of professionalism which can indisputably be deemed as the onset of the football economy.

The last quarter of 20th century has seen a dramatic boost in the interest of audience in Football. From 1970, demand for tickets for football matches grew exponentially. The football matches began to be surrounded by packed buzzy crowd. This increase in the popularity of the European Football ate into the popularity of the Latin American Football. By 1980, Football had evolved into an industry. Since then, FIFA began to be actively engaging in contracting with sponsors, media outlets, and other partners on the basis of mutual interest involved. This gave Football an impression of a business that can have a central impact on the economy. FIFA's started to generate huge revenue that grew exponentially with the rise of interest of people in Football. The players who performed exceptionally well in the events also enjoyed rapid increase in popularity enabling them to engage potential sponsors to maximize their side-earnings (Zhang & Pitts, 2018). Growing trends of globalization tool the industry at a global level where it had interaction with the global economy. Within past two decades, major stadiums around the world have undergone the repeated processes of expansion in order to be able to accommodate growing number of audience (Zhang & Pitts, 2018). Several leagues introduced over the period have also substantially added to the visibility and the scope of Football in terms of its economic value and operations.

Hence, Football has seen massive evolution over the past 800 years. However, it was only since 1970 that it enjoyed an accelerated growth as an industry and a major contributor to the global economy.

3. INCOME ITEMS OF FOOTBALL ECONOMY AND HOW THEY CHANGED IN THE LAST 40 YEARS

Food makes income from multiple sources. Some of these sources are part of the football economy since it began. Others made their way to it later on as the Football evolved in terms of scope and popularity (Walker, 2016). A few major income items, along with how they have changed across part 40 years, is illustrated as follows.

3.1. Matchday revenue

Matchday revenue comes from the tickets sold to the spectators, allowing them to enter the stadium to watch a match. The teams or football clubs sell these tickets to the crowd when the match is to be held on their home stadium (Goldblatt, 2019). The income generated through the sale of the tickets is a huge source of revenue for Football.

It is clear from the definition of matchday revenue that it largely depends on the capacity of the stadium and the price at which the tickets are sold. The greater the price, the higher the revenue would be. Similarly, a large size stadium allows for greater presence of the participants guaranteeing greater income as compared to small sized stadiums for equally priced tickets (Zhang & Pitts, 2018). This is one of the reasons behind the urge among the owners of different clubs and the football federations to continuously expand the capacity of the stadium (Walker, 2016). Even though expansion requires huge upfront investment, it is justifiable while looked in conjunction with the long term rise in income it generates.

Now the question arises how to determine the size of the stadium or the price for a ticket. As for price, it is variable depending on the popularity and demand for a match. For instance, for a crucial stage of an event, such as semi-final, final, or playoff, the demand would be higher as comparatively a much greater number of viewers would be willing to watch the match. However, for ordinary matches, particularly dead rubbers, the demand is likely to be lower (Zhang et al., 2019). The demand alone is not the determinant, but supply also has its role in this context. The supply of tickets is in line with the capacity of the stadium (Zhang et al., 2019). Certainly, larger stadiums have huge capacity and can allow for a larger number of spectators. Therefore, if a stadium is large and the demand is low, the tickets are likely to be available at a much smaller price as compared to the price determined for smaller stadium for the same level of demand. Similarly, the price would be much greater for a highly demanded match that is to be played in a smaller stadium as compared to a match being played in a larger stadium.

Hence, it is clear that the forces of demand and supply also work in the same way in the football economy as they do in any other free-market conditions. The prices are determined at a level where demand and supply intercept each other (Zhang & Pitts, 2018). The level of interception between demand and supply also determines the amount that a federation or football club can generate in the form of matchday revenue.

While assessing match day revenue, it is important to look back into the changes that it has undergone over the period of time in past 40 years. In 1980, the stadiums were much smaller and fewer as compared to today. In 1980, the football stadium had entered into the era of second-generation artificial turf. At that time, the average capacity of a football stadium fell under the range of 35000-40000 spectators. As of 2020, most of the stadiums have the capacity to house more than

70,000 spectators at a time (García & Zheng, 2017). Similarly, the ticket prices were much lower as compared with today's benchmark (Zhang & Pitts, 2018). For an illustration, the example of changes in the ticket prices for Manchester United League is taken. In 1980, a single ticket for standing was priced between Euro 1 and Euro 3. The prices rose to Euro 8 by the end of year 1996. Price for seated ticket changed from Euro 2 in 1980 to Euro 24 in 2001 (Red Org, 2020). Currently, the price for a Manchester United Ticket is averaging at Euro 156 (García & Zheng, 2017). Hence, it is clear that the prices for football tickets have dramatically rose from 1980 until now.

The rise in ticket price combined with the growth in the capacity of stadiums over the period of time clearly shows that the matchday revenue for football clubs have undergone a steady rise over time. The football clubs and federations are securing a much greater amount in terms of matchday revenue in 2020 as compared with what they earned in 1980.

The major factor that has contributed to the rise in the matchday revenue resulting from the growth of the stadium capacity and the increase in the ticket price is the growing demand for the sport. Certainly, the attraction of Football has grown over time due to increased attention paid by FIFA. As mentioned earlier, the popularity of Football grew as FIFA started to determine rules and regulations in a way that would take the game to a greater level. Active role played by FIFA was largely behind the ability of Football to surpass the American Football (Walker, 2016). Following these monumental shifts, it was natural for Football to draw increasing attention from its target audience.

Besides, the role of media coverage cannot be ruled out. With media coverage, the football clubs were able to better engage with the audience. In 1980, media coverage of Football was sporadic. However, as the commercials came about and Football rose in the hype and popularity, it was natural for media outlets to consider the coverage of mega-events a privilege (Feuillet et al., 2018). As the trends of media coverage kept gaining altitude, buzz around certain events and matches increased. Those trends ultimately pushed the demand for the tickets upward. This is understandable because media has a central role in framing certain events and ideas. A hype created by media was a sure way to take the demand for Football to a new level. The dramatic increase in ticket prices over the period of time that marks the increase in matchday revenue has a major share of media at its bottom.

3.2. Broadcasting rights

Broadcasting is one of the major sources of revenue for football clubs. Before looking into the shift that it has gone through with time, it is important to overview its key dynamics and components. Major media outlets and stations around the globe engage in the practice of bidding to gain the broadcasting rights for popular football events. The greater the demand, the higher would be the average bid (Zhang & Pitts, 2018). Certainly, football clubs would go with the broadcasters who offer the most competitive package. The higher bids are preferred because the clubs seek to maximize their gains from broadcasting (Feuillet et al., 2018). The broadcasters who are awarded the rights can exclusively cover an event.

It is important to understand what motivates the broadcasters to extend bids. The answer is that each broadcaster belongs to a media organization. The media organizations rely on viewership to maximize their revenue. The viewership is behind their demand among sponsors. The viewership depends on the popularity of their air-time (Walker, 2016). Since Football is arguably the most

popular sports event, it is understandable that every media organization would aspire to gain the coverage rights for key events. If they succeed in obtaining these rights, it serves as a sure way to boost their viewership resulting in greater engagement and earnings from sponsorship (Feuillet et al., 2018). This implies that the efforts that the organizations extend to win the rights are driven by their urge to maximize their viewership and rating. The channels that give coverage to mega-events have greater exposure among the global sports lovers and audience in general than others.

It is also understandable that football clubs seek to maximize their gains. They would always seek the ways to optimize their earnings. For this purpose, it is natural to award the rights to the bidders that have the highest bid. For example, B.T. Sports and Sky Sports together have won the right to cover the Premier League against a bid of \$5 billion. The rights are granted for four years and the amount is to be distributed equally among the clubs participating in the premier league (Porter, 2019). The spending of B.T. Sports and Sky Sports is based on their urge to drive the viewers and, subsequently, the potential sponsors and commercials to their channels. Hence, it is the demand and popularity of Football that determines the income that a club generates through broadcasting at a given time.

The broadcasting revenue of Football has also shifted upward with time same as is true for the matchday revenue. Certainly, the growing popularity of the sport was the major contributor to the rise of this income item. Same as match day revenue, broadcasting revenue has also kept trending upward with time. Indeed, the popularity of the game has been directly linked to its viewership. As the popularity grew, viewership also picked up (Zhang & Pitts, 2018). Therefore, the rise in the revenue was driven by the growth in the number of worldwide fans of Football.

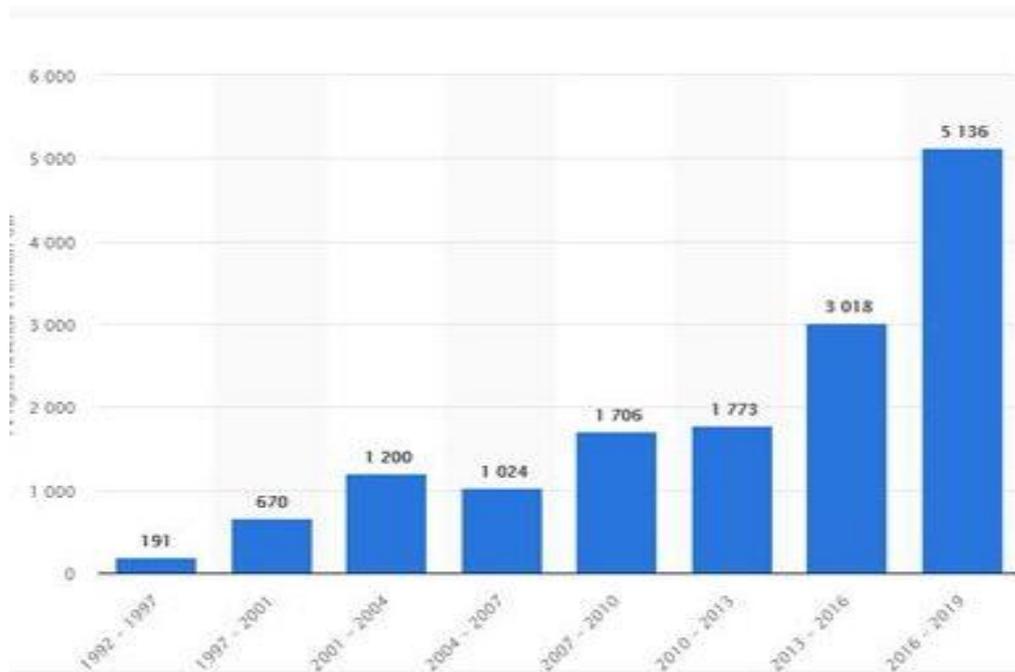
In 1980, the organized format of the game was in its infancy. Football was gaining increasing popularity but was still trying to find its path to the media coverage. The coverage was sporadic during that time. Therefore, football revenue generated from broadcasting rights was also miniscule (Porter, 2019). While talking about broadcasting rights, it is important to look into different factors that have vitally changed since 1980. First up, in 80s, globalization was not as a crucial phenomenon as it is now. Even though cross-border trade emerged as a reality, there was much that unfolded with the passage of time as the faster means of transportation and communication came in (Geey, 2019). A key contribution in this regard was from internet that opened the doors to easy global connectivity and accelerated the trends of globalization. There is a substantial time lag between the arrival and diffusion of internet technologies (Zhang & Pitts, 2018). Hence, it is understandable that globalization peaked with time. The popularity of Football was parallel to the trends of globalization. Broadcaster kept an eye on these trends. It is understandable that broadcasters were to place higher bids for coverage rights as the popularity of Football grow following the trends of globalization. This is one of the key factors behind the change in broadcasting revenue between 1980 and 2020.

Furthermore, T.V. was not half as ubiquitous as it is today. A majority used radio for entertainment, which was a more preferable type of media especially in underdeveloped countries. Therefore, football clubs and federations had a significant portion of radio broadcasters in the bids received from media. Since the radio has never been as competent as T.V. in terms of attracting the attention of the mass audience to it, bids were also likely to be tiny (Geey, 2019). This, alongside the popularity of the game, is one of the key factors to consider in this connection.

Now it is important to give coverage to some of the figures. In 1980, the total broadcasting revenue of the Premier League, which is categorized among the world's top leagues, was as low as

only GBP 80 million. The revenue from broadcasting, pursuing a consistent uptrend, rose to nearly GBP191 million in 1992. The revenue has risen dramatically from 2013-2016 to reach above 3000 million. Currently, the league is generating more than GBP 5000 million in broadcasting revenue, which is a substantial amount and a significantly greater figure as compared to the same in 1980 (Statista, 2020b). The figure is share as under for further illustration.

Figure 1. TV Broadcasting Rights of Premier League (1992-2019) (in million GBP) (Statista, 2020a)



It is clearly shown in the figure that the revenue has been gaining altitude throughout history. The significant growth in the broadcasting revenue in the most recent decade is the rise of digital technology and increased competition within the entertainment industry. It is getting increasingly challenging for a channel to win the rights for broadcasting with the growing intensity of competition (Zhang & Pitts, 2018). Therefore, every prospect has to extend a bid that can differentiate it and compel the football clubs to consider it. This rise in the average amount of bids is reflecting in the broadcasting revenue, which is expected to continue to pursue its current uptrend.

Some of the facts and figures have shown serve as further evidence of the trends discussed in this part of the discussion.

3.3. Sponsors

Sponsorship revenue constitutes a major portion of the overall revenue generated by football clubs and administration. Since Football is a highly visible sport and popular teams have exposure to the mass audience, sponsors always aspire to use the visibility of some popular clubs to gain popularity and visibility in their audience (Zhang & Pitts, 2018). One of the major tactics that they utilize for this purpose is using the space in the uniform of players and teams. The teams and clubs are paid for sponsoring their logos on their shirts, caps, and footwear (Ko et al., 2008). Hence,

sponsorship is a mutually beneficial interaction between sponsors and football clubs. The sponsors gain popularity and exposure by partnering with sports clubs, while sports clubs get benefitted directly from the inflow of revenue coming from the sponsors.

The amount that the football clubs may charge the sponsors for displaying their logos or names or that the sponsors may demand from the football clubs depends on the popularity of a team and the level at which it plays. Given the economic principles, the teams and clubs with greater popularity generate greater revenue as compared to their less popular counterparts (Zhang & Pitts, 2018). For example, Manchester United is in agreement with Adidas based on displaying its logos and name on the kits of its players for which Adidas roughly pays a substantial amount to the tune of GBP 70 million per year to M.U. (Heard, 2017). It is needless to say that Adidas is one of several sponsors partnering with the said club.

FIFA also generates massive amount in sponsorship revenue. FIFA organizes several events around the year that remain on the wait-list of billions of fans around the world (Zhang & Pitts, 2018). Therefore, these events arguably create potential opportunities for brands to gain exposure among the masses (Walker, 2016). Several large corporations around the world are constantly in the race of bidding. Therefore, the brands that finally qualify for signing the contract have some exceptional sizes of their bids. From this, it is inferred that FIFA generates huge amount through sponsorship.

Here, it is important to mention that sponsorship for FIFA is not restricted to the players' shirts or footwear, but extends into many different slots that brands may use. For example, the brands may like to get their logos and names attached to the scorecard. At the same time, the name of the brand can also be linked to an event, which is rather a costly consideration for a brand, but serves as a sure way to gain exposure and popularity (Heard, 2017). At the same time, FIFA may also allocate segments for the brands to make guest appearances throughout game (Heard, 2017). For example, Coca Cola has been a featured sponsor of FIFA for many years now. The organization has repeatedly got Coke on board for its mega-events, such as world cup. The events had enable Coke to gain potential exposure. Not only the name and logo of Coke appeared on the shirts of players, but also on the side-boards.

The relationship between sponsors and football administrations and clubs has also evolved following the evolution of the dynamics of Football and media. During the 80s, the major source of sponsor revenue was jersey sponsorship. Even in 1980, it was not long enough since jersey sponsorship began to be accepted as a practical idea. During those times, jersey sponsorship was not practiced in an organized form. Some players used to agree to display the logos and names of the brands, so requesting in return of a certain amount while others denied. However, as time passed by and football clubs began to realize the potential of this source of revenue, it became embedded into the norms of the game (Heard, 2017). Now football clubs and FIFA secure a huge amount in terms of sponsorship revenue.

3.4. Merchandize

Another potential source of revenue for football clubs around the world is to sell their products to the end-users. Football clubs have their own production facilities. They sell their kits and other sportswear to their fans. For this purpose, the football clubs may either use one channel distribution strategy, which involves entering into contracts with third party sellers, which include

unbranded or branded retailers. At the same time, the football clubs also engage in selling the products through their own branded stores using a zero-channel strategy (Chanavat et al., 2017). In both cases, the clubs generate substantial revenue that is distributed among different members and players.

For example, Barcelona Jersey has listed its kits at Fanatics priced within the broad range of \$30 to \$130. These shirts can be ordered online or may directly be availed through specified shops (Fanatics, 2020). Manchester United also sells its shirts and footwear at varying prices. The football clubs use different tactics to price the products differently so they can cater to every social class. For example, some shirts with the name and player number of exceptionally renowned players imprinted are available at a premium price and may only be affordable for the consumers who are obsessed with the 'symbol-of-status' aspect of their purchase. Similarly, there are products within the affordable range for consumers from low and middle income categories (Chanavat et al., 2017). Hence, football clubs have something to offer to every segment of their target audience.

Besides selling products, football clubs also engage in co-branding activities to partner merchandizing. The revenue coming from co-branding activities is also categorized as merchandizing revenue.

Merchandizing also has a long history and has gone through different changes across time. In Football, merchandising emerged as a potential source of revenue much later than broadcasting and matchday revenue became norms. The idea of sports merchandizing has been popular in better half of 20th century. However, it was only until the internet became popular and ecommerce emerged as a strong alternative of traditional retailing that football merchandizing took an organized form (Chanavat et al., 2017). Today, merchandizing has become a potential source of side-income for football clubs.

One of the major factors contributing to the growth in the demand for football merchandizing is the evolution of fanism to obsession. The football lovers around the world have a strong tendency to fall in love with their favorite football stars and teams. They become die-hard supporter of their favorite football clubs and also fall in obsession with brand name and logo (Zhang & Pitts, 2018). This obsession, as increased over time with the popularity of Football, kept pushing the demand for football-related products continuously at greater heights. The fans who have turned into evangelists of certain players and clubs are willing to pay substantial amount for availing the shirts and other wears with the names of their favorite players or clubs imprinted on them (Zhang & Pitts, 2018). These trends are largely behind the momentum of demand for football merchandises.

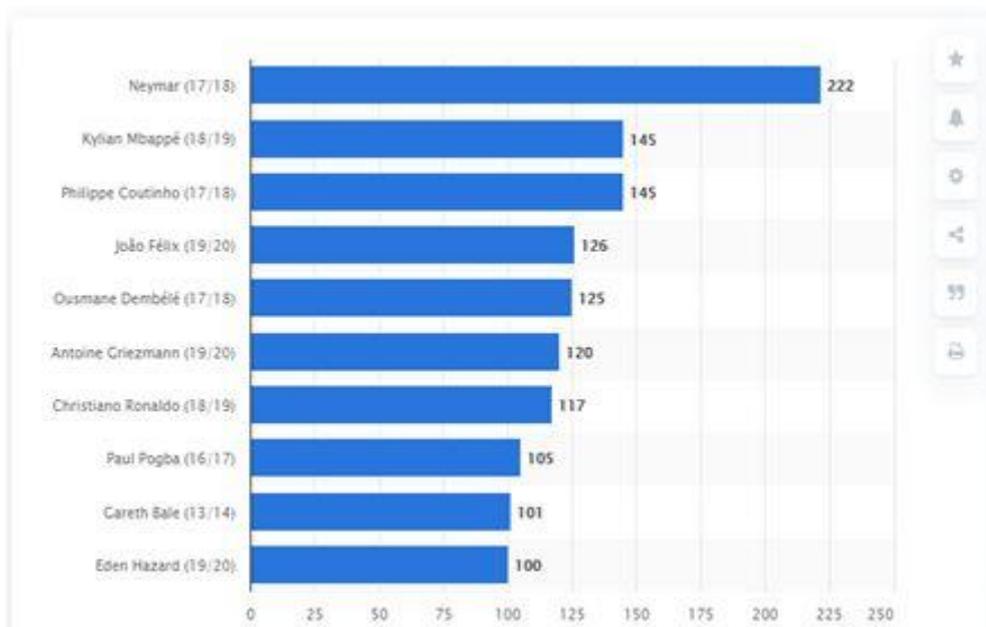
3.5. Transfers

As discussed in the section dealing with the history of Football, it was transferred that first gave the sport an impression of professionalism and business in the 19th century. Transfer is the oldest income item for football clubs. It is the income that football clubs generate by selling their players to other clubs. Smaller clubs, which do not have access or scope for merchandising or media coverage, can rely on this source if they have potential pools of talent (Duff & Panja, 2017). The clubs always remain in the quest for talent. This quest for talent lands them to the clubs that have an excess of talented players. The clubs offer their players at a price that corresponds with the demand of players. These players are sold off to the clubs seeking improvement in their strength (Duff & Panja, 2017). Hence, the football clubs secure a healthy income by selling their talented players.

Here, it is worth mentioning that some clubs have sell-on clause on their contracts. This sell-on clause implies that the parent club is entitled to a commission at a specified rate when the player is sold by the buying club to another party and so forth (Duff & Panja, 2017). Hence, the club generates income on each resale of a potentially talented player.

'Transfers' is one of the sources of income that has largely remained unchanged across history. The practices were given legal status in the last quarter of the 20th century and became an organized practice much earlier before Football rose to the heights of popularity. It is also important to understand that the transfer rates charged by a parent club are in line with the demand for a certain player. For rarely talented players, the demand can be as high as Euro 150 million to Euro 200 million. For average players, the rate of transfer usually ranges between Euro 30 to Euro 40 million (QC, 2018). The list below shows the highest ever rates applied to the transfer of the football players.

Fig.2 Soccer Player Transfers By Highest All-Time Transfer Fee Worldwide as of March 2020 (in million Euros) (Statista, 2020b)



3.6. Prize money

Football clubs take part in different seasons. They play tournaments and leagues where prizes are determined corresponding to the finishing position of a football club. The football clubs that finish higher in the table are entitled to higher prizes and vice versa (McIntire, 2017). Each time a football club finishes high in a certain season, it qualifies for a league of a greater stature (McIntire, 2017). Hence, it captures the prospects of winning greater prizes.

Prizes are a potential source of earnings for football clubs though it is not as a reliable source as merchandizing, broadcasting, or sponsors. How much a club earns in terms of prize money depends on its performance in different seasons. Since competition is intense in Football, a club has to perform exceptionally well to secure the prospects of finishing at third or fourth spot, let the champing alone (McIntire, 2017). Therefore, prize money is an inconsistent source of revenue.

The prize money has existed ever since and has been an integral part of the sports, especially for ones which are played at the international level. The teams that win the event or end at second or third sport can claim the prize money respective to their position.

The trends of prize money have seen a slight change in their nature and structure since 1980. In the 80s, the teams winning the event were entitled to substantial prize money along with other titles. At the same time, the teams finishing at the third or second spot were also awarded prize money for their prominence in the tournaments. As time passed by, the entitlement of prize money expanded to the teams qualifying for semi-finals. Hence, the timing finishing as the fourth top-performer would also qualify for the prize money. Then, with the passage of time, prize money also began to be allocated for other areas than final positions. For example, from 2003 to 2020, several categories of prize money were introduced, mainly including man of the match, the man of the tournament, top goal scorers, and some other categories that associate with prominence (McIntire, 2017). Hence, the scope of prize money has enhanced over a period of time. Today, teams have better prospects of generating revenue through prize money than clubs in 1980 due to their exposure to a greater number of opportunities.

4. THE FACTS AND SPECIFICATIONS

While talking about the football economy, it is important to consider certain facts and figures. Certain facts about some of the most featured events are shared as follows:

4.1. World Cup

World Cup is the largest event organized by FIFA at an interval of usually four years. FIFA generates revenue from its world cup in consideration of sponsors, broadcasting rights, and sale of tickets. The revenue stream of FIFA from the world cup has gradually enlarged. For instance, in the world cup 1990, the total cost of arrangements borne by FIFA was only \$400 million, while total revenue was recorded at \$80 million (MUSEUM, 2019). The cost and revenue both have increased with a widening gap allowing FIFA to secure an increasing amount in terms of its world cup revenue. For example, in 2006, the FIFA netted \$1 billion, and it rose to a whopping \$3 billion (MUSEUM, 2019). Hence, revenue has grown with time with an understandably major increase in the share of broadcasting revenue (as also assessed earlier).

4.2. Euro Cup

UEFA European Football Championship was founded in 1958. Since then, it is organized regularly at an equal interval of four years. The members of the UEFA Association regularly participate in this cup. UEFA has a long history of generating revenue through organized events that come from sponsors, a grant of broadcasting rights, and matchday revenue (Kuper & Szymanski, 2018). As of 2018, the total revenue of the UEFA league had risen to \$2.11 billion following a continuous uptrend since 1980, when total revenue was recorded at \$456 million. The broadcasting rights and sponsors had a major contribution to this increase in revenue over the given period of time (Kuper & Szymanski, 2018). The league captures the audience from multiple parts of the world due to its inescapable hype and attraction (Kuper & Szymanski, 2018). Therefore, it is natural for the sponsors and broadcasters to feel attracted to this event and endeavor to win the race partnering.

4.3. The English Football League

The English Football League or EFL shortly has been a highly popular event organized at regular intervals since its inception in 1988. The revenue generated by the league has been relatively higher (close to \$375 million) during the initial years since its inception. However, the revenue declined with time as in 1992, 22 clubs switched to the premier league. This mostly deprived EFL off its initial charm and the spell that it had cast on the audience (Porter, 2019). The audience also largely shifted to the premier league.

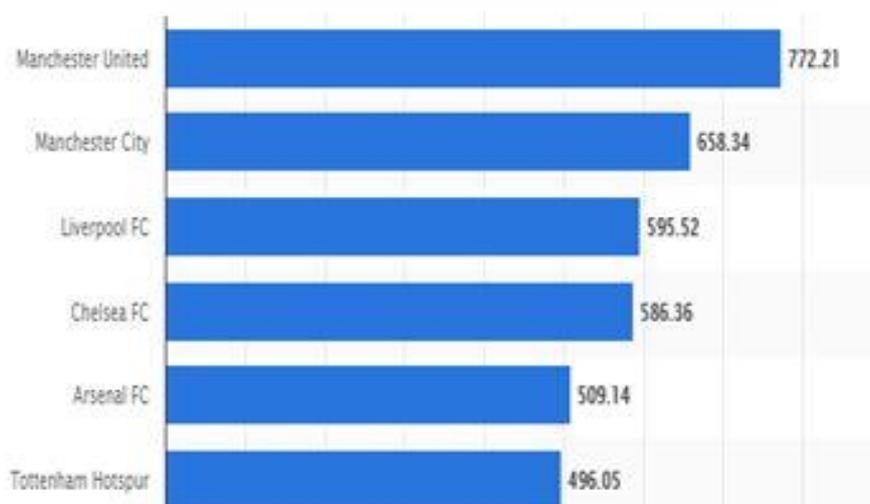
4.4. La Liga

La Liga is the organizing body of top tier Spanish Football divisions. It is one of the oldest names in history since Football emerged as a profession. The organization posted a total revenue above \$2 billion in 2018-2019. The league has seen a tremendous increase in its revenue since its inception. Its total gross income as of 1980 was recorded at nearly \$240 million, which rose to \$1 billion by the end of 2007 (Elsley & Pugliese, 2017, p. 84). This implies that within a decade, the body has seen more than 100% increase in its revenue, which is indicative of its growing popularity and growth.

4.5. Premier League

The premier league is arguably among the largest football leagues in terms of membership, as well as revenue. The league has also garnered clubs from other clubs that were highly popular before its inception. Recently, the total revenue of the club is estimated at \$370 million. Premier league earning has also grown since 1980 but not as sharply as experienced by some other popular clubs. For instance, the league generated a revenue of \$200 million in 1980 and \$250 million in 2000. In 2010, it climbed to \$350 (Robinson & Clegg, 2018). Hence, it has not risen to even 25% in the past decade. The list of a few top-earning clubs within this league is shown as under.

Fig.3 Premier League Clubs Ranked By Revenue in 2017/18 (in million Dolars) (Statistia, 2020c)



5. CONCLUSION: THE FUTURE OF FOOTBALL ECONOMY

The future of the football economy has bright prospects. The analysts are hopeful about the continuity of the uptrend of the economic growth of Football because most of the sources of revenue are sustainable (Chadwick, 2018). For example, television continues to have the largest viewership despite the emergence of several other substitutes. At the same time, engagement is also on the rise with the two-dimensional interaction made possible by the rise of social media and other digital channels of communication (Downward et al., 2019). In light of these facts, it is safe to predict that the revenue coming from sponsors and broadcasting is likely to grow in the coming years. At the same time, the growing popularity of the game is also largely behind the demand for its merchandising and other areas (Chadwick, 2018). These bright aspects give a bright picture of the future of the football economy.

However, some opposing thoughts hint towards the possibilities of adversaries. A group of analysts is of the view that the football economy is just like a bubble. They substantiate their views by arguing that the expenditures of football clubs are mounting with time. The demand for the talent had taken the transfer rates of players to an unprecedented height with more accelerated growth in their rates in recent times than ever before. The analysts from this group warn the stakeholders about the possible indications of the burst of this inflationary bubble that would leave them helpless in the face of a free fall of the football economy.

A change of sentiments may send a shockwave across the entire history, shaking the confidence of investors. This is a key factor to be considered because if the investors' trust is shaken, it will cause the bubble to burst and make the football economy see its phase of decline. The analysts also believe that the cycle may repeat itself the same as the business cycle (Maguire, 2020; Zhang & Pitts, 2018). The overview of the football economy from this perspective gives the hints of uncertainty to light.

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