Emotions’ Management within the Real Madrid Football Club Business Model

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Abstract
Recent changes in the sports industry—derived from increasing financial pressures—have led to the update of existing business models. Particularly in football, the dominant clubs develop new business models based on the spectators’ commitment to the sport. Packed stadiums attract more people who consume both the matches and the many other associated goods and services. In an experience economy, the lever is the tapping of their emotions by an increasingly sophisticated value proposal. Groups of passionate supporters lead the way to the establishment of communities with a common interest in the club. Following a qualitative methodology (interviews and other texts’ analysis) our study of the Real Madrid (RM)\(^1\) business model suggests that one of the biggest football clubs in the world is creating a business model based on the emotions of its supporters. This finding could be useful for other clubs in many different countries.

*Keywords*: Emotions, Professional Sport Management, Business models, Football

\(^1\)RM: Real Madrid Football Club
Introduction

General Issues

Emotion is a basic driver of sports businesses in contemporary societies. In these businesses, individual agents are connected to the social network developed by the organization. Their decisions about production and consumption are related to other networks’ members. The actions and sentiments of the rest of the network affect all members. Fads emerge, evolve, and disappear within the network in response to an initiative taken by certain members, or by the club’s managers. The value of the items merchandized through the network is fixed taking into account the symbolic nucleus they represent; consumers are only willing to pay for them when they consider they are worth the money. This decision is made on the basis of a myriad of inputs arising within the network, i.e. the individual (but extremely similar) emotions and reactions of other network members. In other words, the considerations of other members have a crucial impact on the emotions leading consumers’ behaviour (including the purchase decision). Emotions are psychological, cultural, and social phenomena (Illouz, 2007). Literature on the role of emotions in the sports business is, however, very limited (Wolfe et al., 2005). It derives mainly from brand management and consumption typologies in marketing (Blanco and Forcadell, 2006; Wann, Royalty and Rochelle, 2002), social psychology (Madrigal, 1995; 2003), sociology (Giulianotti, 2002), and sports psychology (Vallerand and Blanchard, 2000; Vallerand et al., 2008).

Given that professional football is also a business that generates huge income, it is relevant to identify the key drivers for the development of a successful business model. Even when financial sustainability is a real challenge for sports clubs (due to emergent trends like shrinking TV-rights) research into business models in sports is a relatively underdeveloped area. There is no consensus in literature about the possible lessons that other industries can learn from specific football business models, even if sports contexts are a useful focus for studying different organizational phenomena (Wolfe et al., 2005). Some authors think that such models are useful in general (Brady, Bolchover and Sturgess, 2008), but others characterize them merely as a “pastime” (Cross and Henderson, 2003). Considering the perceptions of business and sports leaders about the factors that contribute to success in both spheres, some authors underline (even when the evidence is sparse) that leadership, cohesion, and communication trends show certain similarities between the two (Weinberg and McDermott, 2002). Finally, even when business and sport show parallel characteristics, some specific features of sport that justify an idiosyncratic approach to its management systems and models remain (Smith and Stewart, 2010). This result is consistent with
the opportunities for advancing knowledge through the testing of business administration theories within the sporting world (Wolfe et al., 2005).

Therefore, there is a gap in existing research concerning how sports business models (and specifically those relating to world-class professional football clubs) approach emotion as the defining feature of their activity, and generate financial incomes to compete successfully in the global football market place. How do the football clubs’ top management try to attain the “world-class” level? A wide supporters’ base facilitates large sums of money not only by ticketing, but by the attraction of that mass of people signifies for the potential club partners (broadcasting stations, sponsors, etc.). But in order to build large fandom, the club must transcend the links with local or regional territories, and look for an emotional globalization. In this century, big spectacle is the arena where hundreds of million people can share their attachment to a club. Therefore, only the best actors (or football megastars), through their sport successes and image appealing, can attract the crowds.

Our investigation contributes to filling the gap between the incorporation of certain emotions within the value proposal of the football clubs business model, and the procurement of the income needed for world-class competition. From a business perspective (wider than the mere marketing orientation), we analyze the key shackle: how top management design can implement the value proposal contained within the club’s business model? Specifically, we hypothesized that emotions play a central role within the RM top management value proposal contained in its business model—in other words, that the whole model derives from the shrewd management of emotions (and especially those of the spectators). Little research has been undertaken on this issue, and we deal with it using a qualitative methodology, not very often followed in the literature.

We believe that, in developing the RM value proposal, top managers try to switch on shared emotions within a large fandom through their discourses, the hiring of megastars, and the protraction of the club’s legend. As a result, the cohesion of the fans social networks created, and the conditioning of fans’ behaviour attract RM business partners. These partners provide one of the main income sources for the RM, along with ticketing and merchandising (derived from fans’ behaviour), and the income from competitions (obtained with the superb players’ performance).

After this introduction, we deal with the literature review in order to clarify recent changes in sports business models as clubs seek sustainability, as well as the application of emotions to the spectators’ social networks. The method section precedes the analysis of the results and findings.
Subsequently, in the discussion and implications section, we present our proposal concerning the RM business model. Before the references, the final section deals with the conclusions, limitations, and future research.

**Conceptual Framework**

**The business model**

*Business Model* is a term that has been widely used in recent years to explain the explosion of the traditional linear value chain. In sports, there is a growing opportunity to create, produce, and distribute value without a huge amount of tangible assets. The convergence of ICTs (information and communication technologies) with the expansion of multimedia contents has changed traditional processes in the sports industry. A recent review found that the business models’ main areas of development were in the fields of e-business, general strategic issues, and innovation management, with no specific reference to sports (Zott, Amit, and Massa, 2011).

The quoted authors warn about the present lack of definition of the concept: “the term *business model* in its current use is not one concept; it is many concepts.” (pp. 1035-6). They conclude by providing a broad description of some of its overall characteristics: it is a new unit of analysis (transcending firms and industries), is a system-level concept, it is centred on activities, and it is focused on value. Therefore, we consider that a business model encompasses the way in which the organization generates and captures value. In our research, we try to analyze how the RM’s top management proposes the value creation starting with a carefully selected emotions’ set.

Any football club’s business model should be inserted within the football business system. That model should specifically consider the whole set of its stakeholders (FGRC 2006). In such system, it is necessary to build up reputation as the first element of attraction for newcomers, and, consequently, to thus create economic value (Szymanski, 1998). This comprises the football business medium (clubs, associations), the structure of sources of income (media, globalization, trade, corporations, capital, spectators, players), and the expenditure structure (competitors, groups of interest, suppliers, infrastructure) (Dolles and Söderman, 2005; Karpavicius and Jucevicius, 2009). These elements (combined with the club’s vision and strategy) make the football network attain value. This network comprises the thirty relationships established between the six elements of “the football package” (team, sporting competition, club, event and arena, players, and merchandise) with the five elements of “customers/consumers” (fan base, club members, media, sponsors, and local communities) (Dolles and Söderman, 2005). In order to gain full profit from
the above, a range of value drivers (such as brand, fan loyalty, or the effectiveness of the team’s playing performance) must be implemented; the aim of these drivers is to boost a network of interdependent activities that create value (Baroncelli and Lago, 2006).

**The role of emotions in football**

In football, as in other professional sports, fans have strong emotional responses (Hay and McDonald, 2007). When they become passionately attached to their club, they obtain intangible benefits (in the form of emotions) in addition to tangible benefits (in the form of merchandise) (Storm 2009). Emotions consist of three main elements: physiological changes (concerning the heart, blood, or skin), tendencies to perform particular actions, and subjective personal experiences (Vallerand and Blanchard, 2000). Within the wide range of emotions, the concept of “emotional schemas” is extremely important for explaining momentary situational responses, as well as more enduring personality traits which are observable over longer periods of time (Izard, 2009).

Emotions start with expectations from the subjects, concerned about the extent to which their desires may be satisfied or not by real world events. As a consequence, the “match-mismatch” process produces the sustained mental state, which we call “emotion” (Wollheim, 1999). Emotions dye peoples’ attitudes towards the world by biasing their perceptions (and subsequent analysis) of events (Griffiths, 2003). In other words, subjects seek the occurrence of certain events in order to obtain the satisfaction of their desires. Lastly, they seek to find a balance between the mental comfort derived from the series of satisfactions concerned, and their own self-concept.

Self-concept is related to the esteem that people perceive in the judgement that others make. As the literature has asserted, being associated in other people’s eyes with the success of a football team generates in the persons concerned the same emotion as if they had obtained the success themselves. This BIRG (*Bask In Reflected Glory*) effect manifests itself despite the fact that the spectators’ contribution was clearly irrelevant to the success of their team (Cialdini et al., 1976). As an opposite effect, spectators may feel alienated as club supporters when the team reflects a negative image after defeats (*Cutting Off Reflected Failure, CORF*; Snyder, Lassegard, and Ford, 1986). These patterns of behaviour are however regulated by the supporters’ level of identification with their team: higher identification levels promote BIRG behaviour, and reduce the odds of CORFing (Wann and Branscombe, 1990).

Therefore, spectators’ attachment to their football club has an effect on their self-esteem. The strength of their feelings about their ties to a group (*ingroup identification*, Spears, Doosje, and
Ellemers, 1999) thus has an impact not only on their emotions, but also on their associated action tendencies (Fink, Trail, and Anderson, 2002). When the identification with the club implies the assumption of the social norm of reciprocity, certain behavioural intentions arise. Identification with the club, expectations about team performance, and previous cognitive schemes affect the spectators’ appraisal of their satisfaction through emotions that blur more objective evaluations (based, for instance, on the scores attained previously) (Madrigal, 1995, 2003).

**Linking emotions with the football business model**

As we have seen before, emotion plays a key-driving role in the professional football business. Successful football clubs’ business models try to encourage lots of people to share some emotions, in order to mine large sums of money. Both football clubs and the media (Vincent et al., 2010) develop narratives that emphasize emotions, because emotions glue together the social networks (which “consists of a finite set or sets of actors and the relation or relations defined on them”, Wasserman and Faust, 1994: 20, this is a concept wider than the common idea of social networks as set of actors linked only by Internet-based tools) that support markets by making followers proud of being a member of a community. In contemporary societies, few experiences are comparable to the emotion derived from affiliation to a sports club (Underwood, Bond, and Baer, 2001), because it generates a specific meaning in a fan’s life (Tapp, 2004). Consequently, emotions exercise a magnetic attraction on people by serving as a tool for their inclusion within the club’s business model. Once supporters feel comfortable in the social networks built up by the club, they are prone to behave in a manner that is useful for the club’s strategic management. Spectator fervour gives rise to an irrational rather than a rational economic way of consuming football (Hamil and Chadwick, 2010). In summary, world-class football clubs develop stories that emphasize emotions, because emotions cement together the communities that support markets by making supporters proud of being members of those communities.

It is when emotions, as the key element, have amalgamated together in this way through the vehicle of the social networks that the right opportunity to construct an entire business model arises. Now we can deal with some empirical sources looking for a dialogue between our conceptualization of the role of emotions within the RM business model, and some club top managers’ discourses on the club’s value proposal.

**Methods**

**Ethical issues**
Our university has an Ethical Research Committee devoted to the assessment of research when it involves “studies on human beings, their personal data (...), animal experimentation, ...” (Comité de Ética en la Investigación UAM, 2003). So, our research does not require ethical clearance because it only uses publicly available discourses, and information provided by two RM senior officials that cannot be identified through our text (so, they cannot suffer any inconvenience from their employer derived from our study), it does not require ethical clearance from our university.

**Qualitative methodology**

In order to explore the business model based on emotions of the world-class football clubs, we studied the value proposition (as it is developed by its top management) of the well-known Spanish club RM. This club is at the highest rank in the *Deloitte Football Money League 2012* (for seven consecutive years), with a 9% revenue growth to EUR 480 million in 2010/11 (Deloitte, Sports Business Group, 2012).

We carried out a qualitative analysis of information derived from different sources provided by the top management: data collected from interviews with two senior RM officials held in June 2010, and the club President’s speech addressed to the Ordinary and Extraordinary Assemblies of Delegates in September 2011. An analysis, aided by QDA Miner 3.2 (plus WordStat and Simstat), was run on the texts. Through these applications raw data was catalogued, analysed and coded. After a careful consideration of the main documents, certain themes started to take shape. Following on from the research conducted by Miles and Huberman (1994), the themes concerned are derived from words and concepts common to different participants’ statements. Themes consist of the specific codes found in these statements. After an explorative analysis of the documents (based on a frequency count of the words contained), a number of keywords were identified. Key-word-in-context (KWIC) analysis allowed us to observe concordances (Ryan and Russell Bernard 2000), and to gain an understanding of the ways the codes are used within the documents. These keywords were then associated to our coding scheme, previously derived from relevant literature. The result was a set of seven themes and 224 codes. To operationalize the analysis, we have reduced the codes to a shortlist of nine of them (emotion, TV rights, business, ticketing, football business model, merchandising, brand, club’s strategy, and supporters). Then, each of the authors applied the list to the documents, obtaining a matrix that gathers the presence (marked 1) or absence (marked 0) of the code within each of the documents (texts of the interviews and of the presidential addresses to the Ordinary and Extraordinary General Assemblies). Following the approach employed by Neuendorf (2002), we calculated the intercoder
reliability coefficients. These coefficients appear in Table 1. A literature review on the theme of reliability shows that the percentage of agreement, and the presence of reliability coefficients above .90 are “acceptable to all” (Neuendorf, 2002), i.e. an excellent agreement beyond the possibility of mere chance.

Table 1

Reliability coefficients in the Codification of the Interviews of Real Madrid Higher Officials and Presidential Addresses

<table>
<thead>
<tr>
<th>Code</th>
<th>Average pairwise % agreement</th>
<th>Cohen’s Kappa</th>
<th>Krippendorff’s Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Emotion</td>
<td>97.8</td>
<td>.85</td>
<td>.86</td>
</tr>
<tr>
<td>Ticket sales</td>
<td>97.8</td>
<td>.89</td>
<td>.89</td>
</tr>
<tr>
<td>Business Model</td>
<td>95.5</td>
<td>.82</td>
<td>.82</td>
</tr>
<tr>
<td>Merchandising</td>
<td>100</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Brand</td>
<td>95.5</td>
<td>.86</td>
<td>.85</td>
</tr>
<tr>
<td>Strategy</td>
<td>93.3</td>
<td>.75</td>
<td>.76</td>
</tr>
<tr>
<td>Supporters</td>
<td>95.5</td>
<td>.87</td>
<td>.87</td>
</tr>
<tr>
<td>TV Rights</td>
<td>100</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>Business</td>
<td>100</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Source: Own elaboration

These results show a high reliability in the assignation of the codes to the texts and the importance of these concepts to RM. The codification provides the basis for obtaining the findings from the documents analysed, as we argue in the following section.

Results

On the basis of the analysis and codification (see words in bold) of the documents concerned, a number of relevant findings appear. Regarding our starting point (Football clubs develop stories...
that emphasize emotions, because emotions cement together the social networks that support markets by making supporters proud of being members of a community), the role of emotions is clearly marked in the RM official discourse:

Dozens, hundreds, thousands of emotions and memories have been shaped in this stadium. A stadium that we consider, and have always considered, the home of our dreams (…). Many times, and this is my own experience, we have lived shared emotions, transmitted from father to son. So it is this football temple where many of us have grown up both as individuals and as RM supporters (…). Football passion and emotion are, or should be, compatible with serenity, reflexivity, and rigour.

The supporter’s pride is not far from the “BIRG” model:

The hunger for titles and victories is what has made the unique history of our RM. Demanding only the best is what has led us to be chosen by FIFA [Fédération Internationale de Football Association] as the best club in history.

As a consequence, when supporters share this kind of religious feeling, they need to demonstrate their commitment in public by engaging in all the club’s activities (both non-commercial and commercial):

(…) this General Assembly. A sacred meeting allows us to share, develop and design our dreams together. We all feel total devotion to RM. Now the important thing is to work for it. (President Pérez’s Address to the RM Ordinary General Assembly, September 25, 2011).

The higher officials interviewed also point out the link between emotions and social networks:

[We have] a specific framework of corporate values with a long history. In the recent years we have worked on new ways of increasing the number of supporters, and of strengthening their mutual relationships by the meaning of these values. (…) We have tried to benefit from our brand (…) establishing all the different kinds of connections with our supporters that communication technology makes possible.

Considering how the RM uses emotions for the benefit of its business model, it is noted that at this club, emotions allow for the integration of key value elements into a value proposal model; this
model is what makes it possible to generate the resources needed to develop long-term strategy. The sustainability of the club requires a solid financial position:

Our club must maintain innovation, so as to exploit all its opportunities, and must achieve its full potential so as to sustain a continuous flow of income from its business model. This allows us to continue as owners and worthy heirs of the best of our past (...). The strength of our business model, transparent management, achieving efficiency, and the proper application of our values and principles will drive us towards sporting success. (President Pérez’s Address to the RM Ordinary General Assembly, September 25, 2011).

One of the RM managers interviewed stated that

…[T]he aim of the business strategy is to enlarge the number of our supporters, and that depends on sporting success, our reputation, people’s identification with our values, and, lastly, on being able to convey to society the values of RM.

President Pérez stated that RM is wholly attuned to the new networking systems based on ICT. Within those communities, supporters and members can reinforce their feelings by sharing information and opinions:

Realmadrid.com contents are also disseminated through the social networks. RM now has an official profile on Facebook and Twitter and a YouTube channel. With these new digital tools, the “Whites” provide a direct connection to RM’s 23 million supporters spread across the planet. Thus, RM has managed to become the most popular sports club on social networks worldwide. About 20 million fans on Facebook, more than two million on Twitter, and more that 37 million copies on its YouTube channel have earned RM a popularity of 53.76%, which places it as the most influencing team on all these social networks. Furthermore, it is the fastest growing club on Facebook worldwide.

Once underlined the relevance of those virtual spaces for relationships, the conclusion is that emotions (derived from identification with RM values), success, and financial sustainability are intertwined:

The economic strength, transparent, effective and good use of our values and principles will lead to sporting success (President Pérez Address to the RM Ordinary General Assembly, September 25, 2011).
Discussion and Practical Application

President Pérez’s leadership of the club has two broad objectives: to gain momentum from the traditional football business, and to open new business lines thanks to enhanced brand management (Campos, 2002). In pursuing those goals, the club has restructured its organization, developed its brand, recovered control over business lines previously outsourced, created new business lines, and tried to turn supporters into permanent consumers (Blanco and Forcadell, 2006).

The RM business model is composed of two main elements: value proposal and value capture. This model includes the core elements that (from a Penrosian dynamic view of business models) Demil and Lecoq (2010) apply to their characterization of the Arsenal FC business model. Those elements are resources, competences, organizational structure, and propositions for value delivery. With the value proposal the club’s strategic management assembles a number of concepts in order to launch an interesting offer to the market. In the value capturing aspect, it obtains the benefits from the offer made.

The aim of the value proposal is to guarantee a sustained income flow, sufficient to exceed all costs and thus make a large surplus. In the football industry clubs try to gather a large set of spectators whose loyalty is as unconditional as possible. The reason for this is obvious: in a captive market the seller may exercise its monopoly power reaping the greatest benefits. As other mega clubs such as Manchester United (Szymanski, 1998) or Barcelona, RM has pioneered the search within the football industry for a differentiating element capable of carrying a monopolistic system of competition. That element is to mobilize certain people’s emotions all over the world, because it aims to a global football market. By managing their supporters’ emotions with the attraction of its megastars, RM underlines its unique character within the football market. As a consequence, consumers think that within football world there is no alternative to their passion.

Before starting the value proposal construction process with the overall aim of attaining success both in sport and in business strategies, a sound base that consists of sporting professionalism (which enables the club to win trophies), community building (so as to unite the groups that provide the club with its legitimacy), and strategic management (to offer a clear sense of direction) is required. On this basis, the value motor was able to start working: once it had ensured the appropriate dynamic capabilities, RM initiated a process of continuous interaction between its legend, image, values, and a complex set of emotions. The legend comes from its superb sporting
record and the succession of megastars from 1940s to these days. The club has won nine European Cup (or UEFA [Union des Associations Européennes de Football] Champions League) titles. This leads to an excellent image (symbolized by FIFA’s World’s Best 20th Century Soccer Club Trophy), faithfulness to its values (fair play, dignity, respect, …), and an element of BIRG, as the pride of belonging to the community of RM spectators generates affiliation to social networks. If such networks are large and consistent enough, some agents will feel a strong attraction towards them. These agents will provide the value that RM captures from different income sources. As a result, the club consolidates both its legitimacy (which is the key to transforming itself into an institution), and its financial sustainability.

RM has three main income providers: the spectators and purchasers of merchandise, the partners, and the football institutions. RM also obtains a certain amount of money from the annual fees paid by its members. The income providers pay for the different merchandise developed by RM from its value proposal base and driving force: the matches (i.e. the players within the team who generate ticket income), club-related items (an array of packages designed to facilitate the consumption of RM-related products), TV rights (general broadcasting, cable, pay-per-view, etc.), and business activities (merchandising, joint ventures with partners, etc.). As a result, the twofold RM aim of institutional and financial sustainability is finally attained.

The findings obtained have pertinent implications for the activities of professional football clubs in general. First, with regard to the communities and the role of emotion in football clubs; when people engage in a sport they look for access to certain resources (either material or immaterial, such as emotions, self-image, or civic engagement) through their inclusion in the social networks created around this sport.

Second, certain effects appear in the pattern of the creation of communities in football. Teams attract supporters, then the clubs –in an attempt to achieve both their sporting and their economic goals – implement some form of implicit or explicit system of fandom management. Its purpose is to improve both the strength and the density of the related social networks. Through them, clubs channel spectators’ emotions into certain patterns of behaviour. Supporters’ loyalty and identification with their team condition their behaviour.

Football is an environment in which people actively witness the game as spectators (by their personal presence or through the media), and also with an enduring interest in all the symbols and facts related to their club. Nowadays, mass experience is a basic feature of football fandom.
World-class clubs like RM make extensive use of ICT in order to attract a worldwide audience (Blanco and Forcadell, 2006). As a result, huge communities focus on the club’s messages. Social network sites allow for a subtle transmission of corporate values and ideas. From its very inception, RM has always encouraged groups of fans (peñas blancas) in different neighbourhoods (or even, in cities outside Madrid). The peñas blancas act as private clubs (organizing trips to other stadiums when RM plays away, fraternity meals, etc.) whose main activity is to support RM. But Internet-mediated social networks widen their potential to cater for hundreds of millions of people all over the world, without limitation.

Internet-mediated social networks are relevant devices in the configuration of the emergent flâneurs category of football spectators. Apart from the strongest committed category of spectators (supporters) to the weakest (flâneurs), two other categories exist: followers and fans (Giulianotti, 2002). Spectators’ emotions and their attachment to the club co-evolve. Following a growing process of football commodification, i.e. the process “by which an object or social practice acquires an exchange value or market-centred meaning” (Giulianotti, 2002: 26), spectators are increasingly prone to market-oriented relationships, virtual links with other supporters and a cosmopolitan identity. This point towards the virtual dimension of the value capture network in professional football is underlined by Dolles and Söderman (2005). It is widely accepted that football is following an accelerated path towards global consumption. So, the flâneurs (audiovisual, high-tech-orientated people) are the preferred supporters for clubs with global brands, but they lack the emotional complexity in which conventional supporters are rooted. As a consequence, RM benefits from the flâneurs, but tries to maintain an emotional link through instruments like the carnet madriderista (or “RM Fan Card”, a kind of affinity card with national and international branches (Blanco and Forcadell, 2006a)).

In summary, the club boosts the assimilation of spectators from those categories that are most beneficial to it. This is a two-way process: spectators assume the group identity (self-extension), and also modify their self-concept by absorbing some of the group’s characteristics.

The third finding is related to the question of the search for business model sustainability. As empirical research on the specific business models within football is scarce, we have tried to address this issue by describing the RM FC model, characterized by the inclusion of people’s emotions in its value proposal. The reason for this is that emotion implies a pattern of behaviour that involves the thoughtless acquisition of particular items. If emotion endures through supporters’ affiliation to the club’s social networks, such behaviour will continue and,
consequently, the income will continue to flow. After the discussion of the implications that our findings may have for other clubs, we can now conclude our argument.

**Conclusions**

RM is a much-respected club with a long tradition (110 years in its case) of boosting emotions through good storytelling aimed at building a legend, as President Pérez notes. Stories about the club’s values linked to its results are useful for establishing relationships between its main stakeholders. These are, in order of importance, the following: partners, supporters, clients, regulatory bodies, media, and providers. The official discourse unites together a set of emotions (based on the club’s declared values) to build sustainable relationships with relevant stakeholders.

The logical links of this model are as follows: starting with the large sums of money needed to hire football stars, the club (thanks to those stars) can offer the best spectacle and also win the trophies that nurture the club’s legend; great and solid reputation arises from that legend; reputation provokes different emotions; those emotions serve as a catalyst for the building of huge communities of supporters; then communities and networks attract income from business partners (sponsors, broadcasting groups, professional associations, etc.) as well as from spectators. The chain closes when this income attains the required level to hire football stars... The origin of this model is the President Bernabéu’s policy developed in 1947; he had the vision that big money in those days could only come from ticketing (TV-rights, and other income sources were not as developed as they are today), so he enlarged the RM stadium to be able to obtain as much ticket sales per match as possible. Once he had gathered the money, then he could hire stars, like Alfredo Di Stéfano or Ferenc Puskás, who won the European trophies of the RM golden age. Problems with this argumentation could come if the club cannot attain financial sustainability (related, for instance, to excessive debt).

However, two important limitations need to be considered. First, this is an exploratory study based only on the analysis of one football club in one country. Thus, it would be interesting to extend it to other clubs in a range of different countries. Maybe cultural differences between countries have effects on supporters’ emotions, on the construction of social networks, and on the managerial construction of value proposal through their discourses. Second, we have applied a qualitative method to interview texts and presidential addresses which are limited to only fifteen months in the club’s life. It would be interesting to widen this time span with new observations on other discourses and contents produced by RM people. In doing so, it would be possible to observe
discontinuities, or lack of consistency between presidential, managerial and other people’s statements on the RM business model.

Further research is needed to elucidate what the key emotions in this scheme are, what interactions among them emerge, and also what is the most efficient way to develop them within dynamic social networks. Another interesting question deals with the value proposal designed by other big football clubs. And finally, is there an enough large market for all of them? Or, in other words, what are the limits for their value proposals?

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