Do football club owners create value?

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Abstract. Schumpeter suggests that the role of the entrepreneur is to create greater value. This paper focuses on football, and football club owners in questioning and contesting not just if club owners create value – but more specifically, value for whom? And at what cost?

The questions bring to the fore commodification and a profit maxim versus community asset and a utility maxim. We question the current pursuit of football clubs where owners have sidelined the indigenous fan base to satisfy their thirst for global market growth, at the expense of heritage and social value of the 'club'.

There have been various critical papers written on the subject of the changing nature of professional football, however, little has been written on this topic from a social value perspective.

Therefore, whilst focussing on football club owners, our research questions commodification of public utility in the pursuit of globalisation through the commercialisation of clubs and the capitalisation of supporters as club assets to the detriment of social and cultural value. Our theoretical framework utilises Parsons' systems theory, in particular, Groen *et al*'s (2008) four capitals adaptation to analyse *'sustainable value creation'* (a blend of strategic, economic, cultural and social). Groen *et al's* model is used to map ownership of each of the 44 clubs in the top 2 divisions of English football. Following this we draw attention to some examples in highlighting different forms of ownership.

Our findings suggest the main current of ownership is in transition and movement towards economic and strategic capitals, which we argue is unsustainable as it comes at the expense of other forms of capital. The mobility of 'charlatan entrepreneurs' in this industry is a major concern to us as academics and football supporters. Although the work of unscrupulous owners in football is nothing new, our approach is. We highlight the finite balance between the four capitals that as Groen et al claim, should balance in order to achieve (blended) sustainable value creation, where the changes in football club ownership are putting the sport in a precarious position.

1. Introduction

It has long been recognised that Professional Football has become more than a game, it is a business and 'big business' at that. The phenomenon of the business of football is clearly seen in the English game, hence the focus of this paper, England, yet the phenomenon is not exclusive to one place. Within England, the transformation can be traced back to various reference points in the professionalisation of the game. A crucial moment, from the perspective we take in this article, was the shift in legal form of football clubs, which can be dated to 1983 when Tottenham Hotspur Football Club became the first English football club to be floated on the Stock Exchange (Michie 1999). The establishment of clubs as PLCs, and other private share ownership models, allowed clubs to circumvent 'rule 34'. Rule 34 of the Football Association's Articles of Association prohibited owners of Football Clubs from profiteering from the club by imposing maximum dividend payouts and outlawing payments to club owners. Furthermore, the rule also stated that in the event of a club folding the assets would have to be transferred to other sporting institutions. This rule change created new investment opportunities for a new breed of club owners. In parallel to these changes in the legal structures of club ownership was the need for greater investment into the infrastructure of the game. Increased investments were made for example, in stadia, playing surfaces, players wages and transfer fees, backroom staff such as coaches, medical teams, commercial directors and media outlets. The continued growing exposure of the game in terms of media and broadcasting assisted in paying for many of these investments and ensured that football became an integral part of the entertainment industry. The greater exposure and increased investments created a climate whereby substantial sums of money could be made on behalf of shrewd investors.

This current 'state of the game' is therefore in stark contrast to football clubs in England pre-1983, where clubs could be characterised as a type of social enterprise (Morrow, 2013; Hamil, *et al* 2000; Kennedy, 2012). Indeed King (1997) points out that a football club was in many ways a public utility, like a library, suggesting ownership was a type of *'bourgeois philanthropy'* (1997:228). This paper is not so much a rose-tinted hark back to the *'good old days'*, indeed not all reports of the past were so glorified – such as the Sunday Times which called football *'a slum sport, for slum people in slum stadiums'* (DCMS 2011) – therefore we do accept, football was in decline due to a variety of social-political reasons (beyond the scope of this paper). However, whilst the abolition of Rule 34 did not lead to the universal adoption of the PLC model for professional football clubs it did provide new opportunities for 'new owners' to take advantage of emerging business opportunities and add value. We term some of these new owners, because of, (i) their limited previous connection with Association Football, (ii) their geographical distance from the club to their residence, (iii) their disconnection with the community of a club's supporters. Like owners of any organisation 'new owners' seek to add value. We problematise this notion of value, we question what value? Value for whom? And at what cost?

This paper therefore analyses value creation within Professional Football Clubs by 'new owners'. This is undertaken by the utilisation of Parsons' social systems theory (1964), in particular the adaptation by Groen's et al (2008), in their four capitals (strategic, economic, cultural and social) theoretical model which highlights the blending and interdependency between the four different aspects of sustainable value creation, leading to sustainable businesses. The theory has it that if these capitals are not equally respected, then organisational harmony, and indeed existence, is at risk. Firstly, we utilise this model to plot the 44 Clubs in the top two divisions in England, highlighting that the ownership of football clubs is not static. There is transition. An evolution is taking place from 'traditional' clubs towards the economic and strategic capitals, which in some instances creates instability and conflict amongst owners and supporters[1]. In our interpretation 'sustainable businesses' are not simply those that are economically viable, egoistic in nature, in our understanding, sustainable businesses work hard to balance the four

[1] Yet we acknowledge to some glory at any cost is the preferred opinion of some supporters.

capitals because they believe in the balance - communitarian thinking; 'social enterprise'! Secondly, we expand our analysis of clubs to explain our positioning on the model.

The paper then leads on to the discussion and conclusion that some of the main protagonists, charlatan entrepreneurs, within the business of football are prepared to risk the heritage of the 'social product', the football club, for global adoration. Our main theorem is that 'new owners' privilege one capital over another, leaving other capitals under-privileged to compensate. Rather than 'adding value' to the football club, 'new owners' are actually involved in destabilising the club. In the words of Baumol (1996) 'charlatan entrepreneurs' are engaged in "*unproductive entrepreneurial activity*". This further identifies the contested nature of value and emphasises the different morals that some owners possess. Keller (2007) summarises that modern business theory – through a neoclassical economic paradigm, has established a moral code of business based on self-interest, efficiency and outcome, legitimising profit maximising behaviour. Keller goes on to suggest that this paradigm has *'left society with a negative ethical base –* ***'greed'.*** (Keller 2007 p.4, emphasis added). We argue that football has mainly embraced this new '[im]moral code' which has resulted in a new hegemony which has encouraged behaviour such as the stripping away of 'community value' to be replaced by commodification and commercialisation at any expense.

2. Football and the new breed of owner-entrepreneurs; morals and ethics

Millward (2013) sees profit maximisation in English football happening in four different ways; (i) through deregulation of TV revenue streams (ii) through using football as a vehicle to promote other business interests[2] (iii) to float the club on overseas stock markets and (iv) to promote the club into the EPL (for global adoration). As the revenue streams in EPL clubs has risen, so has the appeal to owners to invest and capitalise on the opportunities to exploit the market hegemony. Individuals like Roman Abramovich at Chelsea FC and Sheikh Mansour bin Zayed Al Nahyan at Manchester City FC, have invested millions into acquiring and commercialising these clubs. As Morrow (2013) outlines, EPL clubs have highly concentrated ownership structures, where one or a few individuals own a large percentage of the shares of the club. Furthermore, clubs like Leicester City, Sunderland, Aston Villa, Blackburn Rovers, Hull City and Cardiff City have attracted recent investor interest, with what Millward (2013:399) describes as a new type of owner. These 'new directors' as he refers to them, have emerged to make money out of football. Turner (2014) also refers to the 'new breed of entrepreneurship' in the multinationalisation and expansion of the business of football. King (1997), points to the growing involvement of progressive entrepreneurial capitalists in the game, suggesting that new owners have fundamentally changed the legitimisation of post-modern football, creating a free market discourse and separation of alignment between club and owner.

The collapse in 2010 of Portsmouth Football Club, with debts of over £60 million, the first EPL club to enter administration, exposed issues within modern day English football that commentators and supporters have long been aware of (King 1997). Morrow (2013:297), drawing on Hamil, *et al* (2000) suggests *"football has always been and continues to be a social business; economic in basis, but social in nature"*. Indeed Kennedy (2012) adds that football has for hundreds of thousands of fans been a vital part of the fabric of society. However, he further adds that *'The not-for-profit, 'one game' principle held sway for a century prior to its dismantling and the opening up of football to market forces as another 'branch of the entertainment industry'* (2012, p.411) removing sentiment from an object of social purpose to one of commodification. Indeed King (1997)

[2] King (1997) uses the example of former Newcastle United owner Hall, as a new owner entrepreneur that has significantly invested in the club and local infrastructure (shopping mall) as a local figurehead, with his own business interests beyond football that may potentially grow with the uplift to the city. The second example King uses is Gibson at Middlesborough, which has built an association with ICI, as shirt sponsors - but also client to his own haulage firm. Both described as an integrated strategy.

points out that a football club was in many ways a public utility, like a library, suggesting ownership was a type of *'bourgeois philanthropy'* (1997:228). King (1997:228) further adds;

> *" When David Dein, one of the earliest of the new directors/figures to become involved in football, acceded to the board of directors at Arsenal in 1983, Hill-Wood commented, "Some rich men like to buy fast cars, yachts, and racehorses, but Dein is more interested in Arsenal. I'm delighted he is but I think he's crazy. To all intents and purposes, it's dead money" (The Sunday Times, August 8,1991).* This quotation highlights the distinction between traditional English football chairmen and the new directors with some precision.

However, King's call was a little premature, Dein was either crazy or very astute. He bought 16.6% of Arsenal for £292,000 in 1983 and sold (14.58%) for £75 million in 2007[3]. Kennedy and Kennedy (2010:182) makes an insightful comment;

> *"Research to date has highlighted that, traditionally, supporters share strong bonds, a common identity and a sense of 'moral ownership' of their football clubs; but that, increasingly, football supporters are also 'market realists' when it comes to recognising the financial exigencies of the clubs they support. Fans appear to be increasingly commercially savvy, with entrepreneurial sentiments towards the corporate affairs of their club developing in tension with longstanding traditional sentiments of 'moral ownership'."*

It is this moral ownership that we link to 'value creation'. Hassan and Hamil (2010) refer to the concept of 'fan equity'. Kennedy (2012) makes the point clear; profit seekers have entered into the ownership of clubs for financial reasons, rather than the historical nature of football where clubs were constituted as businesses in order to raise capital to invest in the club for competitive reasons alone. A blending of capitalist and competitive interests with an influx of capital distorts at times a clear sense of duality in modern day football, with the rise of Manchester City Football Club (MCFC) from a lower end EPL club to one of the largest clubs in Europe in terms of turnover and success at the domestic level as an example. However, like Portsmouth, Leeds United, Coventry City and Birmingham City, there are many more heartbreaking cases (for supporters at least – as owners of some clubs may leave with dividends – destructive entrepreneurship in Baumol's words) than any other (without entering into a debate as to whether MCFC is indeed a heart-warming case). Margalit (2008:219) suggests; *'Modern football has become a battlefield between market and community, and where community is not able to prevail'*. Where the imbalance between strategic and economic has become legitimised above cultural and social. This is elaborated on by Kennedy and Kennedy (2010:185) who following a similar trajectory, highlighting Polanyi (1957), and the theorisation of *double movement*;

> *"Polanyi understood the limits to economic rationality underpinning the commodity structure of the economy, ... He was the first to use the concept of 'fictitious commodity' ... The concept refers to a struggle between economy and society in capitalism, and specifically to the stripping away of a community asset, or community need, from its wide social relations and its reinsertion within a market-mediated activity where business motives dominate, corrupt and distort the community asset (Polanyi, 1957).*
>
> *Polanyi argues that historical transformations in market capitalism take the form of a double movement, in which market relations become dis-embedded from society."*

Kennedy and Kennedy (2010) highlight in the present tense this double movement in the example of the instigation of the UK Government's Football Taskforce, set up in 1999, and the subsequent Supporters

[3] http://www.independent.co.uk/sport/football/premier-league/dein-will-lead-russian-bid-for-arsenal-after-selling-stake-463639.html

Direct emergence (2000) as the struggles of supporters in reconciling the dualism between the community asset and the commercialisation of football clubs. As Keller (2007) conceives, egoistic behaviour is legitimised through the ideology of the market. Morrow (2013:297) argues, football as an economic activity has been normalised, legitimised as Keller (2007) would claim. The state of English football led to a UK government cross-party enquiry in 2010, which amongst other areas explored levels of debt and ownership patterns that brought to the fore the precarious nature of the business of football, despite any mention to the term *'social value'*, nor reference to *'value'* at all outside of *'economic value'*! Of interest in the investigation by The Commons Select Committee was the question of whether football clubs required to be treated differently to other commercial organisations[4]. Challenging the ideology of the market; the virtues of the private sector, is common in ethical theory. Research highlights machiavellianism and egoism best explained in Friedman's neoclassical ideas of the economy –- profits are the only concern of a business (1970, reprinted in Donaldson T and Werhane 1983:254):

> "*There is one and only one social responsibility of business – to use its resources and engage in activities designed to increase its profits so long as it stays within the rules of the game, which is to say, engages in open and free competition without deception and fraud.*"

Keller (2007) suggests that regarding business as an amoral economic activity has left society with a negative ethical base, ignoring consideration of the social value and costs of private enterprise. Indeed the push towards a market-driven agenda is not without its problems. Maitland (1997:18) raises a major concern when he points out that:

- *The market erodes all social ties other than purely economic ones and/or converts social relationships into instrumental ones ("commodifies" them).*
- *It favours materialistic or hedonistic values*
- *It substitutes competition for voluntary cooperation*
- *It promotes a preoccupation with narrow individual advantage at the expense of responsibility to the community or social obligations.*

Hassan and Hamil (2010) and Morrow (2013) are quick to point out that historically football clubs were characterised not in terms of profit maximisation, but in terms of utility maximisation, hence maximising playing performance. However Morrow does also suggest that in recent times, with commercial interests in football clubs, pluralistic logic of conventional commercial profit maximisation has come to the fore. Interestingly, the EPL is heralded as a successful model in many respects, as the 20 clubs who compete in it each year all share an equal stake in the generation of capital that comes through the revenue the league creates. However, the capital involved in the EPL far outweighs anyone's imagination having risen from £170 million to £4 billion since its inception in 1992[5]. Yet, many unsustainable clubs are run in economically irrational ways to this logic, ending up with huge debts. In some instances the owners don't understand the complexities of football as a commodity (there is talk that the Venky's, 'new owners' of Blackburn Rovers did not know a team could be relegated out of the EPL[6]), some fall on hard times, or simply lose interest in the club. Nordberg (2012) in his critique of the ownership of Liverpool Football Club under the ownership of Gillett and Hicks, discusses an interesting point in questioning, what

[4] http://www.parliament.uk/business/committees/committees-a-z/commons-select/culture-media-and-sport-committee/news/committee-launches-a-new-inquiry-on-football-governance/
[5] http://www2.deloitte.com/content/dam/Deloitte/uk/Documents/sports-business-group/deloitte-uk-annual-review-of-football-finance-2016.pdf
[6] http://www.bbc.co.uk/blogs/philmcnulty/2012/05/blackburn_face_uncertain_futur.html

happens when the shareholder interests are out of line with the business interests? (The Liverpool story being the pair fell out and neither would invest in the club or sell[7]).

Of the many stakeholders within Professional Football Clubs, however, we would argue that it is the supporters who are key; they create value, that is they are producers and they are the consumers of the products and services that are created. In the words of Michie, 'they are at both sides of the value chain, the producers and consumers' (1999, p.18). Furthermore it is the supporters who identify with the club as a part of their heritage, their community, it is the supporters who typically utilise the symbols of the club whether in chants or articles of clothing which highlight their identification with the club. Additionally, the supporter as consumer is different from the consumer of other products and services, the 'typical' supporter will stick with 'the brand' through thick and thin. In the language of economics the demand curve for the supporters of 'their' club's outputs is inelastic. Whilst it is true that successful clubs will attract more support not all supporters exit on mass when 'the brand' fails. This interconnectedness highlights this further peculiarity of football clubs. At the very least it can be argued that 'the soul' of clubs, the moral ownership, is contested.

Against the backdrop of new owners acquiring English football clubs and the implications discussed so far, there is some sense of an alternative hegemony. As Spratt (2008) outlines, in stating a case for organisational models that create social value;

> *'Well over 100 clubs have supporters' trusts and these trusts represent in excess of 120,000 members. Over 100 trusts hold stakes in their clubs, and 14 clubs are owned outright or controlled by trusts in the UK. 45 of these have directors on the board of the club, and almost half of these directors are elected by the trust membership.* (2008:8)

However, despite the grassroots impacts supporters' trusts have, doing specific tasks in terms of engaging in communities, they have no power in the functioning of the business of football. In looking elsewhere, social enterprises in the form of co-operatives/mutuals could provide an alternative model of football ownership. The German Bundesliga's 50+1 ownership model is often heralded as the savour of the English game. 50+1, refers to the ownership of the club, where supporters are privileged over private investors. Deitl and Franck (2007) state German football clubs are registered as associations (Eingetragener Verein), the representatives are elected by the members of the association to represent member interests. Power is with fans (50+) and not capitalists/investors, who have the minority voice. The power relations are turned in many ways and the supporters interests for low ticket prices and sale/purchase of players is in their hands. Muller, (quoted in DCMS 2011:64, emphasis added), sums up the advantage, *'this rule ensures that clubs remain grounded in their community* [**'insiders'**] *and prevents **"outsiders"** from having undue influence'.*

The introduction of 'outsiders' has not gone uncontested, going back to the case of Portsmouth Football Club and the groundswell of public outcry at the leveraged buy outs of Manchester United Football Club and Liverpool Football Club the then, Coalition Government (Conservative and Liberal Alliance) granted an inquiry into football governance in 2010. The Coalition were persuaded by the argument that the state of the game was undermining football's ability to deliver wider community benefits – they were concerned for the greater good of a nation that is besotted with football, the national game was under threat! The Commons Select Committee report, *'Football Governance'* amongst other areas of research investigated into ownership. In the report supporter, co-operative, ownership was presented as a radical, and unrealistic option, due to culture, tradition and that the English model was working! (DCMS 2011). We question the report.

[7] http://www.telegraph.co.uk/sport/football/teams/liverpool/10271095/Rick-Parry-regrets-George-Gillett-and-Tom-Hicks-Liverpool-ownership.html

It is the notion of 'business' that draws attention and critique. Is a football club aligned to a stakeholder and utilitarian maxim (of creating value for the most number of people) or shareholder and egoist maxim (of creating value for shareholders and self interest)? Freeman (1984) suggests boards have a duty beyond the shareholders. Linked to the free market economy of the zeitgeist, the virtues of stakeholder and utilitarianism has little to no power in the rise of the era of the egoistic new owners of football clubs. Furthermore, there is the issue that what fans and owners see as what is in the club's best interests is contested. In short - shareholder interests lie in profit maximisation, stakeholder interests lie in utility maximisation. Thus, unfortunately, in the majority of football clubs the interests of owners and supporters are not aligned and that they perceive value in different ways. The problem is both ethical and legal, where potential solutions lie in the stakeholder representation of power on club boards. Margalit (2008) goes as far as to suggest fans are a constitutive attribute of the club, arguing, the concept of 'property as belonging', and why the interests of the community of fans merit protection through the recognition of the fans' property interest in a club - essentially conceptualising fans as social and moral owners. To analyse the various tensions which arise within football clubs through the differing motivations of the key stakeholders and to further classify the differing motivations of owners of football clubs we utilise a model developed by Groen et al (2008), to which we now turn.

3. Conceptual framework

Groen, et al, (2008) utilise the work of Parsons' in terms of social systems theory on the grounds that Parsons' approach provides an analytical framework which embraces the role of individual actors who are motivated by

… *"a tendency to the 'optimization of gratification' and whose relation to their situations including each other is defined and mediated in terms of* ***culturally structured and shared symbols****."* (Parsons 1964 5-6 cited in Groen et al 2008 emphasis added)

Groen, et al, argue that the approach recognises a plurality of actors which can be groups individuals and organisations. Importantly for our perspective is the observation made by them that this approach by Parsons includes people and artefacts. Furthermore, Parsons social systems approach is *"defined and mediated in terms of culturally structured and shared symbols"* (Groen et al 2008:61). Groen et al argue that this creates a theoretical framework (Figure 1) which is well suited for the development of the theory of the firm.

In unpacking the recognition of value and capital, Groen (2005) and Groen *et al* (2008) outline that sustainable businesses requires an understanding of, and balance of alignment of, four key aspects that pertain to value creation - they are strategic, economic, cultural and social capital. (1). Strategic capital - This aspect relates to authority and the ability to influence others and galvanise support for a particular vision. Put simply strategic capital is power. (2). Cultural capital - This aspect relates to values, norms, beliefs, assumptions, symbols, rule sets and artefacts that can be utilized in the process. (3). Economic capital - This aspect relates to access to finance and capital that can be harnessed to recognise, prepare and exploit opportunities. (4). Social capital - This aspects relates to networks, ties, bonds, and relationships that can be galvanised to support the process.

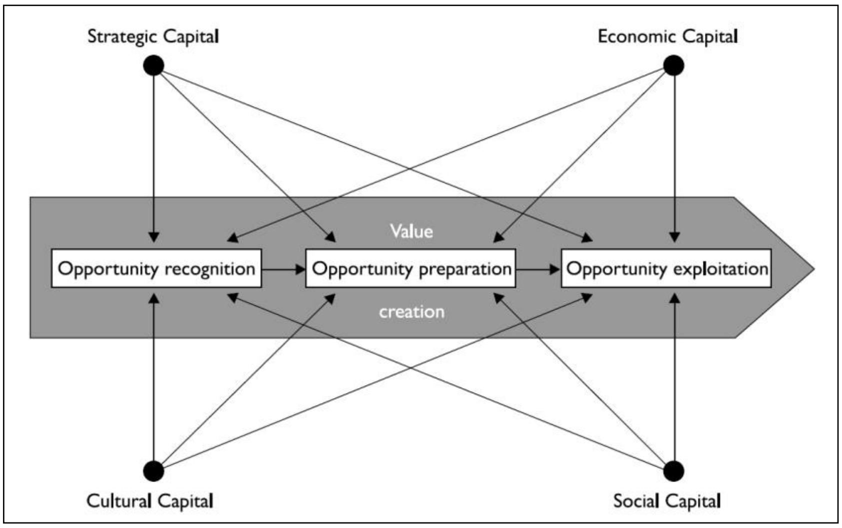

Figure 1: Opportunity Process: The Four Capitals of sustainable value creation (Groen *et al* 2008:63)

At the outset us utilising Groen et al's (2008) study, where they create a theoretical model of four capitals to analyse the importance of managing tensions in the development process of technology based firms, might appear obtuse for the purposes of analysing value creation within a football club. However, accepting that football clubs have now become businesses and 'new owners' could be considered as acting in entrepreneurial ways, we would argue that the model is appropriate because it provides a lens for analysing and understanding of the main thesis of this paper namely the creation of value within a football club. New owners, thus, engage in 'opportunity recognition', 'opportunity preparation' and 'opportunity exploitation' through a connection with 'social', 'cultural', 'economic' and 'strategic' capital in realising their goal.

It has already been noted that tensions can arise between the four capitals and the resulting interplay between the key stakeholders that the activities of the 'new owners' can result in unproductive activities, as Baumol (1996) argued not all activities undertaken by entrepreneurs is productive

…. *"there are a variety of roles among which the entrepreneur's efforts can be reallocated and some of those roles do not follow the constructive and innovative script that is conventionally attributed to that person."* (Baumol 1996 p.1).

Whilst Baumol is specifically looking at the macro-economy and offering hypothesis to gain an understanding from an historical perspective as to why certain societies 'faltered' in terms of their economic prowess, the central thesis can be applied to specific sectors within a society. Perhaps this should not surprise us given that:

"If entrepreneurs are defined simply to be persons who are ingenious and creative in finding ways that add to their own wealth, power and prestige, then it is to be expected that not all of them will be overly concerned with whether an activity that achieves these goals adds much or little to the social product or, for that matter, even whether it is an actual impediment to production (this notion goes back at least to Veblen (1904)" (Baumol 1996 p.6).

We further agree with Baumol that this is not inevitable and that by changes in rules and social and cultural norms the entrepreneurial contribution can be positive in the sense of adding value. The four capitals approach is of particular relevance because whilst identifying the differing capitals which contribute to value creation it highlights the potential for conflict within an organisation if the four capitals are not universally accepted by all the stakeholders. Within football clubs it has been identified that there are many contested areas for example over custom and tradition, which has led to conflict between different stakeholders posing the question; value for whom?

4. Methodology

The methodology undertaken in the research was three-fold. Firstly, we undertook internet searches for the history of share capital structures in each of the 44 clubs in the top two divisions of English football to gain an understanding of the ownership configuration of each club and mapped this onto the Groen et al model. Secondly, we undertook secondary data analysis on the geographical origins of all the clubs current and past owners, their backgrounds - in particular their prior involvement in English football (insiders/outsiders). Thirdly, we undertook narrative analysis of the social and cultural contexts and opinions of supporters. In doing so, we resonate with Raymond Williams (1973, 1977) work on *'structure of feeling'*, whereby gaining a sense of a feel for a situation, looking at cultural context and taking a bird's eye view of a social landscape. Meaning we gauged a feel for the disposition of a club, we sought to develop an understanding of the local context. As football supporter sympathiser's we felt we could resonate with fans of clubs and gain insight into the feel for a club, a feel for life. We felt the current *'happiness'* of the supporter important as it included not only the feelings of performance (that could have been garnered from league positions), but also the relationship to the owner/s, their cultural identity and their social bonds to the club. In doing so, we searched all 44 Football Club in the top two divisions. We searched their Club websites, government reports, think tank inquiries, newspaper articles, journal articles, radio shows, phone-ins, podcasts and supporter websites, blogs and posts over a two year period between 2013 and 2015, since this time three seasons have passed (13/14, 14/15, 15/16). Our data from supporter blogs and websites were correlated with comments to news articles and radio phone-in's to gather as broad opinions of supporters we could before generalising opinion. We are however, aware that the opinions we gathered might not represent all supporters, as fans themselves hold different opinions. Representations of place can never really claim to represent everyone's view, yet they can provide us with a feel of life. It has been argued that football has not only attracted a 'new breed of owner' but also a 'new breed of fans', who are not so embedded with the socio-cultural heritage of the club as the more traditional supporters. We tried to consider this in the data we collected and hence why we sought to build our feel for a club over a three year period. In representing structure of feeling we gave happiness a rudimentary colour code of (i) green for 'happy', (ii) amber for 'in the balance' and (iii) red for 'concerns, detachment and anger'. Following an overview of the two leagues we pinpoint examples to highlight different forms of ownership that occur. In doing so we draw out our reasoning for their positioning and colour plotted in the model.

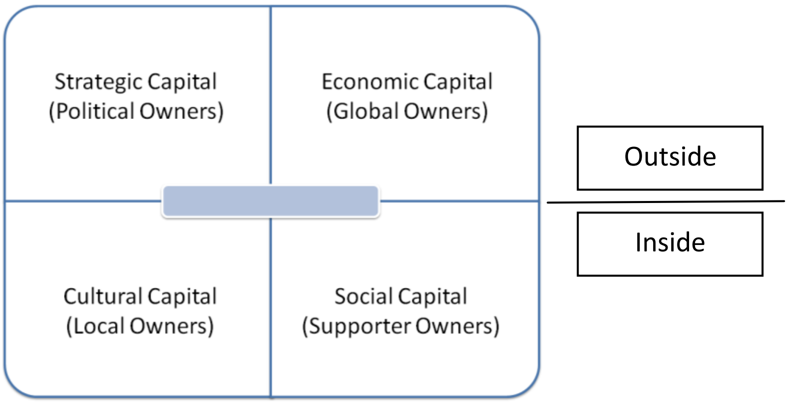

Figure 2: Football Owner Types: The Four Capitals Value Creation (adapted from Groen *et al* 2008:63)

Figure 2 outlines our interpretation of Groen et al's (2008) model. As can be seen we expand on the 4 capitals with additional features. We differentiate 'new owners' from 'traditional owners' with the label 'outside' (Muller 2011) because of, (i) their limited previous connection with Association Football, (ii) their geographical distance from the club to their residence, (iii) their disconnection with the community of a club's supporters. We add to strategic capital the label 'political owners' who purchase football clubs in order to strategically develop their global profile. We add to economic capital 'global owners', who purchase football clubs for financial and globalisation reasons. We add to cultural capital 'local owners', meaning traditional. We also refer to these as 'inside' as they are connected geographically or by supporting the club (Muller 2011). We add to social capital 'supporter owners', where communitarianism is currency. By turning the four fields 90 degrees anti-clockwise we can visually demonstrate the imbalances when either the 'outsiders' outweigh the 'insiders', or visa versa. We now turn to the findings to show the transition towards outsiders over insiders, which highlights the trend that is imbalancing the equilibrium of sustainable value creation.

5. Findings – Exploring the notion of value

In this section we analyse the 44 clubs in the top two divisions of English football to establish ownership, transition and supporter opinion. We begin by listing all 44 clubs, their ownership equilibrium/disequilibrium (cultural, social, strategic or economic capital) (Table 1 and Table 2). This is followed by Figure 3, which plots the EPL clubs onto the Groen et al model, Figure 4, which plots the Championship clubs onto the Groen et al model and Table 3, which compares the ownership types across the two leagues. Table 4 and Table 5 then provide a breakdown of the ownership of the 14 clubs which are discussed in more detail.

No	EPL Club	Equilibrium/Disequilibrium
1	Arsenal FC (AFC)	GLOBAL + INDIVIDUAL OWNERS
2	Bournemouth AFC (BAFC)	GLOBAL OWNERS
3	Burnley FC (BFC)	LOCAL + INDIVIDUAL OWNERS
4	Chelsea FC (CFC)	POLITICAL OWNER
5	Crystal Palace FC (CPFC)	GLOBAL + INDIVIDUAL OWNERS
6	Everton FC (EFC)	GLOBAL + INDIVIDUAL OWNERS
7	Hull City (HCFC)	GLOBAL/LOCAL OWNER
8	Leicester City FC (LCFC)	GLOBAL OWNER
9	Liverpool FC (LFC)	GLOBAL OWNERS
10	Manchester City FC (MCFC)	POLITICAL OWNERS
11	Manchester United (MUFC)	GLOBAL OWNERS
12	Middlesbrough FC (MFC)	LOCAL OWNERS
13	Southampton FC (SFC)	GLOBAL OWNERS
14	Stoke City FC (SCFC)	LOCAL OWNERS
15	Sunderland AFC (SAFC)	GLOBAL OWNER
16	Swansea City AFC (SCAFC)	GLOBAL + INDIVIDUAL + SUPPORTER OWNERS
17	Tottenham Hotspur FC (THFC)	LOCAL OWNERS
18	Watford FC (WFC)	GLOBAL OWNER
19	West Bromwich Albion FC (WBAFC)	POLITICAL + INDIVIDUAL OWNERS
20	West Ham United FC (WHUFC)	LOCAL + INDIVIDUAL OWNERS

Table 1: EPL Clubs and ownership

No	Championship Club	Equilibrium/Disequilibrium
1	Aston Villa FC (AVFC)	POLITICAL OWNER
2	Barnsley FC (BFC)	LOCAL OWNER
3	Birmingham City FC (BirmCFC)	GLOBAL + INDIVIDUAL OWNERS
4	Blackburn Rovers FC (BRFC)	GLOBAL OWNERS
5	Brentford FC (BrentFC)	LOCAL + INDIVIDUAL + SUPPORTER OWNERS

6	Brighton & Hove Albion FC (BHAFC)	LOCAL + INDIVIDUAL OWNERS
7	Bristol City FC (BristCFC)	LOCAL + INDIVIDUAL OWNERS
8	Burton Albion FC (BAFC)	LOCAL OWNER
9	Cardiff City FC (CCFC)	GLOBAL + INDIVIDUAL OWNERS
10	Derby County FC (DCFC)	LOCAL OWNER
11	Fulham FC (FFC)	GLOBAL OWNER
12	Huddersfield Town FC (HTFC)	LOCAL OWNER
13	Ipswich Town FC (ITFC)	LOCAL OWNER + INDIVIDUAL OWNERS
14	Leeds United FC (LUFC)	GLOBAL OWNERS
15	Newcastle United FC (NUFC)	GLOBAL/LOCAL OWNER
16	Norwich City FC (NCFC)	LOCAL + INDIVIDUAL OWNERS
17	Nottingham Forest FC (NFFC)	GLOBAL OWNER
18	Preston North End FC (PNEFC)	LOCAL OWNER
19	Queens Park Rangers FC (QPRFC)	GLOBAL OWNERS
20	Reading FC (RFC)	GLOBAL OWNERS
21	Rotherham United FC (RUFC)	LOCAL OWNERS
22	Sheffield Wednesday FC (SWFC)	GLOBAL OWNER
23	Wigan Athletic FC (WAFC)	LOCAL OWNER
24	Wolverhampton Wanderers FC (WWFC)	POLITICAL OWNERS

Table 2: Championship Clubs and ownership

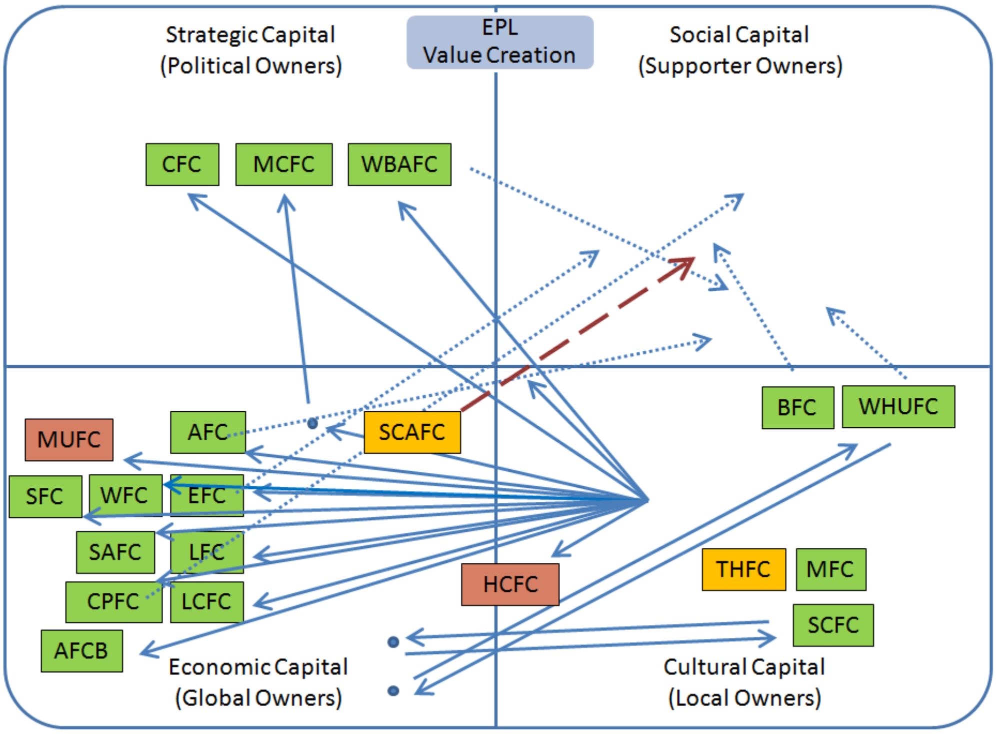

Figure 3: Mapping EPL Football Owner Transitions

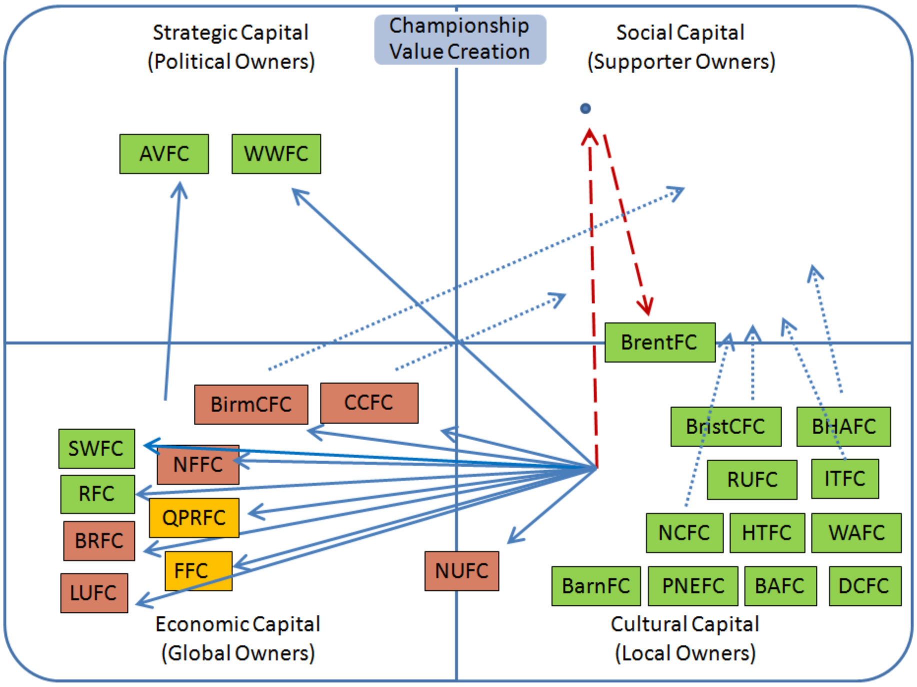

Figure 4: Mapping Championship Football Owner Transitions

	EPL	Championship	Total
Political (outside)	**3** (15%)	**2** (8%)	**5** (11%)
Global (outside)	**11** (55%)	**9** (38%)	**20** (46%)
Outsiders	**14 (70%)**	**11 (46%)**	**25 (57%)**
Supporter (inside)	**0** (0%)	**0** (0%)	**0** (0%)
Local (inside)	**6** (30%)	**13** (54%)	**19** (43%)
Insiders	**6 (30%)**	**13 (54%)**	**19 (43%)**
	20 (100%)	**24** (100%)	**44** (100%)

Table 3. Mapping Football Owner Transitions

	EPL	Names	Stake	Origins
1	Association Football Club Bournemouth (AFCB)	Maxim Demin[8]	75%	Russia
		Matt Hulsizer[9]	25%	USA
2	Manchester United Football Club (MUFC)	Glazier Family	100%[10]	USA
3	Manchester City Football Club (MCFC)	Sheikh Mansour Bin Zayed Al Nahyan	85%[11]	United Arab Emirates
		Ruigang Li[12]	15%	China
4	Hull City Football Club (HCFC)	Allam Family[13]	100%	Egypt (based in Hull)

[8] http://www.afcb.co.uk/global/company-details.aspx
[9] http://www.bbc.co.uk/sport/0/football/34765666
[10] http://www.manutd.com/en/Club/FAQs/Club-Ownership/Question-1.aspx
[11] http://www.bbc.co.uk/news/business-34972478
[12] http://www.bbc.co.uk/news/business-34972478
[13] http://www.hullcitytigers.com/club/whos_who/

5	Stoke City Football Club (SCFC)	The Coates Family[14]	100%	UK
6	Swansea City Association Football Club (SCAFC)	Stephen Kaplan & Jason Levien	68%	USA
		Swansea City Supporters Society Ltd	21.1%	
		Individual Shareholders	10.9%	
7	Tottenham Hotspur Football Club (THFC)	Joe Lewis	70.6%[15]	UK
		Daniel Levy	29.4%	UK
8	West Bromwich Albion Football Club (WBAFC)	Guochuan Lai	87.8%	China
		Individual shareholders	12.2%	

Table 4. EPL ownership examples in detail

	Championship	Names	Stake	Origins
9	Aston Villa Football Club (AVFC)	Tony Jiantong Xia	100%	China
10	Birmingham City Football Club (BirmCFC)	Carson Yeung Ka Sing	27.9%[16]	Hong Kong
		Wang Lei	15.5%	Hong Kong
		Individual shareholders	56.6%	
11	Blackburn Rovers Football Club (BRFC)	Banda Venkatesh and Banda Balaji Rao	99.9%[17] [18]	India
12	Brentford Football Club (BrentFC)	Matthew Benham	96.23%	UK
		Brentford Football Community Society Limited	1%[19]	
		Individual shareholders	2.77%	
13	Cardiff City Football Club (CCFC)	Tan Sri Dato' Seri Vincent Tan Chee Yioun	87.5%[20]	Malaysia
		Individual shareholders	12.5%	
14	Leeds United Football Club (LUFC)	Massimo Cellino	83.55%	Italy
		Jinesh Patel[21]	16.45%	Bahraini

Table 5. Championship ownership examples in detail

5.1 League by league analysis

Having presented the data there are a number of observations to make between the EPL and the Championship. Figure 3 and 4 trace the transitions of all EPL clubs and Championship clubs in the English football league, differentiating the transition of movement by the arrows. All clubs were established on traditional grounds of local ownership (highlighted by the starting point of the arrow). As we see here the picture in 2016 is by and large a transition to global and strategic owners/'outsiders'

[14] http://www.stokecityfc.com/club/whoswho/
[15] http://www.tottenhamhotspur.com/the-club/investor-relations/shareholder-faqs/
[16] http://www.bcfc.com/documents/birmingham-city-plc-shareholder-breakdown-fl-rules-01072015101-2520445.pdf
[17] http://www.rovers.co.uk/club/contactus/
[18] https://companycheck.co.uk/company/00053482/THE-BLACKBURN-ROVERS-FOOTBALL-AND-ATHLETIC-LIMITED/group-structure
[19] http://www.brentfordfc.co.uk/documents/bfc-statutory-final-accounts-may-2013277-1336709.pdf
[20] http://www.cardiffcityfc.co.uk/club/club_ownership/
[21] Jinesh Patel is CEO of GFH Financial Group who own the 15.79% stake: http://www.yorkshireeveningpost.co.uk/sport/leeds-united/latest-lufc-news/leeds-united-fans-group-target-bid-for-gfh-shares-1-7075663

(supported by the data in Tables 1, 2 and 3). As a collective whole the EPL is imbalanced towards outsiders, (as seen in Table 3 – 70/30% ratio), whilst the Championship is more balanced as a whole with 46/54% ratio in balance towards insiders (as seen in Table 3). The transition in the EPL as a whole indicates the impact of greater financial awards that are available to the EPL and the global investors that it attracts. Furthermore if clubs want to compete at the top of the football pyramid they are having to invest heavily in players and wages and salaries, revenue generation becomes a necessity and has been at times at the expense of other capitals such as social and cultural. This is evident in, for example, when clubs move grounds to new purpose built stadiums which can increase the capacity and gate receipts from spectators, yet destroys supporter atmosphere (when the stadiums are not full) and cultural ties to a club's historical roots. However, value creation is measured by a narrow definition of value – a monetary determent is evident in observed in the narrative of transition.
Whilst there is less evidence of the transition to economic capital there is a growing trend towards this motivation, with recent acquisitions of SWFC, RFC and FFC. As can be seen there is less transition to global ownership in the Championship (38%), yet there are more angst and concern from supporters in this specific type of ownership (highlighted in red and amber in Figure 4). As a league, this is an alarming concern. In the examples we draw on later in this section of the paper it would appear that there are instances where dialogue between owners and supporters is non-existent (NFFC). Communication and clarity over club affairs is called for from supporters (CCFC) and an ultimate mission statement of club direction and decision making is not disseminated to supporters (LUFC). In short the owners are separating club affairs from stakeholder affairs.

As can be seen in Figure 3 and Table 1, in terms of the EPL in comparison to the Championship, local owners in the EPL (30%) are represented less than in comparison to the Championship (54%). This indicates the globalisation of the EPL as a step change that can be seen to be more local as you look down the leagues (observations made outside of this study). Conversely, the EPL has a higher number of political owners (15% in comparison to the Championship (8%). Global owners account for 55% of the EPL, and 38% of the Championship. The DCMS (2011) report on football governance, suggested that the traditional local club owner were more commonplace than other owner types (foreign, leverage debt). However, as we show this is no longer the case. 57% of EPL clubs are owned by 'outsiders', than 'insiders'.

Supporter ownership is at 0% in both the EPL and the Championship. The dotted line against some Clubs represents a minority individual investor share (between 1% at NCFC, 2.94% in AFC, to 46% at CPFC and 56.6% at BirmCFC). Whilst the bolder dotted line against SCAFC highlights their 21.1% minority collective Supporter Trust capital share of the club and in the case of BrentFC, they had full supporter ownership between 2006 and 2012, but reverted back to the control of one local individual. Outside of this study and the top two divisions, there are greater numbers of support owned clubs, such as Portsmouth FC, where in the main this has been to save a club from administration, rather than the emergence of new models of ownership.

5.2 Club by club analysis

Figure 3 highlights the movement of WHUFC and SCFC from transition to global ownership and back again to local ownership, which has happened in the last decade in both clubs. Figure 3 also shows that MCFC moved from local owners to global owners and then to political ownership, also in the last decade. Figure 3 also highlights that the vast majority of supporters are happy (green) with the ownership of their clubs. To provide some examples, we turn first of all to a locally owned football club, Stoke City FC.
SCFC are owned by the Coates family, father Peter and daughter Denise. Peter was born in Stoke and is a life-long supporter. Although a previous owner of the Club, Peter re-bought the Club in 2006 and

oversaw their rise from the 3rd tier of the football pyramid to the EPL[22]. Substantial investment is annually loaned to the Club from the owners. The motivation would appear to be based on local loyalty to the area and the support of their local football team. In return the Club bears stadium and shirt sponsorship with Coates family business, Bet365, which is a gambling company based in Stoke. The supporters appear respectful and happy with the owners (coded green in Figure 3).

In terms of global ownership AFCB are interesting, as when Demin and Hulsizer took control of Bournemouth in 2011 they were in the third tier of the English football pyramid. Their investments secured two promotions in three seasons, with the Club 2015/16 in the EPL for the first time in their history. The Russian and American owners motivation would appear to be the financial rewards of competing in the EPL, which they have been successful at achieving. The supporters appear respectful and happy with the owners (coded green in Figure 3).

A third example of ownership is Manchester City. After a negative experience with previous (Global) owner Thai Prime Minister Thaksin Shinawarta, where his assets were frozen amid corruption[23], the sale of the Club to the current (political) owners was followed by several high value transfers of players such as Robinho (£32.5m – British record fee at the time, Jo for £18m and others to a total amount of £87m). By 2012 MCFC had spent £930m in the period[24] and had won the EPL twice between 2011/12 and 2013/14. It has always been claimed that whilst Sheikh Mansour is a member of the ruling clique which rules Abdu Dhabi that the decision to purchase MCFC was his alone. Whilst Manssour has invested heavily in MCFC including the infrastructure of the club it would appear that the motivation as much for strategic capital as finance capital. With the Gulf states increasingly looking at life beyond oil and gas the purchase of City appears to be a part of a long term strategic investment by the Gulf State into Western cultural and sporting activities[25]. Interestingly, City recently removed the words 'football club' from their club badge. However, the supporters appear respectful and happy with the owners (coded green in Figure 3).

A fourth type of owner has recently emerged in English football. The recent sale of WBAFC to Chinese investor Lai ended several years of speculation of the sale of the Club from previous owner and lifelong supporter, Jeremy Peace. Under the Chinese Government's strategic agenda to make their nation a powerful player in world football, as outlined in their Football Reform and Development plan, the investment is based on Lai's links with town planning and ideas for replicating the academy system at WBA[26]. Phillips (2016) claims Chinese investment in European football (including Spain, Italy and France) over the previous 6 months has surpassed (£460m), yet this excluded the reported £200m Lai paid for almost 88% of WBAFC. The supporters appear respectful and happy with the new owners, yet it is less than a month into the transition, so it is very early in the tenure (coded green in Figure 3).

In terms of supporter criticism (coded amber in Figure 3), SCAFC and THFC supporters are questioning their owners. THFC are in the process of moving to a new stadium to increase their crowd capacity. Part of the move was based on a strategy that would increase the financial income to the Club to attempt to create a level playing field to the Clubs they compete with in the EPL (namely; Liverpool, Arsenal, Chelsea and both Manchester Clubs), however, some fans have run out of patience and are disenchanted with the lack of investment/transparency in the running of the Club[27].

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[22] http://www.publications.parliament.uk/pa/cm201012/cmselect/cmcumeds/792/79208.htm
[23] http://news.bbc.co.uk/sport1/hi/football/teams/m/man_city/7545428.stm
[24] http://www.telegraph.co.uk/sport/football/teams/manchester-city/9255702/Manchester-Citys-930-million-spending-spree-to-turn-club-into-Premier-League-title-contenders.html
[25] https://www.theguardian.com/football/blog/2016/apr/05/manchester-city-psg-champions-league-football-finance
[26] https://www.theguardian.com/football/2016/aug17/chinese-investment-west-brom-aston-villa-wolverhampton
[27] http://www.express.co.uk/sport/football/602546/Tottenham-transfer-news-Mauricio-Pochettino-Daniel-Levy

SCAFC are a unique football club in the EPL as supporters have a representative body (rather than individuals) which own a stake in the Club. However, recent acquisition by US investors Kaplan (Chair of Memphis Grizzlies NBA team) and Levien (DC United partner) who bought a controlling stake from previous Chairman Jenkins and other directors has been less transparent than the Supporters Society would wish[28].

Of the two remaining clubs MCFC and HCFC there is supporter anguish (coded red in Figure 3). At MUFC the Glazer takeover of Manchester United has been highly contentious. After gaining an initial stake in the club in 2003, Glazer acquired additional shares in 2004 and made known to the Board he wanted to buy the Club. The deal was labelled as 'damaging' by then Chief Executive David Gill[29] because the deal involved leveraged buy-out – saddling the Club with £500m of debt[30]. Many of the Club's fans were also against the deal, with several highly publicised demonstrations[31]. The Board controversially approved the deal, which led to some fans starting their own supporter-owned Club in protest (FC United of Manchester). The motivation would appear to be the financial rewards of competing in the EPL.

In terms of Hull City, During the 1990s HCFC were almost wound up, relegated out of the football league during a series of ownership changes. In 2010 with the investment of new owner Egyptian born local businessman Assem Allam the Club were rescued from administration, Allam bailing the club out of a £35million of debt[32]. He suggested on his takeover that; "I have been in this area for 42 years and I have built my business in the area," adding, "I think it's time to pay back the area - Hull City are important to the area." [87] In 2013 Allam outraged the Clubs supporters and has alienated many fans by proposing a name change – from 'Hull City Association Football Club' (the name they had when they formed in 1904) to 'Hull Tigers'. Allam stressed... "Hull City is irrelevant. My dislike to the word City is because it is common... City is a lousy identity",..... adding "I cannot afford to run the club by fans' feelings"[33]. There are a number of issues that have angered supporters. Firstly the club seeks to forgo its identity as a 'city' and an 'association football club' (the word 'association' refers to membership of the FA, the English Football Association - a term that many clubs (at Hull City since 1904) have in their name from the time of incorporation, which means a lot to English Football heritage, fan heritage and football culture); secondly, that Allam would appear to see the club as a commodity to galvanise a fan base from other parts of the world; thirdly, that the supporters were not consulted prior to the application for a name change and finally, and probably the biggest omission is their acknowledgement to the fact that they are not football people - but business people. Yet they ask the fans to trust their judgement. Allam's motivation would appear to be the financial rewards of the globalisation of EPL football and the associated (club) brands.

In turning to the Championship, Figure 4 highlights that more clubs are locally owned. A case in point is BrentFC (coded green in Figure 4). Brentford FC are an interesting case, Benham is a lifelong fan - and appears to be investing (£43m) in the Club since his takeover in 2012. He states "The intention is to found a dynasty of the sort that football used to be familiar with in the days before so many foreign owners"[34]. However, it is the previous ownership that is of interest – they were supporter owned, by Bees

[28] http://www.swanstrust.co.uk/2016/07/22/trust-ready-for-detailed-discussions-with-new-swans-owners/
[29] http://news.bbc.co.uk/1/hi/business/4540939.stm
[30] http://www.telegraph.co.uk/finance/newsbysector/banksandfinance/7083750/Manchester-United-opens-window-on-murky-world-of-leveraged-buy-outs.html
[31] http://news.bbc.co.uk/sport1/hi/football/teams/m/man_utd/4541093.stm
[32] http://news.bbc.co.uk/sport1/hi/football/teams/h/hull_city/9104023.stm
[33] http://www.citytillwedie.com/
[34] http://www.standard.co.uk/sport/football/brentford-owner-matthew-benham-every-championship-club-wants-to-get-into-the-premier-league-and-we-9336176.html

United. They took ownership in 2006 inheriting debts of £8m from Ron Noades[35]. Interestingly the investors behind Bees United were five individuals, one was Benham – they all became Directors[36].

Whilst there is a transition to global and strategic ownership as in the EPL, there is less movement in the Championship. However, an example of transition to political ownership is AVFC. Dr. Xia is head of the Recon Group who own AVFC. This was the second Chinese investment (following MCFC) acquisition made in English football (quickly followed by WWFC and WBAFC). The takeover from USA owner Randy Learner was in July 2016. Previous owner Lerner was criticised by fans for his lack of investment in the team. Xia has promised EPL football and the Club to be top 3 in 5 years. The supporters appear respectful and happy with the new owners, yet it is only a month into the transition, so it is very early in the tenure (coded green in Figure 4).

However, there are more instances of unrest from supporters in the Championship. BCFC have deep ownership concerns. The Club fell into receivership in March 2015 with a precarious recent history. Yeung became the majority shareholder in 2009. He is currently in prison in Hong Kong for money laundering. Although stepping down as President, he remains the majority shareholder, alongside Wang Lei, Yeung's brother-in-law [37]. The Club's holding company was removed from the UK Alternative Investment Market in 2009 and floated on the Honk Kong Stock Exchange the same year, although suspended from trading by the HKSE since 2011[38] (coded red in Figure 4).

Likewise, at BRFC there was outcry from BRFC fans when the Club was sold to the Venki's in 2010. Despite the promises of protecting the legacy of the previous owner Jack Walker, who took the Club from the lower divisions to the EPL title in 1995, the Venki's promise of investment in new players did not materialise and the Club haemorrhaged players and were relegated from the EPL[39] [40] (coded red in Figure 4).

Further, after many problematic ownership years at LUFC, they are currently owned by Italian Cellino who took over in 2014, after initially being blocked by the Football League under their 'fit and proper' rules. At the time of writing, Cellino is suspended from football duties[41], following his second conviction in Italy for tax evasion[42] and thus under 'fit and proper rules; is banned – although not disqualified altogether. Cellino has certainly made his mark on LUFC, sacking five managers in 17 months, as well as numerous other 'incidents'[43] (coded red in Figure 4).

Additionally, CCFC have a Malaysian owner, who took control of the Club in 2010. In 2012 against many of the supporters wishes and Club heritage[44], Tan changed the Club colours and re-branded the crest. What fans found problematic was the validity of a so called comprehensive review conducted by the owners before changing the colours and logo - when 99% of the supporters in the stadium wear blue (in keeping with tradition). Secondly, the drive to exploit overseas markets at the cost of club heritage and the local supporter was considered disrespectful if not naïve to the home-based supporter. Tan suggested: *"In Asia, red is the colour of joy, red is the colour of festivities and of celebration. In Chinese culture, blue is the colour of mourning."* [45]. However, should one persons' taste and opinion ride roughshod through 100 years of

[35] http://www.brentfordtw8.com/default.asp?section=info&page=ebfc50a.htm
[36] http://www.beesunited.org.uk/trust-news/190-takeover-q-a-a-part-one-v15-190
[37] http://www.oftenpartisan.co.uk/archives/13021/who-is-wang-lei.html
[38] http://www.birminghammail.co.uk/sport/football/football-news/hong-kong-stock-exchange-demands-5154331
[39] http://www.theguardian.com/football/2010/nov/19/venkys-completes-takeover-blackburn-rovers
[40] http://www.independent.co.uk/sport/football/premier-league/venkys-takeover-threatening-to-end-in-tears-at-rovers-2276245.html
[41] http://www.yorkshireeveningpost.co.uk/sport/leeds-united/latest-lufc-news/leeds-united-cellino-will-take-ownership-fight-to-the-european-courts-1-7574075
[42] http://www.theguardian.com/football/2015/nov/26/massimo-cellino-leeds-united-two-bans
[43] http://www.theguardian.com/football/2015/nov/26/massimo-cellino-leeds-united-two-bans
[44] http://www.bbc.co.uk/news/uk-wales-south-east-wales-18009793
[45] http://www.bbc.co.uk/news/uk-wales-south-east-wales-21610017

history? The Club has subsequently reverted back to the traditional kit colour in light of supporter protests and negotiations between owners and support groups [46] (yet still coded red in Figure 4). The episode highlights the lack of understanding of the strength of feeling supporters attach to social and cultural capital, highlighting Tan as an 'outsider'.

6. Discussion and Conclusions

In this paper what has been analysed is the football industry and the consequences of football moving from a community asset to a market orientated organisation. Whilst acknowledging that value creation occurs in the EPL and Championship leagues of English football it has been argued that this value creation is measured by a narrow definition of value. Namely identifying value creation with a monetary determinant, and that this behaviour has become legitimised through the hegemonic acceptance of a market ideology.
We have argued that this is problematic for a number of reasons:

Firstly, the paper identifies that the driving force behind monetary value creation has accelerated sharply as a consequence of the commercialisation of the EPL. In line with this increased commercialisation the ownership of many of the EPL and Championship clubs has changed, with 'new owners' seeking to capitalising on the EPL, and associated individual club, brands. Within the paper all clubs within the top two tiers of English football have been categorised by the motivation of the current owner(s), many of whom are 'new', that is none traditional/local. The paper utilises Groen's model to analyse the leagues and clubs, we note that these categorisations are subject to change and that many of the clubs are in a state of transition. The motivation of the current owners have been aligned with the four capitals of Groen's model and whether they are an 'insider' or an 'outsider'. Groen's model was identified as providing a suitable theoretical framework for this purpose because it emphasises that for an organisation to be sustainable it needs to develop an equilibrium between the identified four capitals. Through using this approach the paper identifies that the motivation of 'new owners' is not uniform. The motivations of 'new owners' can privilege one form of capital over another, which can have a detrimental impact on social and cultural capital, thus their motivations have often led to conflict with supporters, conflicts which have arisen over 'new owners' pursuing one capital at the expense of other capitals. This has created a tension within clubs typically resulting in the domination of strategic and economic capital at the expense of social and cultural capital. It would appear 'outsiders' have less moral obligation to social and cultural capital than 'insiders'.

Secondly, Groen's model identifies more clearly in football than other industries that neglecting the social and cultural capitals is a toxic situation – as supporters are not market commodities. The supporters of football teams have a different relationship with their club than do customers of other businesses. In Michie's terms football supporters are at both ends of the value chain, helping to create the product and also purchasing the end product. This suggests that supporters are a unique type of stakeholder. Supporters are tied to one club unlike other consumers, few drift from supporting one club to another – many support one club for life and it becomes both geographical as well as a generational act. Now this is nothing new to claim – however, this informs the theorising of our main findings.

Thirdly, and crucially our contribution to knowledge in this field is that by acknowledging the four capitals alignment as a relational activity, it involves a balance between (property) owner and (moral) owner – shareholder and supporter. Owners have property ownership and control of strategic and economic capitals. However, it is the fans who have moral ownership, fan equity and control over the

[46] http://www.theguardian.com/football/2015/jan/09/cardiff-red-to-blue-kit-vincent-tan

social and cultural capitals. The owners cannot buy this, they cannot own it. The imbalances and tensions in football clubs are caused by the separation and mission misalignment when 'new owners' values and objectives are not aligned with supporters. A lack of transparency, negotiation, communication and collaboration become evidences of how this separation plays out.

Prior to 1983 there was legislation which created a bond between the club and the community which led to a valuing of social and cultural capital. This bond has been lost in the separation of ownership from 'insiders' to 'outsiders'. With the increasing emphasis on financial capital and increasing commercialisation it is creating a negative ethical base. One capital's emphasis is at the detriment to another. To paraphrase Maitland what is being created is a situation which promotes a preoccupation with narrow individual advantage at the expense of responsibility to the community or social obligations. The awareness of social and cultural capital is diluted by 'new owners', who, whilst creating financial capital are (arguably at times un-knowingly) engaged in destroying social and cultural capital, that is engaging in 'unproductive entrepreneurial activity' (Baumol).

Our research suggests that supporters are a particular type of stakeholder and hence should be entitled to rights regarding the governance of football clubs in order to play their role in maintaining the equilibrium and sustainability of the product. Legislation is increasingly being introduced encouraging businesses generally to behave in a more socially responsive manner the existing literature suggesting this maxim should be applied to football clubs. Our research adds to this body of knowledge, providing a robust causal link between the separation of alignment between supporters and owner, fan equity, moral ownership and sustainable value creation in football clubs.

In certain countries there is a greater emphasis on supporter involvement and emphasis on encouraging social and cultural capital. There are only a small number of clubs in the top two divisions of the English football league where such emphasis is evident, one has to look further down the football pyramid to find this has a strong motivating factor, which is beyond the scope of this paper and an area for further research.

Whilst the extant literature identifies the increasing commercialisation of football and the changing nature of football ownership the different motivations of the differing new owners has not been analysed to any significant degree. This paper has sought to fill this gap. Whilst much of the language surrounding the 'success' of the English, 'the best League in the world' , the 'success' is measured in terms of a narrow economic understanding of the word 'success'. What has been attempted in this paper is to agree that value has been created but the paper poses the further question of who has benefitted from this value creation? And, if we accept a wider definition of value it can be further argued that value, in some respects has also been destroyed, and that certain stakeholders have benefitted at the expense of others. Therefore we question the pursuit of economic value as destroying social and cultural value is so inextricably linked in football than in any other industry. Social and cultural capital we argue is not for sale. As we have highlighted it is the separation of property ownership (strategic and economic capitals) and moral ownership (cultural and social capitals) which needs to be aligned in order for football clubs and the leagues to maintain sustainability and ultimately supporter appeal.

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