

Who owns England's game? American professional sporting influences and foreign ownership in the Premier League

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Changes to the organization of, and commercialism in, the Barclay's Premier League in England have made clubs attractive to international investors. Recently, in particular, there has been a rapid increase in American ownership of Premier League teams with Aston Villa, Liverpool and Manchester United owned by Americans and a large minority shareholder at Arsenal is American. Beyond directorship/ownership issues, North American organizational and marketing structures of professional sport have increased their influence within the Premier League. These include a focus on diverse revenue streams including media rights, luxury seating, commodification and branding of clubs and their heritage, and diversified services as well as differing patterns of club ownership and administration. Although these have merged with English traditions within professional football, there is no doubt that North American influences have begun to change the nature of marketing within the game and have also made leading English clubs attractive to North American and other international investors. The result of the increasing 'Americanization' of English professional football (soccer) marketing and management strategies has clashed with English traditions of organization as well as supporters' consumption of the game itself.

Introduction

Since 2002, there has been a dramatic increase in the number of foreign-owned clubs in the Premier League in England. The process appears to be accelerating with virtually all of the large market and well-known clubs being targeted by international investors most notably from the USA and Russia. In February 2007, Liverpool FC's shares were bought by George Gillett, Jr and Tom Hicks, valuing the club at £218.9m¹ and Manchester City was acquired in November 2007 by exiled former Thai Prime Minister Thaksin Shinawatra, who incidentally had failed in an earlier attempt to purchase Liverpool FC. In 2006, Sunderland was taken over by an Irish group led by former player Niall Quinn. Sunderland subsequently won the Football League Championship and promotion back to the Premier League for the 2007/2008 season. As of the beginning of 2008, the total number of Premier League clubs with foreign owners stood at 10, while Arsenal, Birmingham City and Everton also had large blocks of shares held in international hands. Put simply, fully one half of the League's teams were in foreign hands. In addition, Football League Championship team Leicester City was owned by Serbian-born American Milan Mandaric, himself a former owner of Portsmouth FC. In the lower divisions, Americans are involved as leading

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investors or directors at Oldham Athletic and Millwall football clubs. Of the so-called 'big four' clubs in English football, Arsenal, Chelsea, Liverpool and Manchester United, two are owned by Americans (Liverpool and Manchester United) and one by a Russian (Chelsea), while the fourth has been subjected to attempted acquisition by both a Russian and an American investor (Arsenal). Of the top seven clubs in the Premier League in early March 2008, only Everton was not under foreign control and even there, Robert Earl, the American owner of Planet Hollywood, had invested heavily.² This wave of international ownership, primarily, though not exclusively, American and Russian in origin, is a relatively new phenomenon in English football. This investment has been predicated on the enhanced revenue streams in the game generated by its reorganization in the 1990s, expansion of pan-European competitions and media coverage, and the concomitant global marketing possibilities that have ensued. American presence in England's Premiership is based on potential investors' belief that the Premier League offers a sound business investment for them in a league with ownership and financing structures they recognize and a culture that is understandable to them at a time when the growth of several professional sports brands in the USA has levelled off.³ Our purpose is to examine the factors that have made the Premier League and its teams attractive to foreign investment and how the League and its teams have been influenced by North American models of management and marketing. More than other leagues in Europe, the Premier League is structured similarly enough now to North American professional sports leagues that investors from across the Atlantic can see the potential benefits for them of team ownership.

Background

In order to understand this phenomenon, it is important to appreciate the economic shifts in professional sport that have occurred in North America and Britain over the past several decades. While the histories of professional sport have been very different, in recent times similarities have increased greatly. As Julian Ammirante points out, historically football clubs in Britain and on the European Continent lost money and were more philanthropic in nature. Club directors were involved with teams to promote a sense of civic pride or to raise awareness of other enterprises in which they were engaged.⁴ Richard Giulianotti reinforces this notion stating that 'Until recently, the major shareholders did not expect to profit greatly from football, though their social status was enhanced by their public influence over a major popular cultural institution'.⁵ Low-cost entry to matches meant that most anyone could afford to attend and fans identified with the team as an extension of themselves. In North America, professional sports such as baseball and ice hockey were largely outgrowths of middle and upper class social institutions. In England, by contrast, football clubs were largely supported by the working class and many were outgrowths of social institutions aimed at social control of the growing urban population. Even in the late 1990s, Aston Villa's regular supporter base was 48% working class.⁶ Additionally, in North America 'professional sport was always more business-like, not least in the sense that teams in the early twentieth century moved around, going to other communities (and arenas) where their owners thought they could operate more profitably'.⁷ The closed nature of professional sporting leagues in North America meant that the number of cities that could host teams was always fewer than the number of cities who wanted them and zonal market protections meant that multiple teams in metropolitan areas in the same sport were rare. Indeed, today only New York, Chicago and Los Angeles sustain two

teams in any of the four main professional sports leagues.⁸ The National Hockey League (NHL) kept its number of teams restricted to six until 1967 though other leagues were less extreme. Professional sports leagues in North America now command hundreds of millions of dollars in up-front fees to join their leagues when they do occasionally expand. Team relocation was rampant in the 1980s and 1990s as owners sought to extract the maximum revenues in tax-free support from local and state governments eager to play in the 'big league' while building new stadiums for team owners.⁹ With no prospects for promotion or relegation professional franchises in North America have relied on a greater need for competitive balance to ensure healthy competition.

Although there has been growth in the value of major professional sports teams in the USA, the trend of expansion of market share domestically has slowed. Even so, the New York Jets were sold in 1999 for \$635m and the National Football League (NFL) was able to demand a \$700m entry fee for the new Houston Texans franchise in 2002. Mark Rosentraub argues that the inflation in team values is linked to leagues having 'restrained the supply of these valuable assets'.¹⁰ Yet, there is also evidence that values have gone up progressively in British football where the promotion-relegation system has allowed a much larger number of professional teams to exist.¹¹ For example, Doug Ellis invested £500,000 in Aston Villa in 1982 and received £23m for his shares when they were sold in 2006.¹² Similarly in Scotland, David Murray's £6m investment in Glasgow Rangers realized him nearly £100m by the late 1990s.¹³

In the USA, domestic market value in most professional sports leagues began to slow after 2000 with only the NFL showing sustained growth. The reason for this was a series of labour disputes in each league, the diversification of the sporting landscape, with sports such as NASCAR auto racing and new competitions such as X-Games generating widespread interest, and greater competition from other components of the entertainment industries.¹⁴ As a result, leagues such as the NFL and the National Basketball Association (NBA), and teams such as the Boston Red Sox and New York Yankees in Major League Baseball (MLB), have turned to international markets, Japan and China respectively in particular, for expansion since the mid-1990s.¹⁵

A brief history of the genesis of the Premier League is also needed to explain recent foreign interest. The English professional game reached an all time low during the 1980s. This was a decade that included a ban on English clubs participating in European competitions following the deaths in 1986 of 39 fans at the Heysel stadium, Belgium prior to a European Cup final featuring Juventus and Liverpool. The English First Division lagged behind other large European leagues in overall popularity and its ability to attract leading players to play for its club sides. Indeed, many leading English players used the First Division as a stepping stone to more lucrative contracts in Germany, Italy and Spain. As a response to this situation and the reluctance of the Football Association (FA) to think in real market terms, the top clubs formed a breakaway league (though one endorsed by the FA), the English Premier League in 1992. This league replaced the old First Division and was able to negotiate separate television contracts so that each of the clubs could have more money to compete with continental European clubs for talent. Television would eventually cement the stature of the Premier League as one of the top leagues in the world. With the parallel development of BSkyB satellite television and its Sky Sports network controlled by Rupert Murdoch's News Corporation, the amount of each television contract grew significantly with each renewal.¹⁶ Unlike other European leagues which felt that football should be available to the public for free, the Premiership had their games on pay television or a pay-per-view basis.¹⁷

In this respect, the Premier League began slowly to adopt marketing strategies that were commonplace in North America, revenue streams based on a diverse range of sources beyond gate money, and focused on the selling of television rights as the key single source of revenue. The Premier League has struggled, however, with the issue of competitive balance as Manchester United (9), Arsenal (3) and Chelsea (2) have been League Champions every year except one (Blackburn Rovers in 1994/1995) over the first 15 seasons of the League's existence. Only Liverpool, Aston Villa and Newcastle United among the other clubs in the Premier League have finished as high as second. Compare this with Major League Baseball where seven different teams claimed the World Series Championship in the eight years from 2000 to 2007 or the NFL where seven different teams won the nine Super Bowls between 2000 and 2008. The television contract with Sky distributes revenue on the basis of final league position and number of matches aired, so although all Premier League teams share in television revenues, the nature of the contract has served the larger clubs better overall. This approach is similar to the MLB contract in North America whereby national television rights are shared between teams but local television rights are allowed to be negotiated by teams individually. Thus, large market teams like the New York Yankees and New York Mets are advantaged significantly over small market teams such as the Tampa Bay Devil Rays or Kansas City Royals, despite attempts to distribute revenues more equally among teams since 2003 with luxury taxes and percentage of profits shared.¹⁸

Increased revenue streams enabled each of the clubs in the Premier League to have more money to spend on better talent. Coupled with the 1996 Bosman ruling which opened up the European Union labour market to greater player mobility, diversified revenue streams have allowed leading English clubs to compete for the best talent in Europe and world wide.¹⁹ Indeed post-Bosman European football began to resemble its American sporting counterparts more closely as a form of minor league system emerged with large clubs like Manchester United directly investing in smaller clubs in other countries. Manchester United used Belgium's less-restrictive labour regulations to its advantage by securing agreement with Standard Liege to allow it to bring non-European players through Belgium and then on to United.²⁰ Additionally, new television deals, approaching American ones in scale, led to a large influx of cash for the clubs in the Premier League. In 1997 the Premier League television rights were sold for over £647m for four years and in 2002 for £1.6 billion for four years.²¹ Despite this economic boost, however, there has been a highly uneven performance by Premier League teams with pre-tax profits running in the red for many clubs, although Manchester United (up to 2005) and Arsenal were the only consistent positive performers.²² So there must be two motivations behind new investment. The first is the promise of profits from ever-increasing television contracts both domestically and internationally. The second is the related increase in the value of leading clubs due to increases in television money and global marketing possibilities.

Foreign ownership and English football

The expansion of foreign ownership in English football has been little short of an explosion, given that prior to 1997 there were no foreign owners in the English game. Egyptian Mohamed Al Fayed bought Fulham in May 1997 as he expanded his presence in the English and London markets with marquee purchases such as Harrods' department store. English clubs began to see new possibilities to raise revenues

through public trading as early as 1983, but it was a long time before outsiders viewed clubs as a good investment. Indeed as Michael Wulziner points out:

Since 1983, when Tottenham Hotspur became Europe's first publically traded football club, English professional clubs have been targets of speculation and the subjects of wild fantasies of profitability. But for years it was only the British business elites who were buying the major share packages, including racehorse owners, the heirs of fortune, construction magnates, theater impresarios and diamond dealers. Some of these original shareholders have since sold off their football assets and done so at substantial profits.²³

It took five years after the inception of the Premier League for the first foreign owner to appear and then another six years for the next when Russian businessman Roman Abramovich bought a controlling interest in Chelsea in June 2003. Since 2003, there has been a rapid expansion of foreign ownership due in part to Abramovich's perceived success at Chelsea. There was one other significant early attempt at foreign ownership in this period that pre-dated Abramovich. The jewel in the crown of English, and possibly world, sport, Manchester United was the focus of a planned takeover by Australian-American Rupert Murdoch in 1998 who offered £625m for a controlling interest in the club. This was blocked by the United Kingdom Competition Commission on the grounds that it would limit competitiveness in English soccer. The link between media rights and club ownership by media owners was a strategy that Murdoch and others began to employ in the 1990s (though Ted Turner had done this in the 1980s with the Atlanta Braves of Major League Baseball [MLB] and Atlanta Hawks of the National Basketball Association [NBA] as he entered the national cable television market in the USA showing the teams' games on his TBS Superstation). Murdoch through his News Corporation expanded his direct ownership in clubs internationally, with acquisitions such as the Los Angeles Dodgers in American baseball (later sold) and the Brisbane Broncos and Canberra Raiders in rugby league in Australia, as well as minority interests in other clubs such as the National Hockey League's New York Rangers. Thus, Manchester United seemed a natural target for Murdoch. Foreign interest waned as Murdoch's attempt was blocked, only to be revived by Abramovich and a new sense among American professional sports team owners that the international market was perhaps more important long-term than the domestic market in the USA. Evidence of this international awareness has accelerated since 2000 and can be seen in ventures such as the global marketing partnership signed between Manchester United and the New York Yankees in 2001.²⁴ The success of this partnership, the growing awareness of soccer's cultural and economic power internationally, began to focus more American attention on global possibilities of soccer for investment, particularly in relation to Premier League teams listed on the Stock Exchange with shares available for purchase.

American businessmen appear to be comfortable investing in the Premier League. There are two reasons for this, first is the gradual shift to a recognizable American-style business model for professional sports in England and second is the amount of money generated by leading football clubs. With strong performances in the European Champions League along with the new television contract for the Premier League, there are English clubs that will make close to £50m in television revenues alone for the 2007/2008 season. In winning the Champions League in 2005, Liverpool netted well over £20m in television revenues from UEFA. That same year Chelsea reached the semi-finals and made £19m. UEFA divides the television revenues by the share of the European television market, thus England and Germany with the largest television

markets get a larger percentage of the payouts. In the 2006 final Arsenal lost to Barcelona, but received £23m compared with Barcelona's £21.5m for their efforts. English clubs continue to reap the benefits from the Champions League, which was evident in the 2007 tournament. Runners up Liverpool took home €32.22m, while Chelsea received the highest payout for an English club with €34.66m.²⁵ So with the prospect of lucrative television deals, four Champions League places for English teams and a record of European success, certain Premier League football clubs have become, and should continue to be, attractive investment targets in international sport.

Thus the owner of the Tampa Bay Buccaneers in the NFL, Malcolm Glazer, bought controlling interest in Manchester United in May 2005 to the dismay of many fans. Glazer was soundly booed by large sections of the team's support when he first arrived at Old Trafford, though the League Championship in 2006 helped ease some fans' concerns. In 2006, three more clubs were acquired by foreign owners: Portsmouth was bought by Russian Alexandre Gaydamak (from Serbian-American Milan Mandaric), and Icelanders Bjorgolfur Gudmundsson and Eggert Magnusson purchased West Ham. American investment continued as Cleveland Browns (NFL) owner Randy Lerner took controlling interest at Aston Villa.²⁶ In distinct contrast to Glazer's reception, Lerner was treated as a conquering hero at Villa Park as, in the eyes of the team's loyal followers, Lerner's intention to make money available to secure better players and modernize club operations stood in stark contrast to years of stagnation under previous owner Doug Ellis. Following on in 2007, George Gillett, Jr and Tom Hicks purchased a controlling stake in Liverpool. Hicks heads the company that owns the Texas Rangers in MLB and the Dallas Stars in the NHL while Gillett owns the Montreal Canadiens, the most storied franchise in the history of professional ice hockey. Gillett also owns one of leading auto racing teams in NASCAR in the USA. Thaksin Shinawatra's purchase of Manchester City brought the total number of Premier League clubs with foreign owners to 10 (Niall Quinn headed an Irish ownership group at Sunderland).

Another possible takeover, and a fourth American one, was ongoing at the time of writing at Arsenal. The power struggle continues there as Stan Kroenke, head of the group that owns the St. Louis Rams of the NFL, the Denver Nuggets of the NBA, the Colorado Avalanche in the NHL, and the Colorado Rapids in Major League Soccer in the USA among other teams, tried for most of 2007 to purchase a majority stake in the club. In the USA, Kroenke's group also owns the cable sports network that broadcasts all of his sports franchises' games, a strategy for cross-ownership that Murdoch hoped to achieve with the acquisition of Manchester United.²⁷ At the same time that Kroenke had been purchasing bulk shares in Arsenal, Uzbek billionaire Alisher Usmanov had been doing the same in an attempt to rival Roman Abramovich.²⁸ Kroenke and Usmanov's acquisition of large number of shares prompted the Arsenal Board to agree not to sell any more shares until April 2009 at least in an effort to stall the takeover bids. It needs to be noted that most of the foreign-owned teams were purchased after they were in the Premier League. Fulham was purchased while they were in a lower division and were subsequently promoted in the 2001/2002 season. Portsmouth was also promoted with a foreign owner, Milan Mandaric, and was sold again in 2005. Chelsea was the first team to be bought while in the Premier League in 2003 and that began a process that brought new international attention to leading clubs.

There was a convergence of several forces in the early 2000s that precipitated American, as well as other foreign, investment in English soccer. First was the increasing international market for selling licensed products and television broadcasts

of games. Second, economic structure and possibility of direct ownership meant that American owners could take a controlling interest in a club and run it much like an American sporting franchise. This is not possible to do at membership-based clubs such as FC Barcelona or in Germany where only minority holdings are allowed. Third, there was a possibility of cross-marketing sporting brands and other products in large-scale investment portfolios. In 2006, not long after Lerner took control at Villa, support for his Cleveland Browns NFL team in Birmingham and surrounding areas increased and a supporters club formed as a member club of Browns Backers Worldwide, as officially reported by the Cleveland Browns.²⁹ More directly, Aston Villa has benefited from the way in which the Cleveland Browns organization is run, down to shared medical treatment for players. Villa striker Luke Moore reporting on his trip to Cleveland for an operation:

I've been over to Cleveland quite a lot and I'm familiar with their set-up. I've met Mr. Lerner on a few occasions and ... I can tell, just by looking at the Browns, what he wants to incorporate over here. You just know he's going to be successful. My operation was done by their expert in shoulder injuries, Dr Miniaci and his team. Touch wood, I haven't had a problem with the injury, despite getting a few bangs on it in the reserves. I was treated superbly in Cleveland – it was so impressive. They took me back for a week's rehab and it was great. Mr Lerner wants to take a lot of the way his players are treated at the Browns and bring that over to Villa. They are looked after.³⁰

In North America, the owners of professional franchises run the leagues, agree on media rights and whether to allow expansion within their leagues. Membership is stable from year to year unless owners agree to allow an expansion team into the league. In the four main professional team sports, only the Green Bay Packers are publicly owned. While league offices and commissioners run the leagues, the owners have the final say in governance. While some owners have over the years invested in more than one professional franchise, the profitability of leagues and franchises other than the National Football League and its teams since 2000 has been less attractive to owners seeking to expand their sporting empires within the USA. As a result, there have been three new avenues for expansion of revenues among team owners. The first involves expansion of media and marketing interests internationally such as with the global marketing partnership between the Yankees and Manchester United, the opening of a series of regional offices by the NBA in Asia, the partnership between the Yankees and the Chinese Baseball Federation, and the now failed attempt of the NFL to create a viable American football competition in Europe among others. The second involves investment in sports teams as part of an owner or company's entertainment and real estate portfolios. Related to this is a third area that involves emerging interest in sports team ownership overseas. A good example of this development is Tom Hicks, who, as of the time of writing, owned Southwest Sports Group, a subsidiary of Hicks Inc., which holds a 50% stake in Liverpool FC and also owns the Texas Rangers in MLB, the Dallas Stars in the NHL and Mesquite Championship Rodeo.

Features of American professional sport and impact on the Premier League

While it is clear that American sports leagues and team owners are beginning to look internationally to enhance their revenue streams, it is less clear as to whether the features that distinguish American professional sports leagues and their operations have had, as yet, a huge impact internationally. The NFL learned an expensive lesson

in its failed NFL Europe experiment that it is not easy to overwrite American sporting practices onto an international landscape. Having said that, there are features of American professional sporting practice and business organization that are making an impact on sport globally. These include, diversified revenue streams from television rights and sponsorships, forms of revenue sharing, entertainment activities linked to sport and flexible scheduling, among others. It has been harder to sustain an American level of competitive balance in European leagues, however, due to both the existence of the promotion–relegation system and the lure of riches in pan-European competition. For clubs like Glasgow Celtic or Ajax Amsterdam, it makes little sense to argue for domestic competitive balance but to focus on European success. Even in more relatively competitively balanced leagues, there is a pull towards Europe among leading clubs at the expense of greater competitive balance.³¹

American sports economists James Quirk and Rodney Fort caution, however, that the perception that North American sports franchises are highly profitable is an exaggeration. Indeed, they argue that ‘with just a handful of exceptions, pro team sport does not appear to be a terribly profitable business’.³² It is difficult to assess closely the profitability of most American franchises, however, since nearly all are privately held with limited public access to records and owners are able to depreciate player contracts for tax purposes. Rosentraub counters that ‘where unprofitable teams exist it is usually a result of the failure of the leagues to share revenues or local mismanagement’ rather than a lack of profitability.³³ Indeed, the health and relative competitive balance in the NFL is largely attributable to its revenue-sharing programme where national television contract money is distributed equally among its franchises. This allows for small market teams such as the Green Bay Packers to remain competitive with teams in much larger markets. Annual player drafts in which the weakest performing teams select new players first also assist in maintaining relative competitive balance. This system works in North America due to the key role of universities operating as developmental leagues for the pro leagues. In England, such a system might be possible if Premier League clubs formed a separate relegation-proof league in which the lower leagues became their ‘minor’ leagues much in the way that the Minor Leagues operate in MLB. In the case of MLB, minor league clubs are classed by level according to the strength of the players and clubs are affiliates or ‘farm teams’ for the MLB teams and are usually located in smaller markets. While this is currently unlikely in Britain, it is not completely far-fetched. Since the Bosman ruling, major European clubs have used smaller ones in other EU member states as feeder clubs such as the aforementioned arrangement between Manchester United and Belgian club Standard Liege.

Some have argued that American influences on English professional football are increasing rapidly and perhaps irreversibly. Vic Duke, in a provocative 2002 article, states that there has been a process of McDonaldization and Disneyization of professional football in England in recent times. He explains how the traditional British sport model has begun to change to resemble a more American business model. As Duke puts it, ‘Some commentators link the changes to wider processes of globalisation, whereas others point to the progressive Americanisation of English sport’.³⁴ He continues in pointing out differences between the British and American models of sport:

The American model of sport is more commercially oriented than the traditional English structure with key roles for advertising, sponsorship and particularly television. The primary function of sports team franchises is profit making. Sport is viewed as a branch

of the entertainment industry, which results in a different relationship between spectator and team; the discerning consumer replaces the committed fan.³⁵

It is important to reiterate aspects of the traditional British model of sport as we begin to compare it with the American model. Traditionally, fan culture in Britain was centred around community-based clubs. There is a deep tradition with this type of support for football clubs, it started during the industrial revolution; more importantly, it started when workers in the factories were given half days off on Saturday.³⁶ This began the traditional Saturday lunchtime at the pub followed by the afternoon football match. It helped to unite and generate civic pride in the local football club. Contrast this against the newly television driven match times on a typical weekend of football in England which Duke points out:

All leading English spectator sports (for team games) have experienced the alteration of fixtures to suit the needs of the new paymasters, television. Gone is the traditional sporting Saturday when all the football matches would kick off at three pm. Televised games are now regularly moved to Friday evening or Sunday lunchtime or Sunday afternoon or Monday evening.³⁷

So as the Premier League model continues to shift from the traditional British model to the American model, matches occur at various times during weekends as well as mid-week as pay television searches for content that will attract viewers to sign up. As clubs move to new stadiums and increase the number of luxury boxes, the average ticket price to a match has skyrocketed. A match ticket had become a valued commodity so clubs can keep raising the price until they start to see a diminishing return. Not unlike American sport teams, English football clubs have begun to focus on corporate hospitality with raised ticket prices, renovated stadiums, and luxury suites and corporate boxes. For example, as of 2007 Manchester United had a total of 8000 corporate seats out of its 76,000 capacity.³⁸ The more affluent the crowd, the more revenue a club can generate, not only from ticket prices, but also from merchandise, concessions and even parking. Just as the American sports franchises during the 1980s and 1990s began to make these changes the British sports teams have begun to follow the corporate hospitality approach from 2000 onwards.

As early as the late 1980s, the FA promoted the conversion of 'going to a match' on a Saturday afternoon to 'integrated leisure experiences'.³⁹ The FA envisaged that, in the style of North American professional sports, attendees at football matches could be attracted by a festive atmosphere in which entertainment beyond the match itself would be attractive to families and a more diverse audience. At a surface level this approach appears to have taken hold in England. Attendances increased as the game's image improved and stadia were transformed post-Taylor into sites for family entertainment.

Potential implications and pitfalls of the 'American' model

It is clear that there are several areas of conflict between traditional English footballing culture, organization and administration and the ways in which American professional sports leagues operate. While fans and teams may be protected via the role of the FA as the ultimate governing body for football in England, there are certainly tensions between the goals of clubs like Manchester United and Lincoln

City, for example. The former aims to be a leading global brand competing for European championships, whereas the latter hopes perhaps for a good season that might lead to promotion to a higher league within the English game and hopefully to sustain a high enough attendance to remain in business from season to season. Indeed, for clubs like Manchester United, Arsenal and Chelsea, European success is far more important than domestic competitions such as the FA Cup. The latter is nice to win, but the former puts real money in the bank from television rights and global exposure. For the four English teams playing in the Champions League each season the potential return can nearly double their television income earned domestically. It is possible for leading teams to earn substantial sums from success in the Premier League, however. The latest television contract for the English Premier totalled \$4 billion over three years, an amount only rivaled by the NFL in the USA among domestic professional sports leagues internationally. With this new contract it was possible for the champion of the 2007/2008 season to earn £50m. Compare this with the £30m Chelsea received upon winning the Premier League in the 2005/2006 season. That same amount will be made by the bottom finisher in the 2007/2008 season.⁴⁰

Coda: a note on the Liverpool and the Champions League dilemma

A specific example of the tensions created by leveraging a takeover through borrowing against future earnings has become evident at Liverpool during the 2007/2008 season. Liverpool spent much of the season just inside or outside the cut-off for the last European Champions League place for the 2008/2009 season despite a strong performance in the Champions League. Knowing that the American owners of the club had leveraged their takeover based on Champions League qualification until the new stadium was complete in 2011 or 2012, Dubai International Capital made a buyout offer of £200m in early 2008. Gillett was immediately interested in selling his share based upon the healthy return he could make, though Hicks was determined not to sell. The dilemma is clear, if Liverpool do not qualify it would create a cash flow problem by 2009 when the debt they created has to be serviced with interest at an estimated £28m a year. Thus, Champions League qualification is essential to sustaining profitability in the short-term.⁴¹ This has left the fans in a position of supporting investment from Dubai International Capital as a means of securing long-term success of the club, since it is clear that Gillett wanted out soon after buying in, and concerns over the Hicks strategy worried many supporters. Hostility to American owners appears greater than for others due to the widely held perception – rightly or wrongly held – that Americans do not really know or care about football but that investment in English clubs is purely for profit taking and not long-term club development.

Fan responses to new ownership and markets

While the situations of American ownership, and fan responses to those owners, are quite different at Manchester United, Aston Villa and Liverpool, it is clear that there is an uneasy relationship between soccer supporters in England and the spate of foreign owners now infiltrating 'their' game, as Liverpool's 2008 ownership issues demonstrated. A glance at senior managerial positions from the national team through the Premier League down to players suggest that the English game has been fully globalized and is well on the way to commercialization that resembles many of the aspects evident in North American professional sport. Yet, although supporters

generally have been sceptical about foreign investment, the responses have by no means been uniform even within clubs. While many Manchester United supporters decried the Glazer takeover of the club, and subsequent relocation of some of the club's operations to the USA, matches continue to sell out and global revenues have expanded. Others, however, established a new soccer club, Football Club United of Manchester (FCUM), which has begun to work its way up the league structures. The club attracts an average attendance of some 3000 supporters, many of whom became disillusioned with the situation at Manchester United following the Glazer takeover.⁴² For these supporters, the Glazer takeover was the last straw in a series of changes at Manchester United since the mid-1990s. As Hamil points out:

Ever higher ticket prices forcing traditional supporters out of the ground, rampant commercialism, and an increasingly anaemic atmosphere at United's Old Trafford ground borne out of too many in attendance with no real emotional investment in the outcome. All contributed to a sense that Manchester United was no longer the club they grew up with.... It was now simply a speculative asset in the portfolio of a family of entertainment industry entrepreneurs.⁴³

Additionally, the Independent Manchester United Supporters' Association, who successfully helped fight off the failed Murdoch takeover, has argued to the government that there should be a more equitable distribution of cash among Premier League clubs to enhance competition between Premier league teams, even though this would obviously disadvantage their own club in the process.⁴⁴

Manchester City capitalized on its local rival's global focus and branding to position itself as the true local team of Manchester using a clever campaign launched in October 2005 entitled 'Our City' which used signs and slogans such as 'This is Our City' and 'Réal Manchester'. At the same time, Manchester City also developed a highly sophisticated programme that collected data on fans and their purchases at the club and included the personalization of season ticket mailouts by placing the surnames of supporters on a Manchester City jersey. Fans of Manchester City embraced this branding of the club. However, with the purchase of the club by Thaksin Shinawatra with his globally focused strategy, the branding of Man City evolved. With significant investment, the appointment of former England manager Sven Goran Eriksson (who subsequently left the club at the end of the 2007/2008 season) and on field success, the overwhelming majority of City fans adapted to the new focus as a trade off to success after many years of struggle.⁴⁵

Conclusion

Who owns English football in the twenty-first century? It is clear that a new marketing class of owners and directors have moved into a sport that for more than a century prided itself on local affinities and are changing and further globalizing the Premier League and its clubs. These owners, along with the influx of television money and increasingly diversified revenue streams, have led clubs to pursue a much more professionalized operational model in the marketing and management of clubs. This model is aligned ever more closely to those apparent in North American professional sports leagues where fans are viewed as loyal consumers more than hard core supporters. While the structures of leagues differ between North America and England, it is clear that the trend is towards a globalized business model that began in North America and is sweeping the world as investors seek to maximize profits in

diversified sport, entertainment, leisure, media and property portfolios. At times fans resist, and seek alternative means of expression and entertainment, at other times, fans welcome the infusion of capital that might make their club competitive and successful both in England and in Europe. Traditional supporter cultures come under threat at the same time as global branding has enhanced international support for leading clubs.

Fears of foreign investment ruining the traditional game persist. Some are tied up with xenophobia, while others are genuine concerns about the future of the game, particularly as performances of the English national team has not lived up to the performances that should be expected with English club success in the Champions League. At the start of the 2006/2007 season in the Premier League the big fear from foreign investment was that football clubs might be used for money-laundering and that criminals could be buying and using clubs to hide illegal sources of income.⁴⁶ These fears only surfaced after Chelsea started that season as the two-time defending Premier League Champions. Abramovich was accused of accumulating his vast fortune through questionable means and the perception was that Chelsea simply 'bought' their titles with his money. By 2007, many concerns surrounded questions that the new foreign owners, particularly the Americans, were only in it for the money rather than the long-term good of the club.

Foreign investment is such a touchy issue that Michel Platini, president of UEFA, the governing body of football in Europe, sent a letter in 2007 to the leaders of each of the member associations of UEFA urging them to be wary of foreign investment in their domestic football leagues.⁴⁷ Ironically, Platini praised the once maligned Chelsea owner Roman Abramovich because in Platini's eyes he demonstrated a genuine love for his football club and he had spent money to improve the club. Platini neglected to mention that part of the Gillett/Hicks investment included funding for the new stadium for Liverpool so the club can keep up with the other top clubs in England. While the debate continues over the impact of foreign ownership, it is clear that Duke and other analysts are correct to suggest that we are seeing a convergence of organizational and managerial structures between the North American model of professional sport and those in the Premier League in England that is likely to continue well into the future.

Notes

1. BBC Sport, 'US Pair Agree to Liverpool Takeover'.
2. These clubs were Arsenal, Manchester United, Chelsea, Liverpool, Everton, Aston Villa and Manchester City. For a brief discussion of Earl's and other investments in the Premier League, see Mackenzie, 'Football Takeover Trends'.
3. For a recent discussion of this in relation to major professional sports leagues and NASCAR, see Brown, 'Exceptionalist America', 1106–35.
4. Ammirante, 'Globalization in Professional Sport', 237–61.
5. Giulianotti, *Football*, 87.
6. Duke, 'Local Tradition Versus Globalization', 13.
7. Ammirante, 'Globalization in Professional Sport', 243.
8. New York Yankees and New York Mets, Chicago Cubs and Chicago White Sox, and Los Angeles Dodgers and Anaheim Angels in MLB; New York Giants and New York Jets in the NFL; New York Knicks and New Jersey Nets, and Los Angeles Lakers and Los Angeles Clippers in the NBA; New York Rangers and New York Islanders in the NHL. In MLB and the NFL the teams play in different leagues/conferences.
9. For an excellent discussion of this phenomenon, see Rosentraub, *Major League Losers*.
10. Rosentraub, 'Private Control of a Civic Asset', 109.

11. In this assumption we exclude minor league baseball teams, which, while they are professional, are subsidiaries of Major League Baseball teams.
12. Mackenzie, 'Football Takeover Trends'.
13. Giulianotti, *Football: A Sociology of the Global Game*, 99.
14. See Brown, 'Exceptionalist America'.
15. For discussions of this phenomenon, see Burton, 'Does the National Football League's Current Economic Model Threaten the Long Term Growth of Professional Football Globally?', 5–17; Means and Nauright, 'Going Global', 40–50.
16. Duffy, 'Football May be Ill, but Don't Blame Bosman', 277–89.
17. See Ammirante, 'Globalization in Professional Sport'; Bonn, 'Premiership Shares 900m TV Windfall'.
18. For further discussion of this, see Rosentraub, 'Playing with the Big Boys', 143–62.
19. McArdle, 'They're Playing R. Song'.
20. Ibid.
21. Duffy, 'Football May Be Ill, but Don't Blame Bosman'.
22. Hamil, 'Manchester United', 114–34.
23. Wulzinger, 'The Great Foreign Takeover'.
24. Ammirante, 'Globalization in Professional Sport', 244.
25. Payout figures sourced at UEFA.com in March 2007: <http://www.uefa.com/uefa/keytopics/kind=16384/newsid=559777.html>.
26. Gauge and Maidment, 'The Most Valuable Soccer Teams'.
27. Holmes, 'Stan Kroenke Targets Arsenal'.
28. BBC News, 'Foreign Cash Can Boost Arsenal'.
29. Villa Backers Club Formed (2006). <http://www.clevelandbrowns.com/article.php?id=5656>. Accessed February 12, 2008.
30. Moore, 'Aston Villa's Future'.
31. In Scotland the League Championship has been an exclusive competition between the two giant clubs of Glasgow Celtic and Glasgow Rangers while in the Netherlands, only PSV Eindhoven, Ajax and Feyenoord have won championships during the past quarter century. An examination of the Premier League suggests that there has been less competitive balance than before its formation.
32. Quirk and Fort, 'Hard Ball', 9.
33. Rosentraub, 'Private Control of a Civic Asset', 109.
34. Duke, 'Local Tradition Versus Globalization', 5.
35. Ibid.
36. The best discussion of this is still Tony Mason's account in *Association Football and English Society 1863–1914*.
37. Duke, 'Local Tradition Versus Globalization', 13.
38. Hamil, 'Manchester United', 128.
39. Football Association, *Blueprint for the Future of Football*, cited in Nauright, 'Global Games', 1331.
40. J. Chaffin, 'No Title', 21.
41. G. Moore, 'DIC Aims to Force Liverpool Sale with Final Offer'.
42. Hamil, 'Manchester United', 131–2.
43. Ibid., 132.
44. S. Brennan, 'Put "Fair" Back into Football'.
45. For a full discussion of the campaign, see Edensor and Millington, "'This is Our City" 172–93.
46. Wulzinger, 'The Great Foreign Takeover'.
47. Reuters, 'Platini Seeks EU Help Over Foreign Owners'.

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