

Premier League Football Business Continues to Alienate Fans

Will this current economic recession mark the end of football's gold rush? The argument goes like this: take the huge levels of debt currently being carried by the Premier League clubs, put it against the backdrop of the worldwide credit crunch and the result will see the bottom falling out of the soccer economy.

If this happens then maybe we can hope to get back to a situation whereby every team has a chance to win the league as was the case in the 1970's, the stranglehold of the big four is broken and players' salaries fall sharply to earth.

Such a scenario would bring excitement to true football fans all over the country; however such expectation is far fetched. In fact there is a strong possibility that the gap between the rich and poor of English soccer will continue to widen.

There is an understandable desire to see the Premier League being taken down off its perch as many fans feel alienated by the money that is now in the game. Best described recently by one business journalist 'the top players, along with investment bankers, have been the poster boys of the bull market, while the greed, the vanity and the smirking arrogance of the football business have defined the past decade'

Those in power controlling the game have taken our loyalty to our team and sold it on, a process aimed at turning us from fans into customers. The Premier League is now one of the most potent marketing channels in the world, down which is pushed all manner of products, from mobile phones and TV subscriptions to credit cards and Nike trainers.

Today the division between fans and players has never been greater with many Premier League players earning over 200 times the British national average wage.

Television money is the biggest cause of this division. Sky and Setanta paid £1.7 billion for three years of domestic Premier League live rights and a further £650 million coming from broadcasters outside the UK.

This year the deal for the Premier League rights are up for renewal and there is little to suggest that, despite the current economic environment, these rights will not at least match the current amounts. Indeed the interest of ESPN as a bidding party may mean that more revenue is generated for the Premier League.

This television money is huge for top clubs as it now represents at least half their total revenue. If the top clubs such as Manchester United, Liverpool and Chelsea feel that the money from television rights does not meet their expectations then an alternative strategy comes to the fore, one which would further the divide between them and the rest of the league, and more worryingly between them and their most loyal fans.

Currently, Premier League rights are sold collectively, with the money shared between all 20 clubs. In the next deal, which will run from 2010 to 2013, the bigger clubs may look to end this centralized arrangement for rights sold outside the UK. If the top clubs succeed then the money will be astronomical.

When Everton and Manchester City in January 2003 they both fielded Chinese players in a game that was watched live on Chinese television by an estimated audience of 350 million. This figure shows the potential market for a top Premier League clash to be beamed live via the clubs own channel or on broadband, directly to subscribers around the world, each paying a small nominal fee of \$1.

Such stand alone deals would more than likely mean that the big clubs would cream off the top of the market as is the case in Spain with Real Madrid and Barcelona exploiting their club brand to further distance themselves from other, less fashionable teams such as Racing Santander and Recreativo Huelva.

So, despite the worldwide economic recession, 2009 may be the year that Premier League football becomes an even bigger money making business leaving the fans (I mean customers!) to count our pennies!