



**A RESEARCH INTO THE COMPARISON BETWEEN THE PREMIER
LEAGUE AND OTHER EUROPEAN FOOTBALL LEAGUES IN TERMS OF
FINANCE AND ADMINISTRATION**

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**AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT OF
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AND OTHER EUROPEAN FOOTBALL LEAGUES IN TERMS OF FINANCE AND
ADMINISTRATION**

**Thematic Certificate
To
ZHU YUSHIQIAO**


This Independent Study has been approved as a Partial Fulfillment of the Requirement of
International Master of Business Administration in International Business Management

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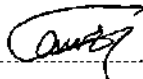
ABSTRACT

Title: A research into the comparison between the Premier League and other European football leagues in terms of finance and administration.
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This essay compares the Premier League with other European football leagues in terms of revenue, operating profit and net debt. It is concluded that the Premier League outperformed all the other European football leagues in all these aspects. Particularly, the Premier League's revenue is always the twice the amount of the other European league. Investment is also discussed in order to indicate the strength and attraction for the Premier League in the field of foreign investment. Besides that, player transfers issues are also included in this essay to have a better comparison between the Premier League and other football leagues. eSports, as a huge potential market of the football industry is also discussed. It is clear that the Premier League has already placed great importance on this new field in order to have a better market position.

Keyword: Premier League, Europe's big five, Football League, revenue, profit, net debt, player transfer, eSports, stadia

摘要

题目: 一个关于英超联赛与欧洲其他联赛在金融和管理上的对比研究
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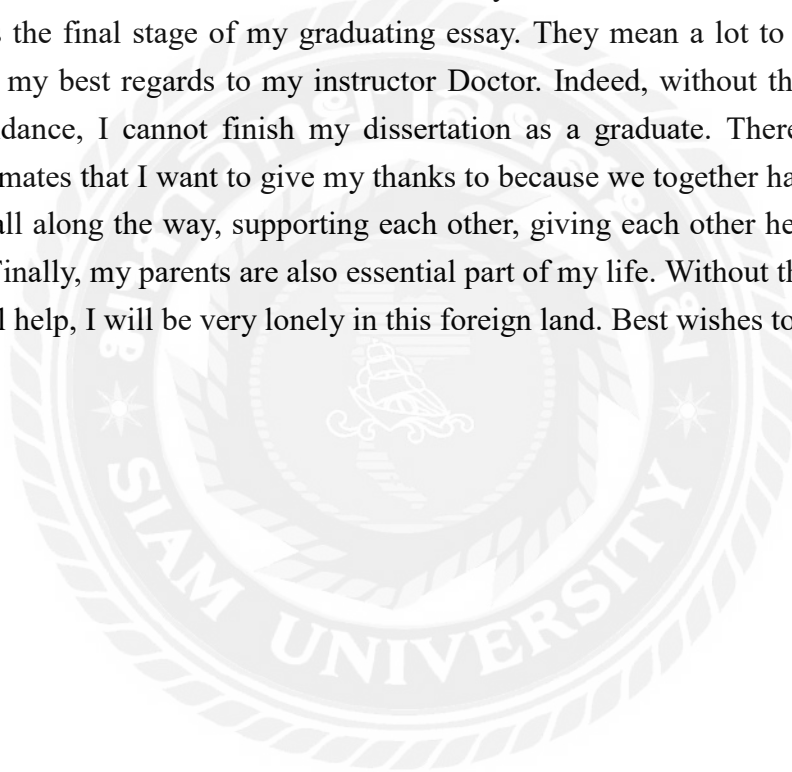
这篇文章比较了英超联赛与其他欧洲联赛。这个比较在各方面进行，包括营业额，运营利润和债务等等。得到的结论是：英超联赛相对于其他欧洲联赛来说在各方面上都具有优势。特别的，英超联赛的营业额一般情况下是欧洲其他联赛的两倍。投资方面在这篇文章中也有所探讨。这是为了展示英超联赛对于外资的吸引力以及他的实力。除此之外，球员转会在这篇文章中也有所探讨。英超联赛相对于其他欧洲联赛来说对于年轻有天分的球员更具有吸引力。eSports，作为一个新兴的足球市场在足球工业当中有越来越重要的地位。可以肯定是英超联赛已经在这方面与以了足够的投资与关注。

关键词: 英超联赛, 欧洲五大联赛, 足球联赛, 营业额, 利润, 债务, 球员转会, eSports, 体育场馆建设

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During these 2 years' time, as a graduate student in this university and in this foreign country, I learned a lot and it meant a lot to me. During this period of time, I have devoted most of my energy to my study and some of my lifetime to a part-time job. But what I would like to express the most is my gratitude and appreciation to this experience.

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CHAPTER 1

INTRODUCTION

Premier league is by far one of the most successful football leagues all around the world. Tens of millions of football fans all over the world see football matches through the television. There are many talented players competing in this successful division of Football League.

Premier league is very successful because it achieved a lot in terms such as the revenue, operating profit and its relationship with its business partners like big International brand such as Adidas.

Besides this, it also maintains a good relationship with other types of Investments such as Bank institutions and other useful foreign investment. It is worthwhile enough for researchers to make the effort into its operating field. Also, it is very important to get to know the deep knowledge about the brand of the Premier League. This is because brand is one of the foundations for business in the modern world (Keller, 2013).

clubs remained by far the largest spenders on transfers in the world, whereas German and French clubs were net 'exporters' of talent in the 2015/16 season. Notably, the Premier League collectively recorded net transfer receipts for the first time in a single transfer window in January 2017, primarily due to exports to Chinese clubs. Whether this will continue given increased local regulation remains to be seen, a development discussed further in For all the teams in China.

1.1 Research Background

Broadcasting right deals have a significant impact on the European's 'Big Five' football leagues in terms of finance. This includes the deals that took its effects for UEFA in the season 2015 to 2016 and the broadcasting deals that were carried on in England in season 2016 to 2017. The new broadcasting deals in Italy and Spain showed significant rise in finance, compared with the last one. In particular, Spain's

football league sold their broadcasting right as a whole for the first time. This is for the purpose of the equality of the distribution of revenue. The new German Football League, Bundesliga's international broadcasting deal in season 2015 to 2016 will be changed into a domestic broadcast deal which initiated in season 2017 to 2018. This new deal is the reason to make the revenue of the German's League rise by 85% in season 2015 to 2016.

1.2 Research Objective

Across the Europe, the significant rise in UEFA distributions in season 2015 to 2016 was very essential to the European clubs and leagues. Spanish League had an increase by 50%, while the British clubs enjoyed a rise of 80%. Both of these issues made the competition of the local matches fiercer. This increase of the revenue across the Europe attracted more opportunities for the financial resources and made the policy and administration of the finance regulation more essential in Europe.

Although there were improve the circumstances of the broadcasting deals and the UEFA distribution in Europe, the Premier League goes on leading the other major European leagues in terms of strength, especially in terms of the revenue of broadcasting. This phenomenal has lasted for more than 10 years. The new broadcaster right cycle of the Premier League review guarantees a rise of 38 million pound of each British club under the policy of central distribution.

The Premier League is the top level of the English football league system. Contested by 20 clubs, it operates on a system of promotion and relegation with the English Football League (EFL).

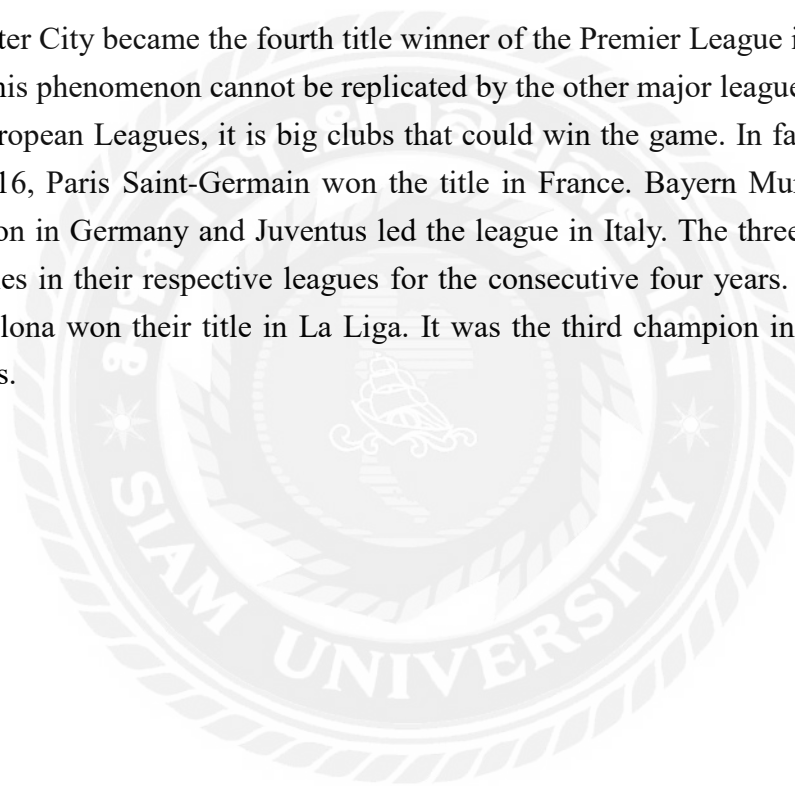
1.3 Research Meaning

For more than 25 years' time, the Premier league has adopted a strategy of equal distribution in the revenue of broadcasting rights deal which has always been sold as a whole. This has been a key of the advantage of the Premier League. This distribution system of the revenue is the most equal across all European leagues. Moreover, it also makes sure that every club could have a minimum guarantee of the revenue as long as they are competitive enough to stay up in the Premier League. This is one of the root reasons that make the Premier League very competitive in Europe. Title winning of

Leicester City's in Premier League in season 2015 to 2016 is a very impressive example, as the club has not been famous at all. In fact, the Leicester City has gained 90 million pounds of the broadcasting revenue and this is a number that cannot be easily achieved in other big leagues in Europe, given the small level of strength and resources of this club. Premier league has an excellent strategy and mechanism to balance the whole league and provide that the weaker club with an opportunity of title-winning without too much expense.

1.4 Theoretical Framework

Leicester City became the fourth title winner of the Premier League in its history. However, this phenomenon cannot be replicated by the other major leagues in Europe. In other European Leagues, it is big clubs that could win the game. In fact, in season 2015 to 2016, Paris Saint-Germain won the title in France. Bayern Munich became the champion in Germany and Juventus led the league in Italy. The three teams have won the titles in their respective leagues for the consecutive four years. At the same time, Barcelona won their title in La Liga. It was the third champion in its previous four seasons.



CHAPTER 2

LITERATURE REVIEW

The objective of this essay is to find out the specific advantages of the Premier League, compared with its competitors such as the Europe's big five Football Leagues. In order to find out this purpose, efforts should be made in terms of investigation such as the revenue, operating profits, foreign investment, Financial regulation of administration, player transfer circumstances and the television broadcasting distribution mechanism. Besides this, the eSports game is also one of an important potential market which arises in recent years. It is going to be very big in the future football market in the years to come. Furthermore, according to Sharp (2010), the brand of the Premier League depend largely on the mental and physical distribution channel of the organization.

The amount of parachute money alone was more than earnings of the clubs without parachute money. In this season, the parachute money has increase 58%, reaching 40 million pounds distributed to each qualified club. The main driving force behind this growth is the new broadcasting deal which begins in the season 2016 to 2017 for the Premier League. Previously the parachute money is given for 4 years' time. This period has diminished to 3 years. This change of mechanism will have some impact on the situation of the Premier League and Championship League.

The big six teams of the Premier League did not perform very well in the season 2015 to 2016. In transfer of players in this season, the money spent by these six teams was more than all the other teams in the Premier League. This money paid off, resulting in the fact that these six clubs positioned at the top of the league in season 2016 to 2017. Moreover, all these six teams is qualified enough to participate in the UEFA matches in season 2017 to 2018. It is not easy for other teams of the Premier League to have the same financial ability as the big six clubs. Leicester city's title winning in the season 2015 to 2016 provide the fact that triumph may not come from big financial investment.

In season 2015 to 2016, the wage expenditure of the Premier League increased to 2.3 billion pounds . This number is a rise of 12% compared with the last season. From

the season 2013 to 2014 onwards, the expenditure of wage of this league doubled their increasing speed. The factor behind this wage increase is the rise of revenue from the new broadcasting deal initiating the season 2016 to 2017.

In season 2015 to 2016, the speed of earnings of the Premier League did not catch up with the growing speed for the wage expenditure. There has been always the case in this decade like this. The proportion of wage and revenue rose to 63% in this season. In season 2012 to 2013, this ratio was as high as 71%. This figure has been decreasing because of two factors. One factor is the cost control policy starting in the season 2013 to 2014. Another factor that belongs to the fact that broadcasting deal has been increasing in recent years. These two factors together have brought down the ratio of wage and the revenue in the Premier League.

As Premier League transfer spending has continued, so has wage cost growth, which in 2015/16 led to a total of £2.3 billion, an increase of 12%. Wage costs grew at almost twice the rate witnessed in each of the previous two years as clubs spent in anticipation of the extra broadcast revenue in 2016/17. However, over a longer cycle, the previous trend of revenue increases being wholly consumed by wage costs now appears to have been replaced by a more prudent approach – since 2012/13, just 44% of revenue increases have been accounted for by wage growth, whereas in the five years to 2012/13 this figure was 99%.

In sum the objective of this essay is to give an comprehensive report of the Premier League in multiple terms.

CHAPTER 3

HYPOTHESIS

Hypothesis 1: Premier League is better than the other European football leagues in terms of revenue.

Hypothesis 2: Premier League is good enough to compete with other European football leagues in terms of operating profits.

Hypothesis 3: With regards to the new potential video games such as eSports, Premier League is preparing enough to compete with other football European leagues.

Hypothesis 4: in order to attract other investment such as China, Premier League is qualified enough to attract them, compared with other European Leagues.

Hypothesis 5: In terms of player transfers, premier league is attractive for the talented young football players, compared with other European football leagues.

Hypothesis 6: Other European Football Leagues do not have the same kind of mechanic such as the Premier League, arising from the whole sophisticated EFL, with the Football League clubs playing as the solid role of it.

Hypothesis 7: In terms of the infrastructure construction, Premier League has better stadia to attract the audience to watch the game, compared with other European football leagues.

When considering the Premier League's profit before taxation, two factors are considered. One is player transfer cost while the other is financial expenditure. In season 2015 to 2016, the total operating money of the Premier League division was 111 million pounds of loss. In season 2013 to 2015, the division welcomed two seasons of operating profit before paying taxation. One reason behind this operating loss is the club Chelsea's operating activity. The club chose to end its cooperation with the brand Adidas before the period of contract. This cost the club 67 million pounds. Another factor came from the club Aston Villa. Not only did this club faced

the fate of degrade. It also paid 45 million pounds for the repair for the club. These two clubs are the two main reasons that made the premier league division face a situation of operating loss before taxation in the season 2015 to 2016. There were also 12 teams in the Premier League which made profit in this season before the taxation.

As a result of the unexpected expenditure in season 2015 to 2016, the Premier League faced a situation of operating loss before the taxation. This phenomenon is highly unlikely to reoccur. Several factors become the driving force to make the Premier League face operating profit in the future. The equal mechanism of the central distribution of broadcasting deal in season 2016 to 2017 will reach 760 million pounds compared with the last season. More and more people will go to see them match for the premier league and the commercial activities is becoming more prosperous. In the first month of the 2017, the Premier League welcomed its historical transfer gaining in its history. So Premier League's outlook is promising in the future.

The financial reward of upgrading to the Premier League for the Championship League clubs is increasing. There was actually 170 million pounds for clubs to be promoted to the Premier League in every season. This financial reward will rise to 290 million pounds when the clubs promoted keep staying in the Premier League for the next coming season. In season 2019 to 2020, the new broadcasting deal for the Premier League will increase to a higher level, then it is very possible that this financial reward of the clubs promoted to the Premier League division will also increase correspondingly to a higher level.

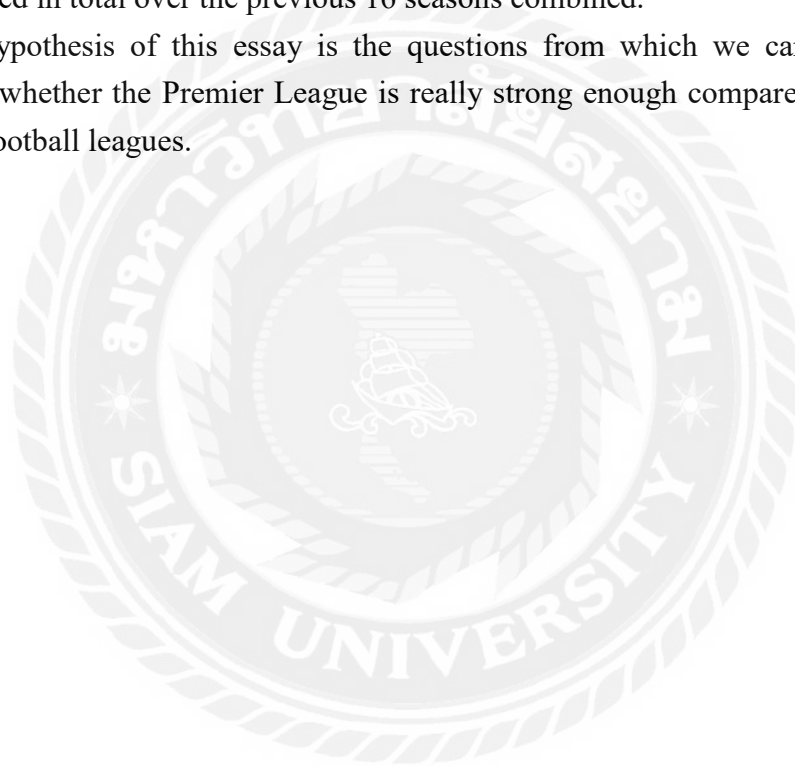
In season 2015 to 2016, the wage expenditure of Championship League teams increased by 4%, reaching for 561 million pounds. The amount of wage expenditure was more than the earning from the revenue of the Championship League and this phenomenon happened three times in the previous four seasons. The major driving force behind this phenomenon is the fact that all clubs in the Championship League want to get upgraded to the Premier League in order to make more money and earn famous name.

The actual proportion of wage expenditure and the earning of revenue of the Championship League in season 2015 to 2016 was 101%. This is a trend that cannot last very long because clubs in the Championship League has to rely on the financial resources from the owner and the boss was simply not happy. Different clubs behaved differently in terms of the proportion of wage and revenue. In particular, Leeds United reached 59% of this proportion, the lowest of this league and the highest one belonged to Nottingham Forest, reaching 173% in this season. There were only three teams in the Championship League whose proportion was less than 70% while 13 teams in this

division had to spend more on wage than their earning.

As Leicester City's achievement has confirmed, there are other factors beyond wage spend which contribute to clubs' on-pitch performance. For example, in 2015/16 whilst Leicester won the league despite being ranked 15th by wage costs, defending champions Chelsea finished eight places lower than their wage costs rank of second, and relegated Aston Villa twelve places lower than their wage costs rank of eighth. The 2016/17 season reverted to a much stronger correlation between wage costs and league position, with the division's top six wage spenders in 2015/16 filling the top six league positions in 2016/17. Over the three seasons from 2013/14 to 2015/16, Premier League clubs generated combined operating profits of £1.6 billion, more than they managed in total over the previous 16 seasons combined.

The hypothesis of this essay is the questions from which we can get to the conclusion whether the Premier League is really strong enough compared with other European football leagues.



CHAPTER 4

METHODS

This essay primarily relies on the secondary data which comes from professional books, academic articles, and other professional research materials from think tank companies and so on. This is because the Premier League is a very mature and sophisticated Football League that any kind of individual primary data such as questionnaire is very unprofessional, given scale of the global market of the Premier League.

4.1 Research Design

In season 2015 to 2016, the revenue of the Premier League increased a high record of 3.6 billion pounds .Compared with the whole revenue provided by the exclusive 22 British clubs in the season 1991 to 1992, the average revenue of the British football club in this season produced more revenue than that. And the revenue from the commercial deals received more than 1 billion pounds . This was also a record in the Premier League. Although the championship, Leicester City, achieved an impressive revenue, with a rise of 25 million pounds in this season, it was only the amount of 40% of the average level from the top six British clubs. After the Championship of Leicester City, this top six clubs acted fiercely and swiftly to spend huge amounts of money for the summer transfer window in 2016. Consequently, they were again the exclusive six places in the Premier League in season 2016 to 2017.

Although the Premier League continued to be the leader among other European leagues from the angle of revenue, they have their own ways on how to spend this increased profit. British football clubs continued to be the biggest gambler on buying in the transfers market across the world. In the meanwhile, French and the German football clubs were famous of providing good football players in season 2015 to 2016. What's worth noticing about is that in January 2017 the net transfer receipts of the Premier League was the history high. This owes much to the exports of Premier League players to the Chinese football clubs.

Premier League clubs recorded a third consecutive season of operating profits in excess of £500m, and although they returned to cumulative pre-tax losses following

two consecutive seasons of profit this was due to exceptional items. Over the three year broadcast rights cycle from 2013/14 to 2015/16, Premier League clubs generated combined operating profits of over £1.6 billion; more than they managed in total over the previous 16 seasons combined, and we expect a return to record-breaking pre-tax profits in 2016/17.

4.2 Research Tools

The premium league's expenditure on wages has also increased by 12% in season 2015 to 2016, reaching the figure of 2.3 billion pounds. In the last two years' time, the increasing speed of the expenditure of wage doubled. This is because the British clubs have additional money derived from the rising of the broadcasting rights revenue in the season 2016 to 2017. Moreover, before the season 2012 to 2013, nearly all the rising of the revenue was spent to the expenditure of wages. This started to change after that season. with the proportion consumed by wages decreasing to only 44%. This indicates that the Premium League did a better job of balancing the increase of revenue and the expenditure of wage.

There is actually more than one reason behind British league's excellent achievement. Huge amount of wage expenditure is one of the reasons. But there are other reasons that can surpass the strength of wage expenditure. The unexpected title-winning of Leicester City was a good example. This is because although Leicester City was the champion in the season 2015 to 2016, in the Premier League their wage expenditure was only in the 15th place. On the other hand, while Chelsea's wage expenditure was placed the second in the Premier League, their performance was only the 8th, despite the fact that they were champion in the last season. Aston Villa's wage expenditure was in the 8th place, however, their title place was 12th. This situation changed in the season 2016 to 2017, in this season, expenditure of wage is more related to the place in the league. In fact, the league's six clubs who spend the most on wage expenditure hold the top six places towards title-winning.

In the last three seasons, the operating profits of the Premier League have all surpassed 500 million pounds . However, in the last two seasons, the league suffered from deficit before the tax was taken. From the broadcasting rights deal in the last two seasons, the operating profits of the Premier League was more than 1.6 billion pounds .This figure was more than the whole operating profits figure in the last 16 seasons.

4.3 Data Collection Methods

The number of operating profits was 28 million pounds in season 2016 to 2017 from the three new clubs which has recently been promoted to the Premier League. This three new clubs had lost the operating fees of 67 million pounds one year ago when they were still in the Football League champion. This reflects the differentiation between two different levels of football leagues in the UK. Compared with the Premier League, the Football League Championship clubs has spent more than they earned from their revenue. There were three teams of the Football League Championship that were promoted to the Premier League in the season 2016 to 2017. They were Brighton and Hove Albion and Huddersfield Town. They will surely receive at least 170 million pounds for their revenue as a result of the promotion to the Premier League for the following three seasons. This revenue will increase to over 290 million pounds when they are likely to still exist in the Premier League for over one season. The situation of this revenue is promising if the broadcasting deal of the Premier League continues to perform well in season 2019 to 2020.

The Premier League is a corporation in which the member clubs act as shareholders. Seasons run from August to May with each team playing 38 matches. Most games are played on Saturday and Sunday afternoons. It is often known outside England as the English Premier League (EPL).

The competition was formed as the FA Premier League on 20 February 1992 following the decision of clubs in the Football League First Division to break away from the Football League, founded in 1888, and take advantage of a lucrative television rights deal. The deal was worth £1 billion a year domestically as of 2013–14, with BSkyB and BT Group securing the domestic rights to broadcast 116 and 38 games respectively. The league generates €2.2 billion per year in domestic and international television rights. In 2014–15, teams were apportioned revenues of £1.6 billion, rising sharply to £2.4 billion in 2016–17.

Until season 2015 to 2016, it cost more for the clubs of the English Football League Championship on the expenditure of wages than on the revenue that they gained. This phenomenon appeared three times in the last four seasons. Furthermore, the condition of its operating also faces a situation of loss, with 261 million pounds of deficit. All the clubs of this league eagers to be promoted to the Premier League.

This is because promotion will guarantee to save their financial deficit and bring more honour to their clubs. In season 2015 to 2016, the net debt of the championship clubs have accumulated to 1.3 billion pounds . This figure is more than twice the revenue of the English Football Championship League. From the season 2016 to 2017 onwards, this league adopts a new policy in order to achieve a better financial performance. It studies from the experiences from the Premier League, which has always been doing a better job.

4.4 Data Analysis Methods

There are a total of 17 teams that existed in season 2014 to 2016. In season 2015 to 2016, Manchester United was the club that had the biggest earning and increased the most in this season. The revenue of this club has increased by 30%, reaching 120 million pounds in which 75 million pounds came from the commercial deal with Adidas. Another source of the growth of this revenue came from the participation of UEFA championship league in this season, which contributed 30 million pounds for the Manchester United.

The second largest increase of the revenue belonged to the team of Manchester City, with the growth of 40 million pounds in the Premier League clubs. They have participated in the championship league and reached the semi-final in this season. It has made them 63 million pounds by taking up in this game and this number was the highest earnings in this season by individual club. Another club, Leicester City had earned 25 million pounds of rise in its revenue. The majority of this increase of revenue came from the 22 million pounds of the additional Premier League distribution. There were also five teams that had decrease in the revenue in the Premier League in this season. Another important news for the Premier League is that in 2018, Wenger said farewell to its successful career (BBC Sport, 2018).

4.5 Research Flow

From season 2016 to 2017 onwards, broadcasting deal of the Spanish football league will be sold as a whole. In comparison with the last season's earning, each club in in Spain will receive more than 250 million euro dollars in terms of earning. It is predicted that the whole earning of Spanish football clubs will reach over 2.8 billion euro dollars.

From 2016 to 2018, it is not very possible for the earnings of the Italian football

division to rise very dramatically. Through cooperation with Infront Sports & Media, the football league will receive 990 million euro dollars every year. The time period of this cooperation will last for six season's long. In season 2016 to 2017, Juventus has successfully entered the UEFA final game. This has gained the football league much more revenue than before. It is estimated that commercial activities and people going to see the match will become another factor that drive the growth of the revenue of Italian football league.



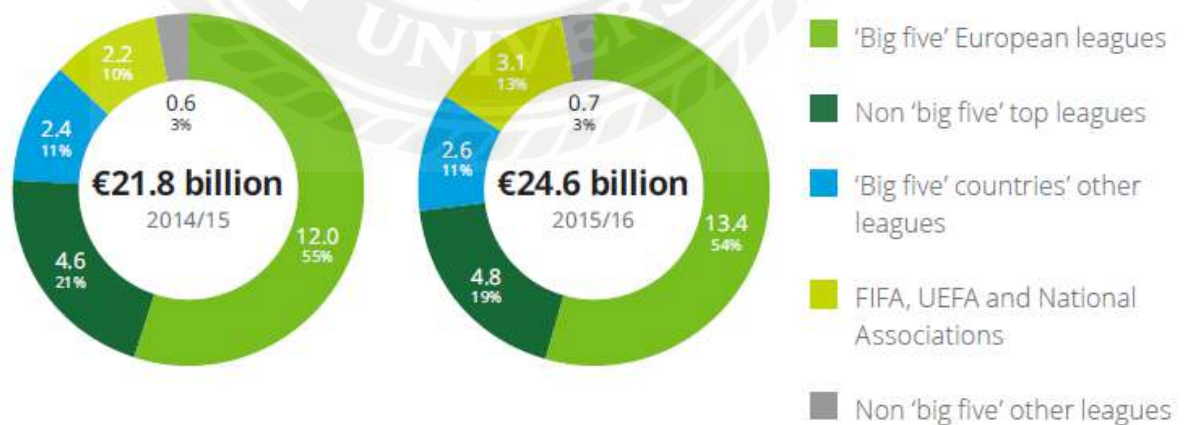
CHAPTER 5

RESULTS AND ANALYSIS

5.1 European's Top Leagues

In season 2015 to 2016, the revenue of the major European football leagues have increased by 1.4 billion pounds as a whole. This was a 12% of increase, compared with the last season. The rising of the broadcasting contributed to 59% of this figure, while sponsorship and the other cooperation activities contributed to 31%. In particular, Premier League was the only big football league in Europe that has maintained a steady rising in terms of broadcasting revenues. From the season 2015 to 2016, football leagues in Germany, Italy and Spain adopted brand new broadcasting policy. In the three years to come, there will be a big rise of revenue coming from the UEFA broadcast distribution. These two parts together resulted in a rising of broadcasting revenue of 535 million pounds in the three countries. It is important to get to know about the European's top football leagues. This is because they are one of the Premier League's essential stakeholders. It is important for any company to know the need and strength of its stakeholders (Robert, 2011).

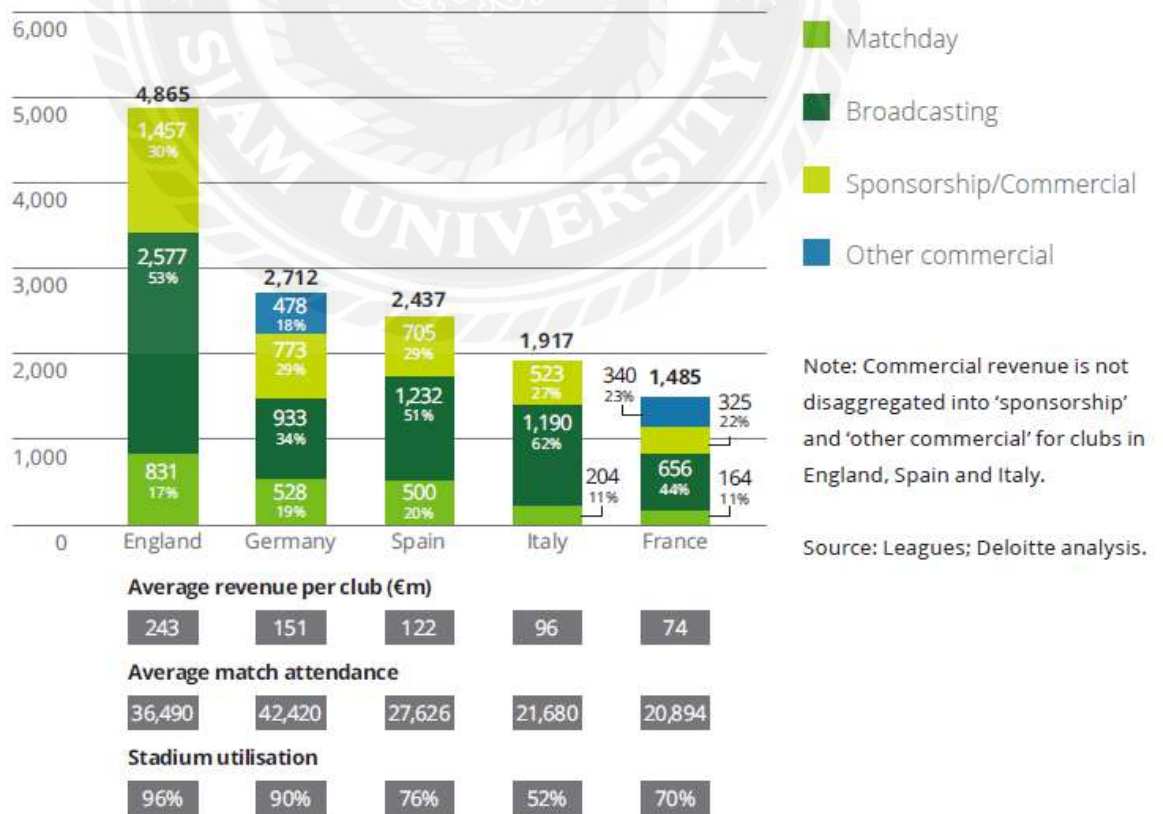
Figure 1: European football market size – 2014/15 and 2015/16 (€ billion)



In season 2015 to 2016, the profit that the European's big five football league earned owed a great deal to the increase of profit deriving from the broadcasting rights. In particular, Germany has negotiated a new cycle of broadcasting rights all

across the world while football leagues in Italy and Spain sold their broadcasting rights in a new way as a whole instead of individually. A number of reasons have made the big five football league more competitive than other leagues in Europe. They include the contribution from the UEFA competition and increase from broadcasting revenue all across Europe. Football league in the Germany have welcomed a growth of revenue of 13%, reaching 320 million pounds . In season 2015 to 2016, German's football league's growing speed belongs to the second among the European's big five. One of the reasons behind this growing momentum of German's football league is the fact that Germany is facing the beginning of a new broadcasting commercial which lasts for two year period of time. This broadcasting right helped to increase the revenue by 100 million pounds in comparison with the last season in Germany. The other important force belongs to the participation of the UEFA competition by the German's football clubs. It increased the earning of broadcasting by 28% totally.

Figure 2: 'Big five' european league clubs' revenues – 2015/16 (€m)



Germany's football division has always had the advantage in terms of the commercial partnership with international brands. The number of commercial activities in season 2015 to 2016 reached 1.3 billion pounds. Compared with the 1.5 billion pounds of revenue of the Premier League clubs, Germany teams have together positioned itself as the second highest division in terms of their revenue in commercial activities.

In season 2015 to 2016, the revenue of the top football division in Spain had together increased by 19%, reaching 2.4 billion pounds. This is driven by the influence of selling the broadcasting deals collectively in this one year period of time, a temporary policy of the league. The football league is facing a new cycle of broadcasting commercial deals which lasts for 3 years' time. The earning of the broadcasting in Spanish football league has long been pushed by excellent performance of the clubs of Barcelona and Real Madrid. By the influence of the collective selling of broadcasting rights in the division, each team in the Spanish football clubs has increased their broadcasting earning of 39% compared with the last season.

In Italy, broadcasting revenue accounted for the big proportion of the increase in its earning in season 2015 to 2016. There was totally 7% of rise of earning of broadcasting, reaching 75 million pounds in that season. Commercial activities have contributed by the increase of 12%, reaching 85 million pounds. In particular, the club Juventus has accounted for over 50% of the commercial contribution of this league in this season.

Ligue 1 competition in France continued to be the least in terms of earning among big 5 leagues in Europe in season 2015 to 2016. In fact, there was only 5% of increase in earning in this division, the lowest one in Europe.

In this season, the building of the sports stadiums for the purpose of the UEFA 2016 in Europe has been achieved successfully. However, the number of people who attend to see the match of the France football league remained constantly few in that season, despite the fact that there has been growth in the previous three years. Compared with the performance of the last season, the people who went to see the matches of the club Olympique de Marseille was less than over 10000 in this season. The majority of the French football division's revenue in this season came from the performance of the championship winner club, Paris Saint-Germain, reaching 35% of the league.

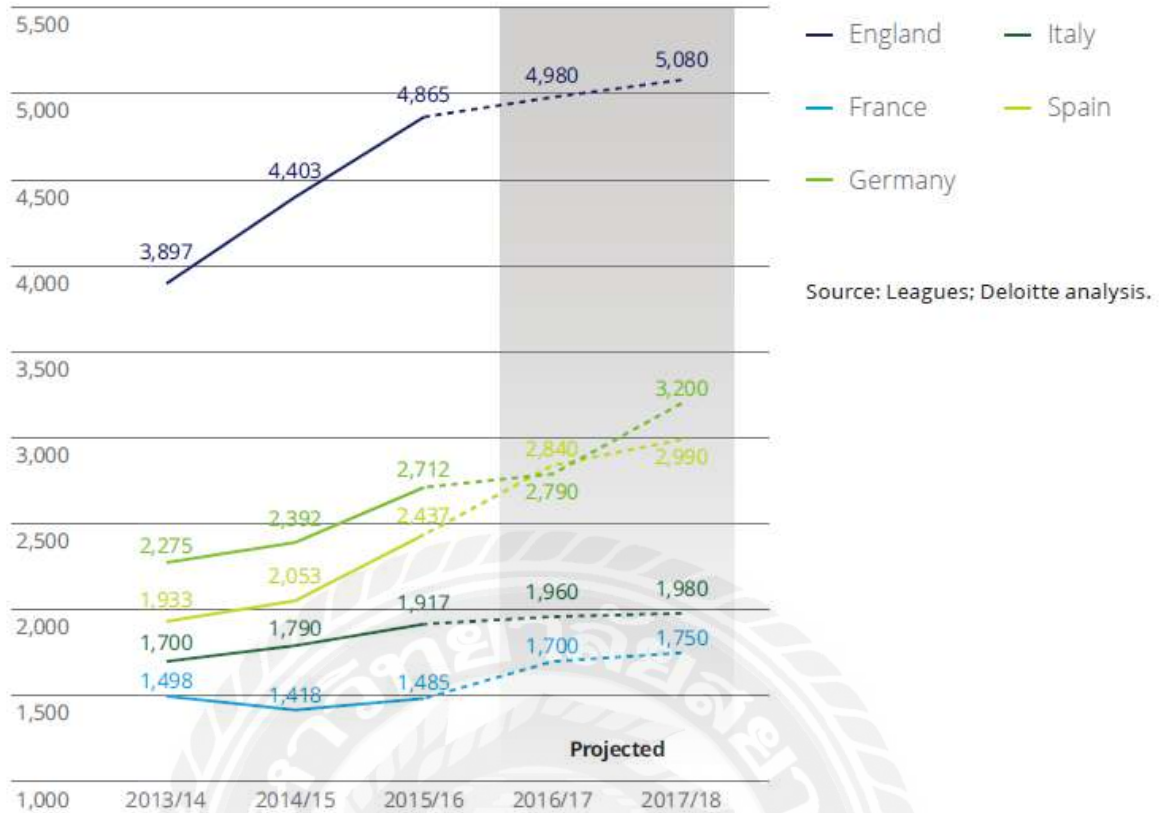
The decrease of pounds value due to the Brexit in 2016 has an impact on overall

revenue of the big five European football leagues in season 2016 to 2017. On the other hand, however, the performance from the broadcast revenue and commercial activities and cooperation has increased the possibility of the growth of financial performance of the big five leagues.

In season 2016 to 2017, the equal way of central distribution among Premier League clubs has welcomed an increase of 45% in each club, compared with the last season. This fact was largely driven by the new broadcasting deals of the league starting this season and lasting for 3 years' time. However, the change of the British leaving EU has negatively influenced this increase of distribution.



Figure 3: 'Big five' european league clubs' revenues – 201314 to 201718 (€m)



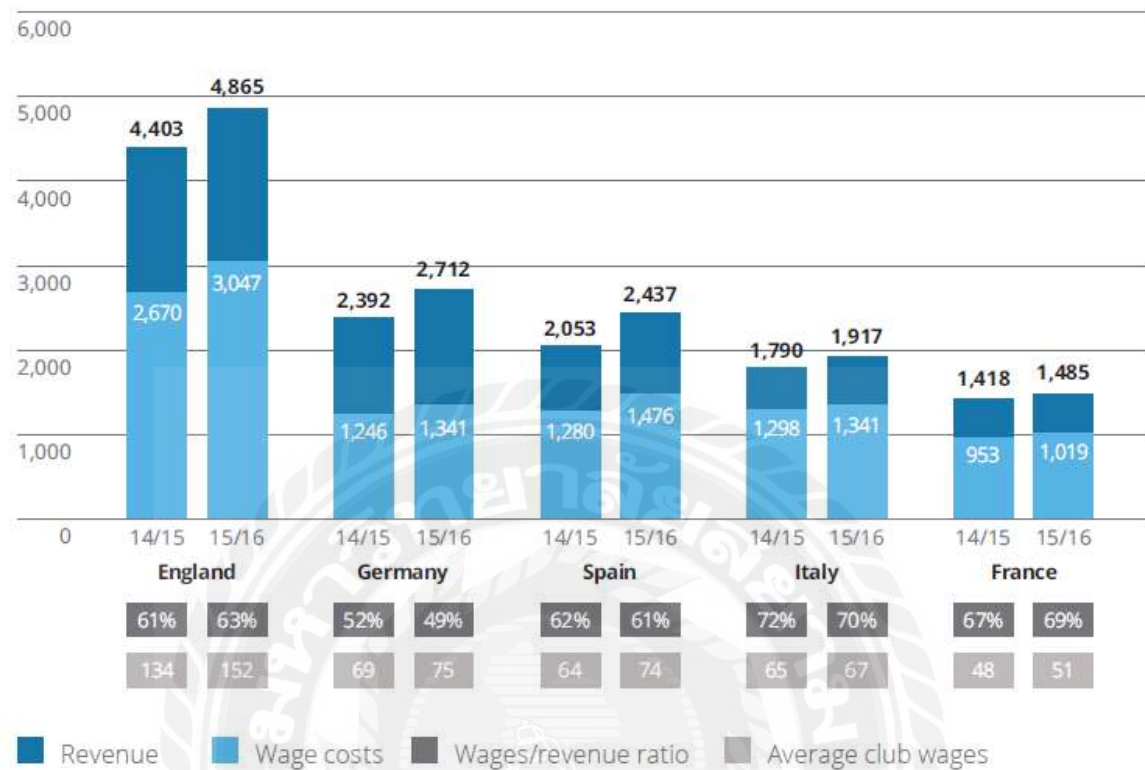
In season 2017 to 2018, it is estimated that the German's football league will generate the earnings of more than 3 billion euro dollars. The reason behind this growth lies in the local and the international broadcasting deal which last for four years' time. The broadcasting deal in Germany worth more than 1.4 billion Euro dollars, a 75% of rise compared with the last season. When this new cycle of broadcasting deal begin only part of this revenue will be given to the football division. Sky Deutschland, as the key player of the broadcasting unit, will not pay much in the first season of 2017 to 2018. This indicates that in season 2018 to 2019, the earning of the German's football league will grow significantly.

In season 2016 to 2018, It is predicted that football league in France will continue to make the least revenue in the five leagues of Europe. One French club, AS Monaco, has been qualified to enter the UEFA competition in season 2016 to 2017. A new broadcasting deal also begins in this season which distributes more revenue than the last one. However, these positive activities do not have significant influence on the low performance of French football clubs on the whole level.

In season 2015 to 2016, compared with the profit made by the big five European leagues, wage expenditure has increased a little delayed than that. In season 2014 to 2015, wage/revenue value was 62% and this figure has dropped to 61% in season

2015 to 2016. In terms of specific numbers, wage expenditure has risen by 10% to 8.2 billion pounds in this season.

Figure 4: 'Big five' european league clubs' revenues and wage



In the season 2015 to 2016, the wage expenditure of the Premier League rose to 3 billion euro dollars. This number was twice the amount of other football leagues in Europe in that season.

In the season 2015 to 2016, Spanish top football division turned out to be the second largest league which cost a lot on expenditure of wages in Europe. Before this season, Italian football league used to be in that position in terms of wage spending. In particular, in season 2014 to 2015, the wage cost of Spanish football clubs totally rose by 6%. However, in season 2015 to 2016, this proportion turned out to be 15%, reaching 200 million euro dollars, a significant rise. One of the reasons behind this increase of wage is that Spanish football league has decided to sell their broadcasting deal as a whole. This new mechanism increased the distribution of revenue of each club. Spanish clubs can even keep their operating profit while at the same time increasing their wage expenditure.

The three clubs promoted to the Premier League in 2016/17 generated combined operating profits of £28m, a year after recording a combined operating loss of £47m in the Football League Championship, starkly illustrating the difference in

profitability between the two divisions. In contrast to the Premier League, Championship clubs continue to overspend relative to their revenues, with the value of promotion continuing to escalate. The two clubs promoted to the Premier League for the first time at the end of the 2016/17 season – Brighton and Hove Albion and Huddersfield Town – are guaranteed a minimum uplift in revenue of £170m over the next three seasons. This is likely to rise to more than £290m if they survive more than one season, and may grow further when the next Premier League broadcast rights deals commence in 2019/20.

In season 2015 to 2016, the wage expenditure of German's top football clubs together has rose by 8%, reaching 95 million euro dollars .Germany's football league turned out to be the third largest in terms of expenditure on wages in Europe. Compared with the Italian's proportion of wage and revenue, 70%, German's football clubs' proportion reached only 49%, the lowest one in all the big five leagues in Europe. In the long history of European's football market, there were only three times when a division' s proportion of wage and revenue reached less than half. And furthermore, all these three times was accomplished by the German football league.

Compared with the last season, there was slightly 3% rise in wage expenditure in Italian football league in season 2015 to 2016. Moreover, in that season, the earning of the division increased by 7%, which made the proportion of wage and revenue decreased to 70%. Despite this decrease of ratio, the number was the largest amount other leagues in Europe. In other words, Italian football league was one with the highest expenditure in proportion of wage.

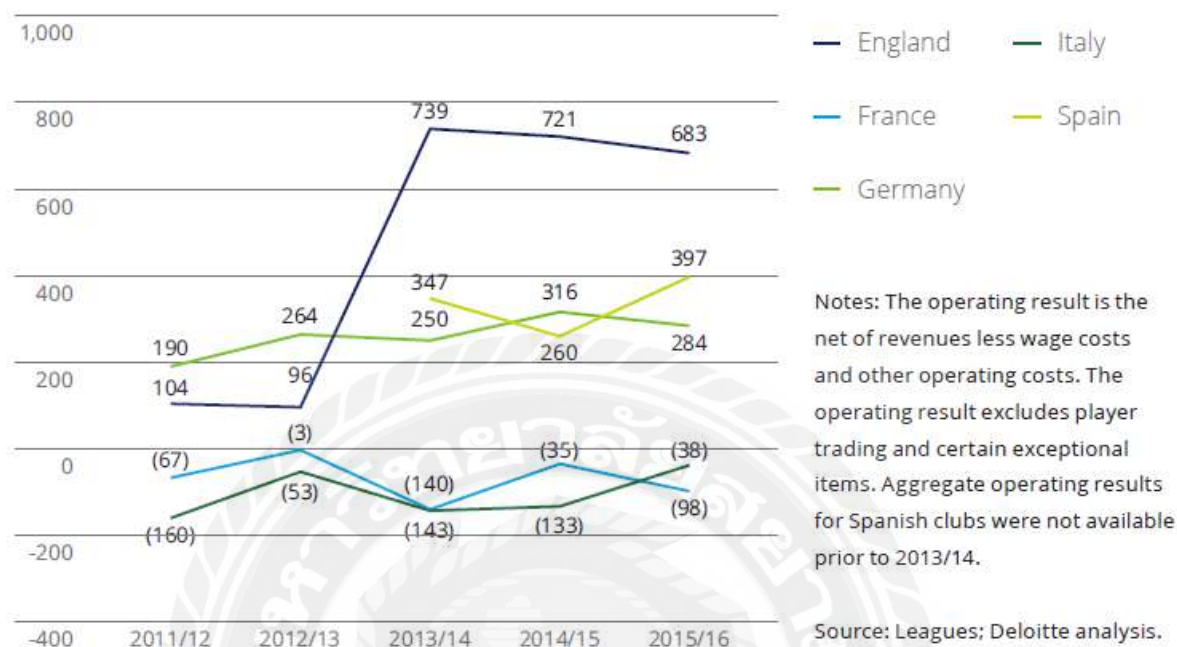
In season 2015 to 2016, the wage expenditure of French football league reached over 1 billion Euro dollars. This number broke the record in history of France. Compared with the wage in the last season, this season welcomed a rise of 7% in wage expenditure. In France, the speed of increase of wage expenditure was faster than the rise of revenue, which made the proportion of wage and revenue rise to 69%.

In season 2015 to 2016, the policy of cost control of the European football leagues began showing its impact. There were reports from only the big five leagues in France and Italy which suffered from the result of operating deficit.

In season 2015 to 2016, there was a small decline of profit in football clubs in Britain, reaching 683 million euro dollars . One of the reasons behind this decrease is the fact that many clubs in the Premier League spent more on good football players in order to get a better position in the league. They spend this money before the

broadcasting deal arrives. In this season, only 3 clubs in the Premier League did not welcome a profit in their running. In the next season, it is quite possible for the Premier League to welcome profit for each club in its history.

Figure 5: 'Big five' european league clubs' profitability – 2011/12 to 2015/16 (€m)



In the season 2015 to 2016, Spanish football league had good news in terms of profit making and this was a result of years' struggle and commitment.

The factor that forced the increase of profit in Spain is the fact that the football league in Spain has shifted to sell their broadcasting deal as a whole rather than individually. In fact, each club gained more from the relatively equal distribution of earning from broadcasting. The profit of Spanish football league reached to 397 million Euro Dollars , a 53% of rise compared with the last season.

In the season 2016 to 2017, the new broadcasting deal which starts in this season will have a positive impact on the earnings of the Spanish football league. Within the football league, the administration is going towards the direction of more accountability and more reasonable policy. All of these will result in the growth of the profit of Spanish football league.

In the season 2015 to 2016, the profit of German's football league reached 284 million Euro dollars . Compared with the last season, this figure was a 10% of decreased in terms of profit making. In this season, German football league positioned itself as the third of profitability in European football market. Moreover, German's

football league together has received the 21 million Euro dollars in the issue of transfer of players. In the last season, there was 11 clubs in German football league which made profit after paying the taxation. This figure has increased to 16 teams in this season, a significant rise.

In the season 2015 to 2016, Italian football division saw an increase in terms of profit making. In fact, the league has decreased their losses to 30 million Euro dollars, a 70% of reduction compared with the last season. Part of the reason behind his issue is that the league has decreased significantly on the expenditure of wage in this season.

In season 2015 to 2016, the French football division faced the challenge of 100 million euro dollars of loss in terms of profit making. This number is a 180% of rise compared with the last season. This issue means that in France the speed of increase of wage was faster than the increase of earning of the revenue. Despite these factors that have negatively contributed to the financial performance of French football league, there is other good news which can positively contribute. The French football league has signed a new broadcasting deal which begins in this season and will last for 4 years' time. AS Monaco's good performance in UEFA competition has gained French football league a great opportunity of increase of revenue. All of these will have the chance of decrease the losses in the next season.

In season 2016 to 2017, Britain, Spain and France were the three countries that had great increase in broadcasting earnings as it was the year of new cycle of the broadcasting rights. The new broadcasting cycle is to be initiated in the season 2017 to 2018. This situation means that the big five league will probably earn more in a short period of time. Circumstance is very different in the football league of Italy where the broadcasting rights is just the third year of a long cycle and the deal is to be finished in the season 2020 to 2021. There is certainly no chance of making big profit in a very short period of time for Italy. For the football leagues in Italy, compared with its competitors of other big five leagues, Italy lacks the resources of purchasing good football players, which poses a great difficulty for it in current times.

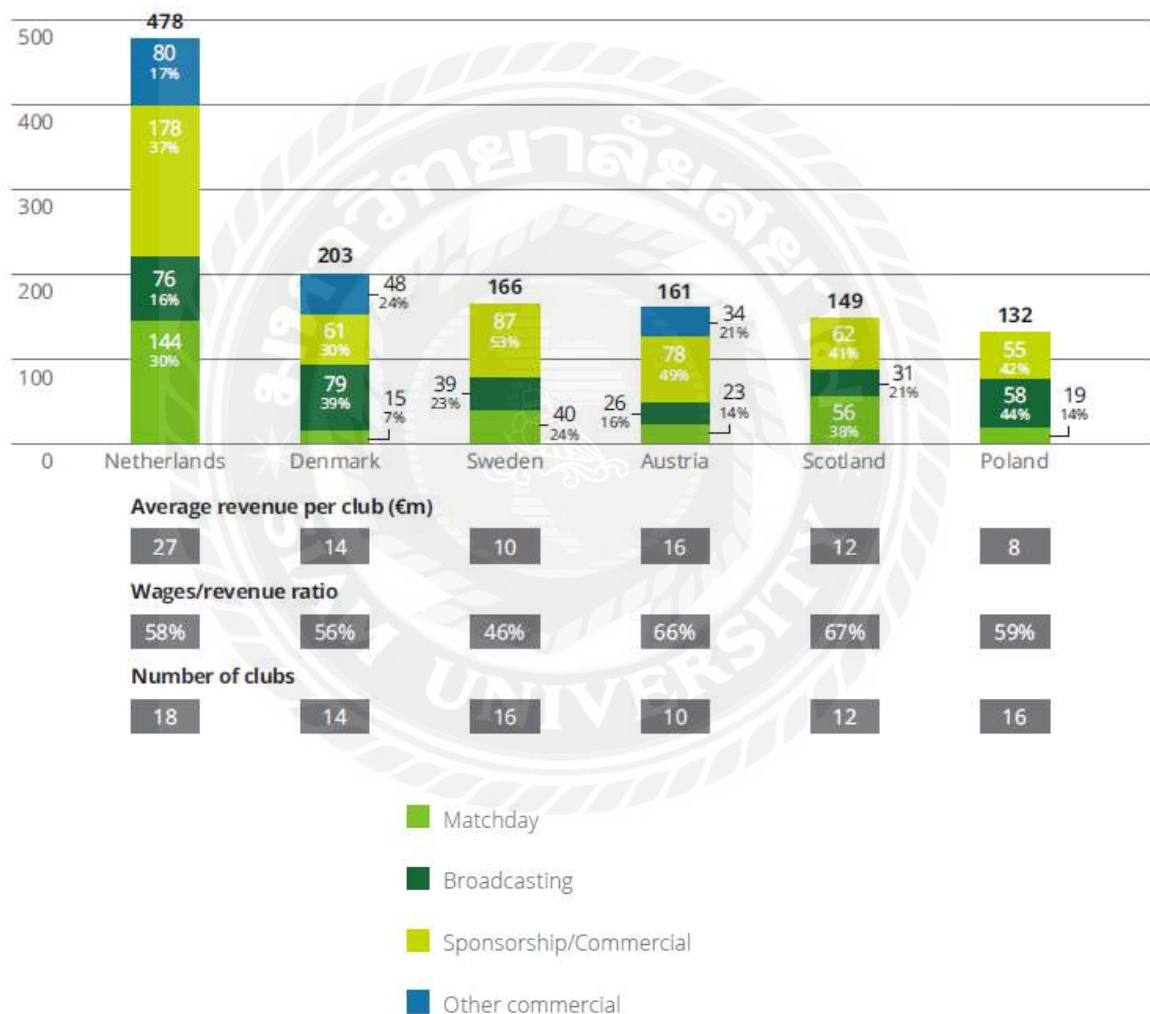
/Other European league revenue (P13)

In season 2015 to 2016, other European football leagues rather than the Big Five welcomed increase of earning. The main reason behind this grows is the participation in the UEFA matches of these football clubs across the Europe. Compared with the big five football leagues in Europe, other divisions did not have the same level of earnings of the big five. In these countries, their earnings have mainly been driven by

the local broadcasting deals.

In the season 2015 to 2016, nearly half of the revenue of Dutch football league came from the participation of the UEFA competition through which the division gained 41 million Euro dollars . The Dutch club, PSV Eindhoven, had qualified enough to take part in the UEFA championship league in this season. In season 2016 to 2017, although none of the teams in Netherlands are qualified enough to join the Championship League, one club in Netherland, Ajax, is entitled to participate in the second level of UEFA Europa League.

Figure 6: Selected other european league clubs' revenues – 2015/16 (€m)



In the season 2016 to 2017, there is a big shift in the mechanism of competition in Danish football league. The Division is consisted of 14 clubs and by the end of every season there will be a knockout mechanism in matches. This change of competition has been welcomed by commercial sponsors and broadcasting partners. Compared with the financial performance of the last season, this mechanism has made Danish football league gain more than 50% in the competition day and 67% in

broadcasting revenue. Another club, FC Copenhagen, also take part in the UEFA competition in the season 2016 to 2017. This made the division's revenue increase by 36%, reaching 200 million euro dollars.

Season 2015 to 2016 is the second year of the Swedish club, Malmö, attending the UEFA competition. This made the revenue of the Swedish football division increased by 11%. Besides Malmö, another club, IFK Norrköping, not only take part in the UEFA competition in the season 2016 to 2017 but also won the championship in the Swedish local football competition in the season 2015 to 2016. It turned out to be the second most competitive club in Swedish football division.

In season 2015 to 2016, one club in the Austrian football division, Rapid Vienna, was entitled to take part in the UEFA Europa League, the second level of UEFA competition. It was one of the biggest driving forces of the financial improvement for the Austrian football league. The total earnings of the Austrian football league rose by 25%, reaching 32 million euro dollars .16% of this growth derived from the participation of UEFA competition. This growth decreased the proportion of wage and revenue by 12%, significantly improving the financial performance of this league.

Although the famous Scottish club, Celtic did not have the qualification to participate in the UEFA competition for the second year, the football league's total earning grew by 10%, reaching 169 million Euro dollars . Season 2015 to 2016 is the fifth year that the club Celtic has won the champion title of the Scottish Football League. In this season, more than half of the earnings were made by this club alone in this league. This club is also entitled to take part in the UEFA competition in the next season, which will definitely increase the revenue of the league to a large extent. In particular, the competition of the UEFA matches in intense, with a football match between Real Madrid and Liverpool in the near future (Reuters, 2018).

UEFA competition has also brought in significant rise in revenue of Polish football division. One of the Polish football clubs, Legia Warsaw, took part in the UEFA Europa League, the second level of UEFA in the season 2015 to 2016 and also entitled to participate in the UEFA championship league in the season 2016 to 2017. This was the main driving force for the Polish football league's revenue which was increased by 12% in this season alone.

5.2 Premier League

In season 2015 to 2016, the earnings of the Premier League reached 3.6 billion

pounds .Compared with the figure of the last season, there was a 9% of increase. In this season, each team of the Premier League made over 182 million pounds .This figure is greater than the total revenue earned by the Premier League clubs in the season 1991 to 1992.

Broadcasting profit was the main reason behind the earning in the Premier League. There was 289 million pounds of rise in the revenue in season 2015 to 2016 and more than 50% of this increase came out of the broadcast profit. The matches of UEFA of clubs have greatly contributed to this increase of revenue. The British clubs' teams did well in season 2015 to 2016 matches. In particular, both the Premier League clubs, Manchester City and Liverpool, have done a great job in the UEFA Championships League. Furthermore, a new cycle began in the broadcasting of the UEFA Championships League.

In season 2015 to 2016, each club in the Premier League has earned 182 million pounds . Compared with the earnings of the all clubs in the season 1991 to 1992, this number supposed that. Moreover, compared with the profit from the broadcast in season 2008 to 2009, this year's broadcasting profit was twice the amount of that. Furthermore, in season 2016 to 2017, broadcasting profit is predicted to account for more than 60% of all the revenue in the Premier League. This is a demonstration of the strength and brand image of the Premier League all over the world.

Figure 7: Premier league clubs' revenues 201314-201718 (£m)



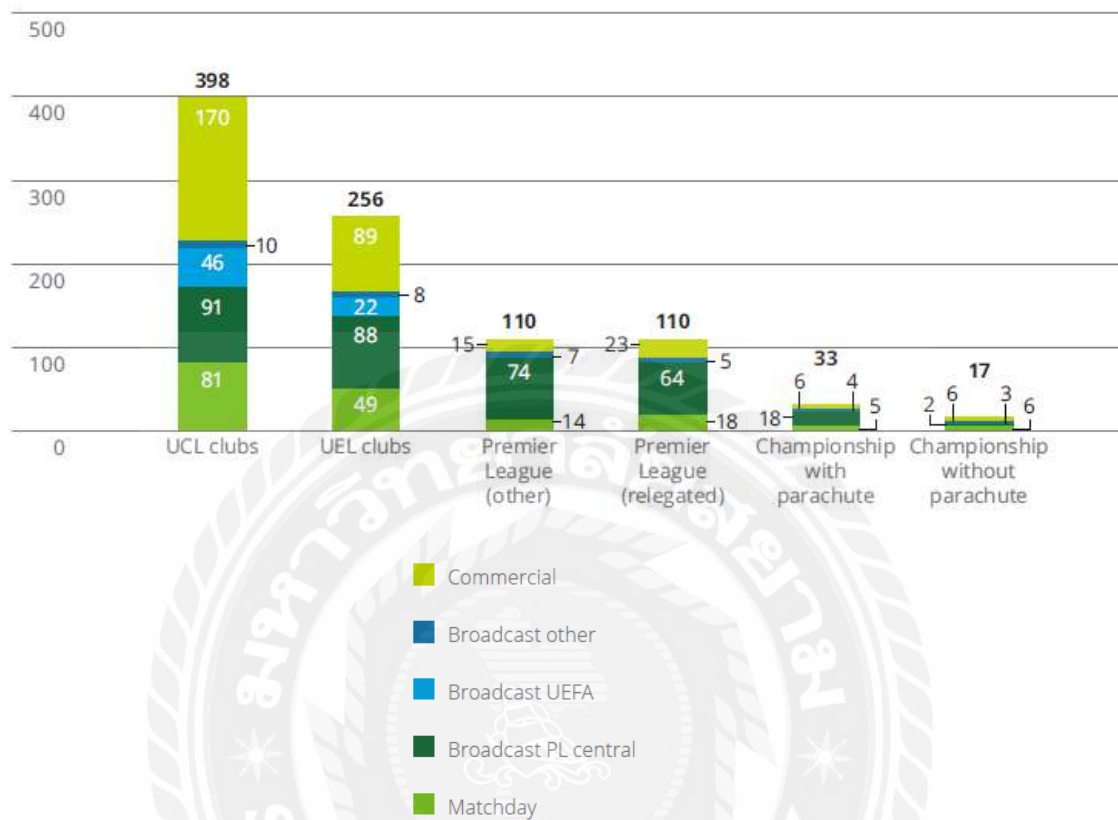
Revenue deriving from the matchday competition of the Premier League set the record of 622 million pounds in season 2015 to 2016. However, it accounted for the lowest ratio of 17% to the revenue as a whole.

Another record was set by the commercial partners of the Premier League. It reached over 1 billion pounds, increasing by 10% compared with the last season. The reason behind this growth comes from the partnership of commercial brands and prominent teams of the Premier League.

In season 2015 to 2016, the revenue of each team of the Premier League who participated in the championship competition reached nearly 400 million pounds. One reason behind this growth of the revenue is the fact that Manchester United, as a traditional famous football team, came back to the championship competition this year. The second reason of this growth is because there was a new broadcast deal of the UEFA competition that started this year. The UEFA rose their money to the teams which participate in this game. In this season, 80% of the Premier League's earning

from the commercial activities came from the 6 of the 20 teams in the league who were entitled to take part in the UEFA matches. This is a proof of the attraction for commercial brands to invest in the UEFA competition.

Figure 8: Premier league and championship clubs' average revenues – 2015/16 (£m)



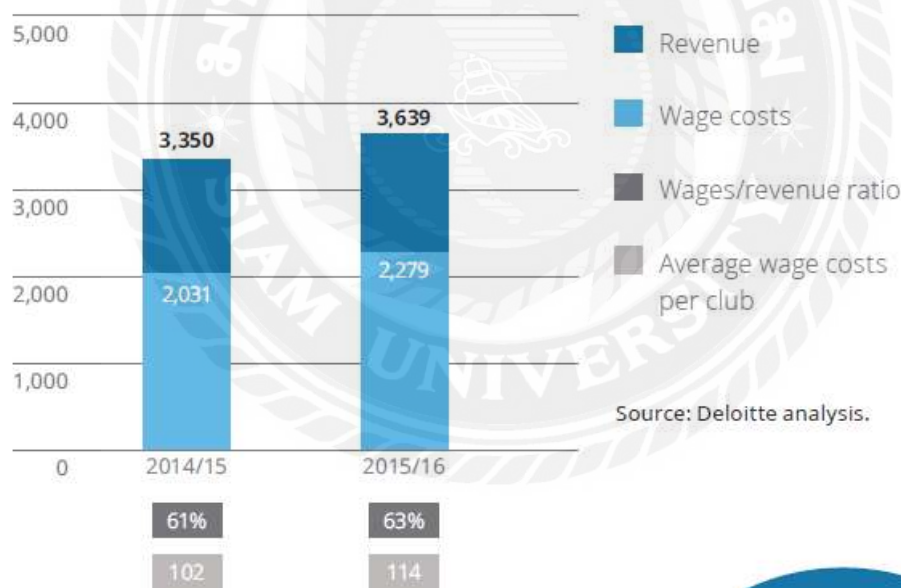
The top six clubs in terms of the revenue in season 2015 to 2016 are Arsenal, Chelsea, Liverpool, Manchester City, Manchester United and Tottenham Hotspur. All these six teams performed very well in their UEFA competition in this season. However, in the British domestic League the champion belonged to the Leicester City. The earning of this club only accounted for 40% of the 6 previous clubs. Chelsea positioned itself at tenth place, although the earning of the club was over three times the earnings of the clubs other than the big six in the Premier League. Another club, Liverpool, positioned itself at the 8th place although its earning was more than 300 million pounds .

In season 2015 to 2016, there were three teams which degraded in the Premier League. Each team generated 110 million pounds in terms of earning .The majority of the earning came from the broadcasting deal. In the next season, there will be 97 million pounds for the three teams from the Premier League in the name of broadcasting distribution. This was a great attraction for teams in Championship League to be promoted to the Premier League.

Parachute payment refers to the amount of money that is given to the clubs that degrade to the championship league from the Premier League. In season 2015 to 2016, compared with clubs in the championship league without parachute, earnings of clubs which received the parachute money was about twice of that.

From season 2014 to 2016, 17 of the 20 teams in the Premier League has seen rise in wage expenditure, with each club rising 30 million pounds . The two highest rises belong to the clubs of Liverpool and Manchester United, with 42 million pounds and 37 million pounds respectively. Manchester United was also the number one club that paid the most expensive wage for football players. The clubs in the Premier League which paid more than most clubs in terms of wages are Manchester United, Chelsea, Manchester City, Liverpool and Arsenal. Tottenham Hotspur was the team in the Premier League that has decreased its wage expenditure in recent years. However, this measure did not prevent the performance of this team in the league from improving.

Figure 9: Premier league clubs' revenues and wage costs - 2014/15-2015/16 (£m)



Leicester City which has won the title in the season 2015 to 2016 in the Premier League welcomed their biggest rise in wage expenditure by 40%.

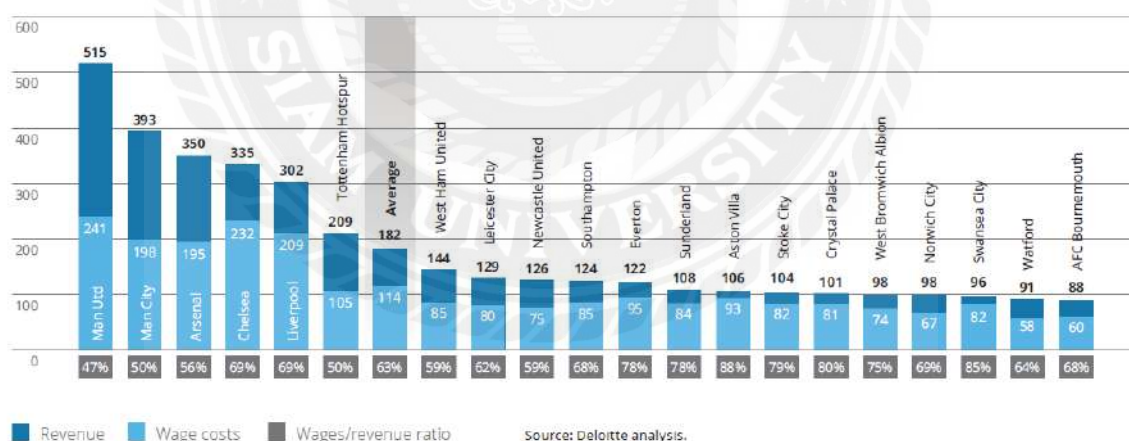
There were totally 7 teams in the Premier League that their wage accounted for more than 70% of their earnings. This standard is an essential threshold for financial fair play policy in UEFA. The rate between wage and earnings exceeding 70% means there is some concern for the club's administration of finance. In season 2013 to 2014, only two clubs in Premier League reached 70% of this ratio. This number increased to

6 teams in the season 2014 to 2015. One of the reasons behind this increase of wage earning rate is the fact that there is an increase of broadcasting rights earning in the season 2016 to 2017 for the Premier League. Most impressively, one of the teams in the Premier League, Aston Villa, has the highest rate in this season, reaching 88%. The wage expenditure was the 8th place in the Premier League and this team degraded at 20th place in the rank.

In season 2015 to 2016, the Spearman's rank correlation coefficient was 0.54 in the Premier League. This factor is used to describe the linkage between performance in the league and the corresponding wage expenditure. This coefficient was 0.74 in season 2014 to 2015. This is the lowest coefficient in the Premier League's financial performance.

The championship in that season belonged to the Leicester City. However, its wage expenditure is only the 15th in a league. This illustrates the fact that wage expenditure will not guarantee the success in the position of the Premier League. In season 2014 to 2015, the Premier League's champion belonged to the club Chelsea. In this season, although this team has spent huge money on wage expenditure, its position was only the tenth place. Another club, Aston Villa, was positioned 20th in this season despite the fact that their wage expenditure was the 8th place.

Figure 10: Premier league clubs' revenues and wage costs – 2015/16 (£m)



AFC Bournemouth and Watford were two teams that were upgraded in the last season and kept staying in the Premier League this season. These two teams' wage expenditure was the smallest in the league.

The policy of cost control in the Premier League will stop the wage of the league from expanding further in the next season. The proportion of wage and revenue in the Premier League will also decrease because of the increase of broadcasting deal. In the next season, the wage expenditure and the results of performance in the Premier

League will be much more positively correlated.

In season 2015 to 2016, the operating earnings of the league have been more than 500 million pounds for 3 years. However, tax adjustment for the Premier League has a slightly negative influence on its operating earnings.

In this season, the total operating earnings of the Premier League reached 511 million pounds. Although this number has continued to decrease for the last 2 years, it is the third high of the total operating profits in Premier League's history. The overall operating earnings of the Premier League from season 2013 to 2016 reached 1.6 billion pounds. This number is bigger than the all the earnings they have gathered in the last 16 seasons. In the last broadcasting deal which lasted for 3 years' time from season 2013 to 2016, the profit that the Premier League division made reached to 1.6 billion pounds.

Figure 11: Premier league clubs' profitability – 2011/12-2015/16 (£m)

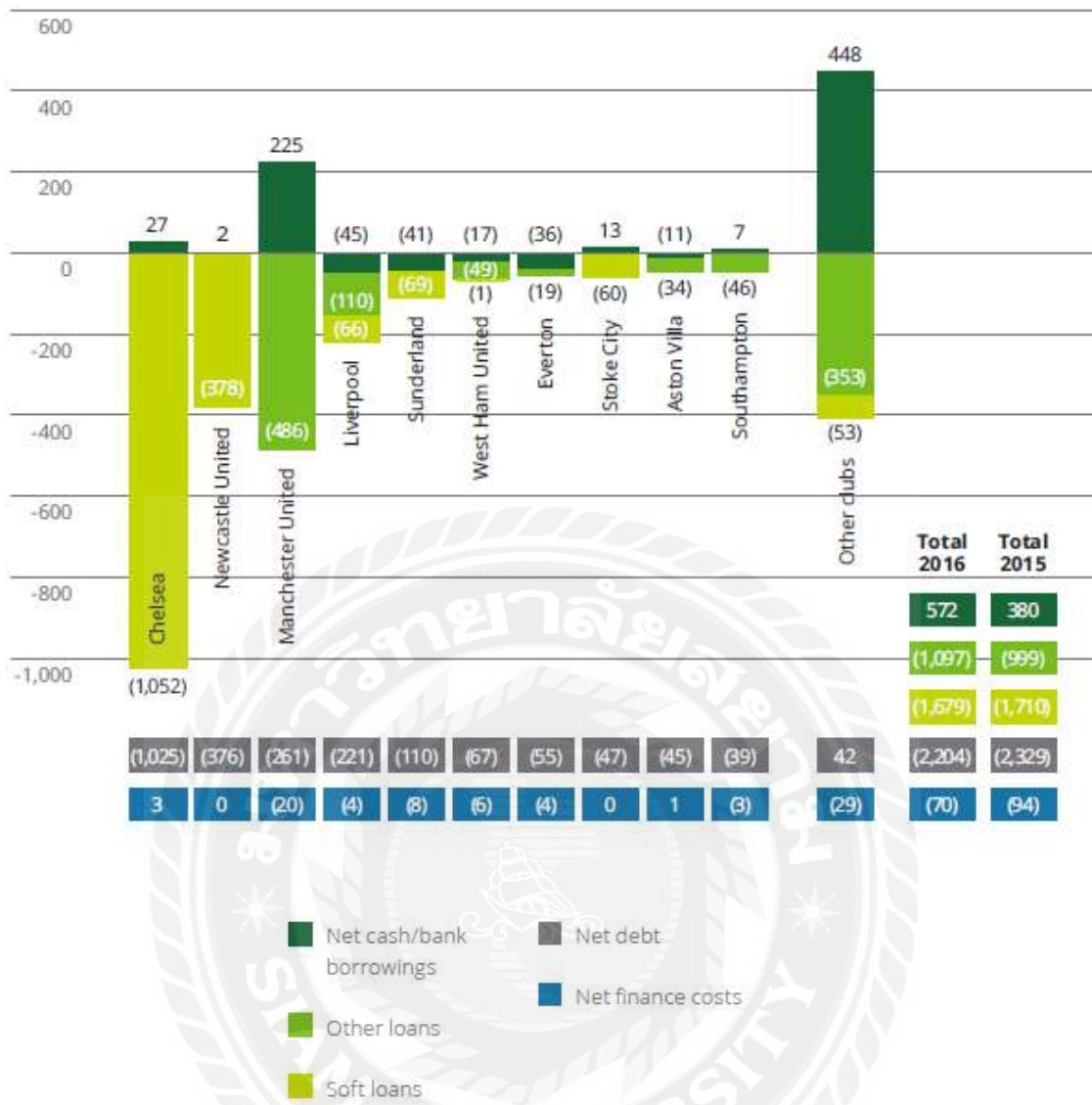


In season 2015 to 2016, 17 of the 20 teams in the Premier League did not make

profit. Compared with the last season, there are totally 17 clubs that made profits through running the division. In this season, more than half of the profits were made by two famous clubs, Manchester United and Manchester City. The three teams which were upgraded in this season have together made profits of 28 million pounds . In the last season, these three teams had loss of 47 million pounds in the Championship League in Britain. This is an evident demonstration that the clubs in the Premier League can make more money than the clubs degrade to the Championship League.

In season 2015 to 2016, the net debt of the division decreased by 125 million pounds , reaching 2.2 billion pounds . For the last 3 years' time, the net debt of this football league has been decreasing all along the way and this was good news. In season 2012 to 2013, nearly all of the earnings of the Premier League was consumed by the net debt. In this season, however, things have turned better, with the net debt accounting for 61% of the revenue. In the Premier League, one major sort of money borrowing is the soft loans, which means that the owners of clubs lend financial resources to the teams with no interest. In season 2015 to 2016, the Premier League's soft loan has reduced by 31 million pounds , a 2% of drop. The soft loan had a tendency of decrease in the Premier League in this season. Several factors are behind this good news. This is because different clubs behaved differently in terms of this soft loan situation. For instance, Queens Park Rangers have degraded in this season. This club borrowed money from in the form of soft loan at 173 million pounds in the season 2014 to 2015. However, this gap has been filled by other clubs that performed well in the financial situation of soft loan in this season. For instance, Newcastle was only 42 million pounds in soft loan while Chelsea only borrowed 40 million pounds in the form of soft loan. Soft loan represented 76% of all the net debt of the Premier League. Besides this, other debt of the Premier League in season 2015 to 2016 reached 525 million pounds . This was 15% decrease compared with the last season. There was an decreasing trend for debt other than soft loan in the Premier League.

Figure 12: Premier league clubs' net debt – 2016 (£m)



Other forms of loan include to borrow money from financial partners with interest of course. This kind of debt rose by 10% in season 2015 to 2016, reaching 98 million pounds . In particular, Manchester United and Liverpool were two clubs that borrowed money through this kind of loan.

In season 2015 to 2016, the financial expenditure of the Premier League has decreased to 70 million pounds . This figure was less than the total profit made by this division in this season.

In season 2015 to 2016, there were totally eight teams in the Premier League which has seen better situation in terms of the net debt. The biggest improvement belonged to the club Tottenham Hotspur, although in this season this club has

borrowed money from the bank at 111 million pounds . It performed very well financially in terms of profit it made and money from transfer of players.

In season 2015 to 2016, four clubs in the Premier League represented the majority of the total net debt in this division. Manchester United, Liverpool, Chelsea and Newcastle United totally were 1.9 billion pounds in debt. Besides these four clubs, other teams in the Premier League together were 426 million pounds in debt.

In season 2015 to 2016, six teams in the Premier League were in the level of net funds. They were Leicester City, West Bromwich Albion, Swansea City, Arsenal, Crystal Palace and Tottenham Hotspur. Among them, three clubs were in net debt situation in the last season, however, those three's financial position improved a lot in this season.

5.3 Chinese Investment

China has been a more and more important role in investing in football industry recently. Indeed, China has very active in establishing its local stadiums of football in its country and building commercial cooperation with foreign football clubs and international brands. However, things have changed in the policy of Chinese government regarding investment in the football industry. The policy that has been adjusted restrains the investment of the international football industry from the resources of China.

At the same time, according to the state Council of the government of China in the year of 2016, the government is supervising more strictly on financial resources from local to foreign countries. A great number of stocks of the European football clubs have been bought by the acquisition from the investment of the China. So, the policy of Chinese government has some extent of impact on the financial situation of the European football clubs and industry.

On the other hand, China's huge market of football industry has constantly been a great attraction of the investment from European companies. For instance, the famous football clubs, Barcelona, has established a building on the Hainan, one of the islands of China used for vacation of the Chinese people. It cost the club 4 million pounds to do so. Moreover, some other forms of buildings are also involved, such as football and shopping mall in order to attract as many people as possible in this huge

potential market of China.

In order for the European football clubs to expand its customer number, Chinese market is very important to them because the great number of potential audience in that country. Indeed, there is a fifty point plan in Chinese Super League which means that by the end of next decade, Chinese fan who plays the esports game will reach fifty million people.

Chinese policy regarding football investment is shift rapidly and frequently. So it is very difficult for investors of China to make appropriate judgment to make a profit in the football industry both in domestic and foreign country.

5.4 Media Competition

Nowadays, with the new development of new technologies, more and more consumers in front of traditional media want to watch the football games without the limitations of time and places. Traditionally, it is television that has been the major form of broadcasting. This form accounts for the majority of the broadcasting rights for football matches. However, in recent years, with the advances of technologies, other forms of broadcasting media appear to compete with the traditional television networks. The most famous and interesting one is the over the top streaming platforms (OTT), with social media coming the next.

One great merit of the new digital broadcasting networks is the fact that they have the capability of providing enormous information to football games customers. Besides this, they also have the advantage of having enough information about consumers' likeness and dislikes. This is very useful for the cooperating commercial brands to adjust their marketing activities through these new media.

On the other hand, football leagues and teams are paying much more attention to their digital broadcasting issues. One of the reasons of this is that they are trying their best to target on consumers who do not usually pay attention to traditional television networks. For example, a new OTT technology has been adopted by the English Football League as a means to broadcast its football match all around the world.

It is hard for the new tech broadcasting technologies to have enough influence in such a short period of time. This is because these new technologies are facing a variety of great challenges right now. For instance, there is not enough connection networks across the world. Moreover, new technologies for the purpose of live

broadcasting have the problem of time postponed. The content of the information maybe leaked out due to the problem of deficiency of privacy protection in these technologies.

However, with the development of science and technologies, the influence of the traditional television networks is facing the downward trend of fate. Despite the fact that they are able to provide reliable football match content too large amounts of audience lively, they cannot prevent the advances of the new technologies such as OTT. This is because they are the future of the broadcasting means.

Many football teams and clubs begin trying to sell its non-essential broadcasting rights including rights of their football matches within their home country and the broadcasting rights in foreign countries. They do it in a way of sign a contract with OTT owners or broadcasting their matches through digital channels.

Despite significant European success in the 1970s and early 1980s, the late '80s marked a low point for English football. Stadiums were crumbling, supporters endured poor facilities, hooliganism was rife, and English clubs were banned from European competition for five years following the Heysel Stadium disaster in 1985. The Football League First Division, the top level of English football since 1888, was behind leagues such as Italy's Serie A and Spain's La Liga in attendances and revenues, and several top English players had moved abroad.

By the turn of the 1990s the downward trend was starting to reverse: at the 1990 FIFA World Cup, England reached the semi-finals; UEFA, European football's governing body, lifted the five-year ban on English clubs playing in European competitions in 1990, resulting in Manchester United lifting the UEFA Cup Winners' Cup in 1991, and the Taylor Report on stadium safety standards, which proposed expensive upgrades to create all-seater stadiums in the aftermath of the Hillsborough disaster, was published in January of that year.

The 1980s also saw the major English clubs, led by the likes of Martin Edwards of Manchester United, Irving Scholar of Tottenham Hotspur and David Dein of Arsenal, beginning to be transformed into business ventures that applied commercial principles to the running of the clubs, which led to the increasing power of the elite clubs. By threatening to break away, the top clubs from Division One managed to increase their voting power, and took 50% share of all television and sponsorship income in 1986. Revenue from television also became more important: the Football League received £6.3 million for a two-year agreement in 1986, but by 1988, in a deal

agreed with ITV, the price rose to £44 million over four years with the leading clubs taking 75% of the cash. The 1988 negotiations were conducted under the threat of ten clubs leaving to form a "super league", but were eventually persuaded to stay with the top clubs taking the lion share of the deal. As stadiums improved and match attendance and revenues rose, the country's top teams again considered leaving the Football League in order to capitalise on the influx of money into the sport.

Although it is not entirely impossible for new technology platform providers to sign a big contract for exclusive broadcasting rights with one of the big five European football leagues, traditional television broadcasting media still has its power of ensuring the revenue of broadcasting fees for either the owners or the providers of the media.

5.5 Football League

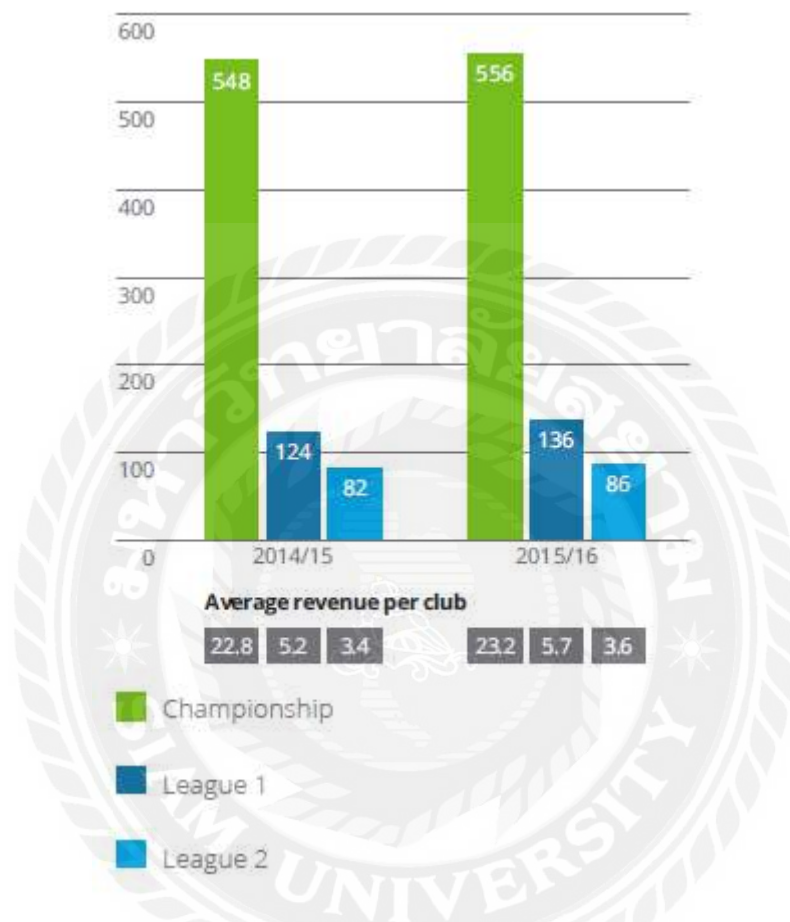
In season 2015 to 2016, the profit that EFL Championship teams made reached 556 million pounds . Compared with the last season, this number has increased by 1% and this figure was the historical high in the history of EFL. The profit was predicted to rise to more than 600 million pounds in season 2016 to 2017. As usual, a small percentage of revenue from broadcasting is given to the clubs that degraded from the Premier League and this is called 'parachute payments'. The revenue in season 2016 to 2017 will increase as a result of parachute payments and the equal way of allocation coming from the Premier League. This season is the beginning of the new period of broadcasting.

In season 2015 to 2016, The EFL's Championship teams' profit rose by nearly 1% as a result of the blending of clubs. This number was more than 70 million pounds , compared with the last season. The bad news for the championship clubs was that there was 9 million pounds of decrease of the total profit by the 18 remaining teams in the EFL's Championship League.

Parachute payments deriving from the Premier League were distributed into the nine of EFL's championship teams in season 2015 to 2016, compared with the 10 clubs in the last season. In this season, ELF's Championship League has received 162 million pounds of this payment, while in the last season this number was 166 million pounds . Among clubs which received this payment, 54% of their profit came from this. 29% of the championship clubs profit also came from this. Although teams

in the Championship League with the parachute money from the Premier League has the benefit over other clubs without it, from season 2011 to 2016, there were totally 15 teams that degraded from the Premier League and only one third of them have promoted back to the division. Moreover, in the last season, three teams with the parachute money have degraded to the League 1.

Figure 13: Football league clubs' revenues – 2014/15 and 2015/16 (£m)



There was a 10% of rise in League 1's earning in the season 2015 to 2016. The club Wigan Athletic turned out to be the major contributor, with its earning accounting for 13% of the League 1's earning as a whole. The main reason behind their financial success was because of the parachute money distributed from the Premier League for their relegation. In League 1 from season 2014 to 2016, there were a total of 17 teams which has seen the drop of financial income. League 2, on the other hand, as a whole rose their income by 5%, reaching 82 million pounds .

In season 2016 to 2017, the club Huddersfield Town was the title winner of the Championship League in Britain. The last the time when this club was qualified enough to compete in the Premier League was 1972. This is good news for the Championship League because it proves the fact that that any team, whether it has large or small financial resources, could have a chance to win the title and get the

promotion to the Premier League. Indeed, this club's wage expenditure was very low before the season of their title winning.

Being qualified to participate in the game of the Premier League is beneficial in both finance and brand name of the club. This is the most important reason for clubs in the Championship League to raise their level of wage expenditure in order to have better performance to get promotion. In season 2016 to 2017, the policy of Financial Fair Play of the Championship League is shifted into Profitability and Sustainability policy. It was a minor reason for the rise of wage expenditure of the Championship League in season 2015 to 2016.

Figure 14: Football league clubs' revenues and wage costs – 2014/15 and 2015/16 (£m)



In season 2015 to 2016, the Spearman's rank correlation coefficient measurement for the Championship League reached 0.42. Compared with the figure of 0.24 in the last season, this season showed a more positive trend between the wage expenditure and rank in the league for the Championship division. In season 2014 to 2015, two teams in the Championship League which spent the most on wage had the first three position in the Championships League's rank. In this season, however, there were totally four teams with high level of wage expenditure finished very high in the league. Among the eight clubs which spent the most on wage expenditure in season 2015 to 2016, there were only two teams which finished very low in the position of the Championship League. Compared with the situation of season 2014 to 2015, the number of clubs which spent very high on wage expenditure and finished very low in the Championship League was four.

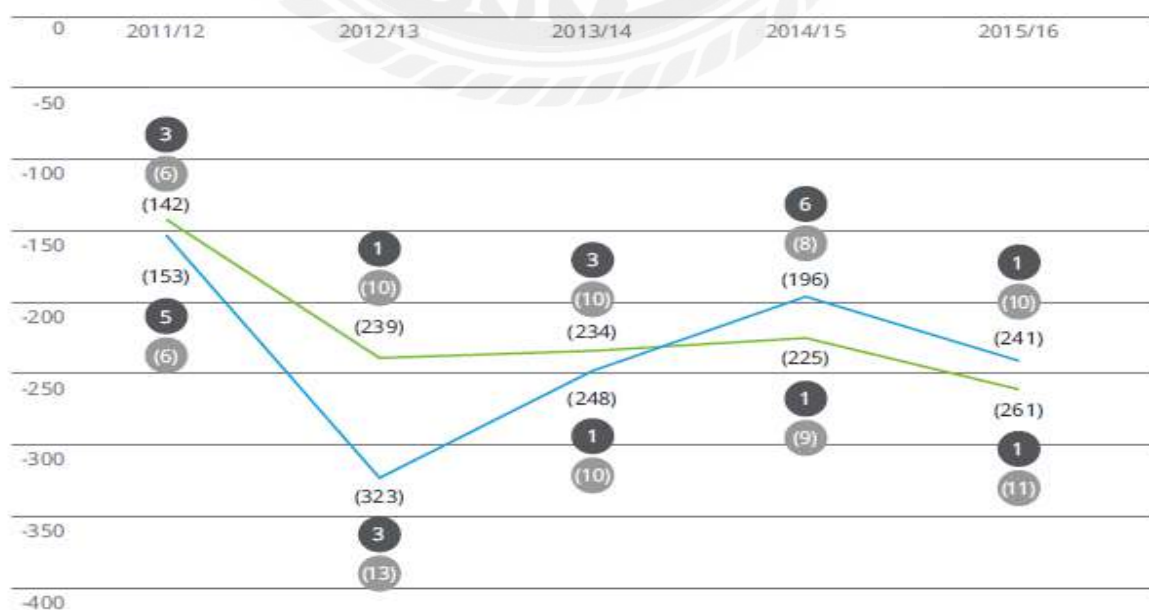
In season 2015 to 2016, there was 6% of rise in the wage expenditure in League 1. However, the proportion of wage and earning of League 1 decreased to 83%.

Compared with the figure in season 2011 to 2012, this ratio has dropped by 10%. The main reason behind this decrease is the effect of the Salary Cost Management Protocol policy carried out in League 1. Compared with season 2014 to 2015, the wage expenditure of League 2 rose by 2% in this season. However, the proportion of wage and revenue kept less than 75% and this has used to be a normal situation for the League 2 in the last decade.

From season 2013 to 2015, Championship League together showed losses of operating and before taxation. In season 2015 to 2016, the Championship League's losses of operating reached to 261 million pounds . While at the same time the losses before taxation arrived at 241 million pounds .The biggest reason behind these losses of operating and before taxation is the attraction of financial rewards to participate in the Premier League for this Championship League's clubs.

The losses of operating and before taxation in season 2015 to 2016 is because the fact that by qualifying to participate in the Premier League, the promotion itself will get the clubs in the Championship League very much financial reward than they stay where they are. Another factor behind this stretch of operating losses for the Championship League's clubs is that the broadcasting deal which began in season 2015 to 2016 will guarantee more rewarding for clubs who participate in the Premier League. The third factor behind this operating loss is the adjustment for the policy of Profitability and the Sustainability. Compared with the figure of 6 million pounds in season 2014 to 2015 for the limit for operating loss in the policy, this season this number raised to 13 million pounds .

Figure 15: Championship clubs' losses – 2011/12 to 2015/16 (£m)



- Operating profit/(loss)
- Profit/(loss) before tax
- Number of clubs generating operating profit/pre-tax profit
- Average club operating loss/pre-tax loss

In season 2015 to 2016, more than 50% of teams in the Championship League recorded losses of operating and before taxation, reaching over 5 million pounds . Moreover, 10 teams in the Championship League suffered from losses of over 10 million pounds before taxation.

There was only one club in the Championship League, the Hull City, which recorded profit in operation in this season, with no more than 1 million pounds . In season 2015 to 2016, there was only one team in the Championship League, Wolverhampton Wanderers, which had made profit before taxation. The reason behind this profit is the success on player transfers of this club, receiving 10 million pounds of financial reward via transfer.

Circumstances of profit before taxation in League 1 and League 2 changed little in season 2015 to 2016. League 1 had an operating loss before taxation of 1.6 million pounds in each club, while in League 2 that figure kept stable at 0.5 million pounds for each team. Usually, such financial gap was often filled by the bosses of League 1 and League 2 clubs.

After careful analysis of the financial situation of the Championship League, the new policy of Profitability and Sustainability for the division will be carried out in season 2016 to 2017.

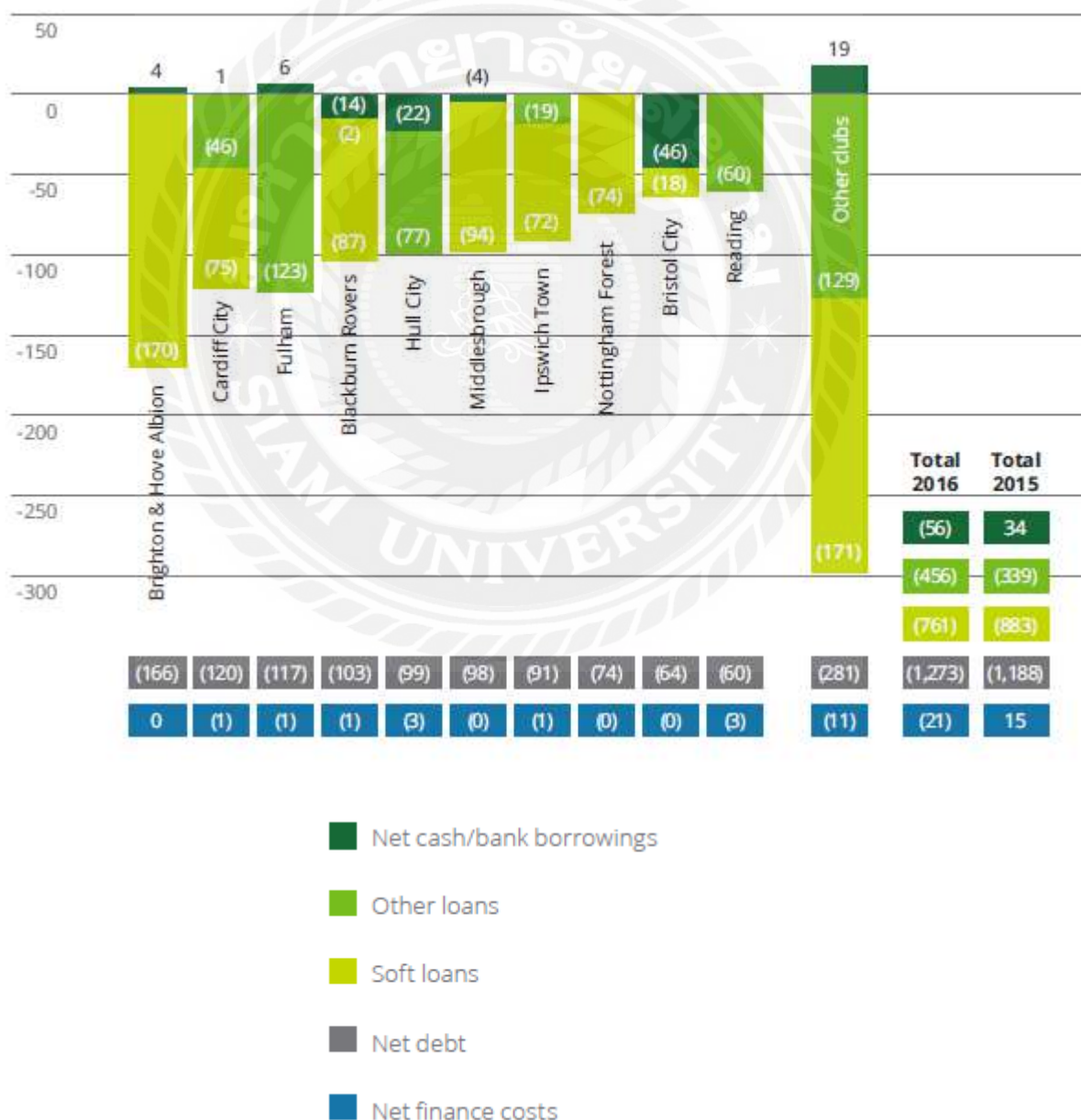
Under this new policy, clubs in the Championship League will be permitted to have operating losses to a maximum of 39 million pounds in a consecutive 3 years' time.

Moreover, in season 2017 to 2018, foreign investment will account for over 50% of the teams in the Championship League. In particular, in season 2016 to 2017, there are totally 5 teams in the Championship League that was acquisitioned by oversea

investors. The operating losses for the Championship League will increase in the next few years because of two factors. One is the ongoing investment from the overseas financial resources, while the other is the attraction of the financial reward for participating in the Premier League.

In season 2015 to 2016, the total net debt for the division of Championship League rose by 7%, reaching 1.3 billion pounds. This number is over twice the amount of the earning for the division of the Championship League in this season. In the year 2015, the ratio of soft alone which has no interest and is usually borrowed from the club owners and the total net debt was 74%. In the year 2016, however, this figure decreased to 60%.

Figure 16: Championship clubs' net debt – 2016 (£m)



In season 2015 to 2016, financial backup of the division of the Championship League came from soft loan and other loan. These two kinds of money borrowing accounted for 96% of the net debt and this percentage was more than 100% in the previous season. The shift the constitution of teams in Championship League was the driving force for the 143 million pounds rise in terms of net debt of this division. In the year 2016, 7% of the net debt of the Championship League was represented by borrowing money from the bank, reaching 84 million pounds . However, in the year of 2015, only 1% of the net debt came from borrowing money from the bank. The reason behind this increase of bank money was the mixture of teams in the Championship League. Another kind of loan, the soft loan, was reduced by 14%, reaching 761 m in pounds in the year 2016. The reason behind this decrease was the fact that although the club Bolton Wanderers has borrowed 171 million pounds, this money has been mitigated by the financial resources from five clubs' bosses in this Championship league.

Other loans, on the other hand, rose by 117 million pounds in the year 2016, a 34% of increase. The reason behind this increase was the mixture of teams in the Championship League. In particular, Hull City contributed 77 million pounds while Queens Park Rangers contributed 36 million pounds . They both were qualified enough to participate in the Premier League matches in season 2014 to 2015.

In the year 2016, 78% of the whole net debt in the Championship League was represented by 10 of its clubs in this division. This percentage, however, was 83% in the year 2015. As a result of the financial resources from the bosses of the Championship League, 7 clubs with the largest debt have seen rise in the amount of net debt in this year. The club, Fulham's net debt reached 29 million pounds , the biggest rise of this division.

The club in the Championship League, Bolton Wanderers, stated that the money that it borrowed, 171 million pounds , has been paid back in the year 2016. This left the two clubs, Brighton and Hove Albion, owing the largest amount of net debt in this division, despite the fact that 100% of their debt belong to the kind of soft loan.

After degraded from the Premier League in season 2014 to 2015, the club Queens Park Rangers borrowed money from the owners in the form of soft loan of 181 million pounds in this season .

Despite the fact that Financial Fair Play policy has the impact of let the speed of increase of net debt a little slower, the amount of net debt keeps growing in the Championship League division. Bosses of clubs in this division keep helping teams in the form of soft loan and other ways. This is because the promotion to the Premier

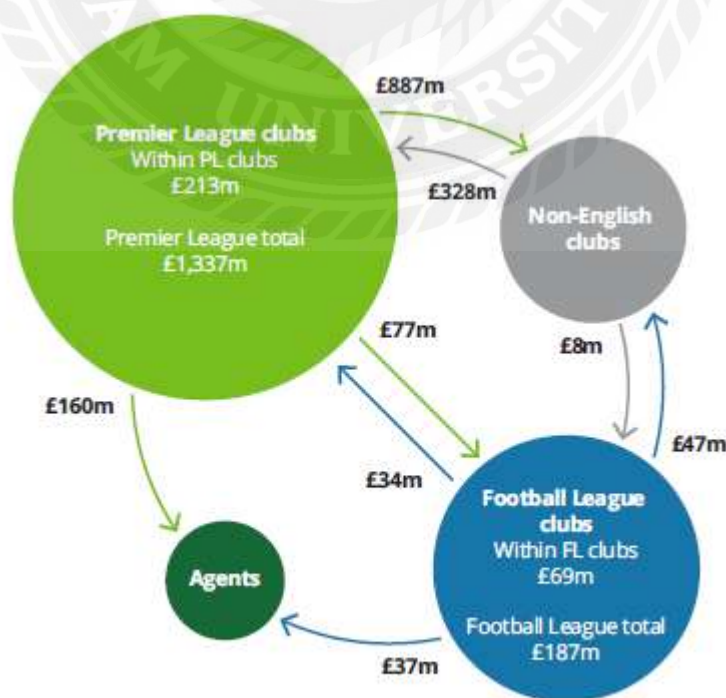
League has far more rewarding in terms of finance. In season 2016 to 2017, the Championship League has welcomed 4 years' time in which all clubs in this division has been able to pay back their loans.

5.6 Player Transfers

In season 2015 to 2016, 1.3 billion pounds was consumed by the Premier League for the purpose of transfer. The reason behind this is that there is a rise in the revenue of broadcasting in the season 2016 to 2017. This transfer fee is more than 20% than the one in the last season. The total cost of buying players was over 1.5 billion pounds in the division of Premier League and English Football League. The Premier League has always been a very competitive league all around the world in the field of football industry (Nytimes.com, 2018).

In season 2015 to 2016, the cost of transfer fee in the Premier League remained top of the world. In particular, it cost the Premier League teams more than 1.3 billion pounds in total on buying players. 900 million pounds of expenditure was used to buy players from foreign countries and the 77 million pounds was spent at football players from EFL.

Figure 17: Premier league and football league clubs' player transfer payments - 2015/16 (£m)



There are totally five clubs which spent more than 100 million pounds in buying extra players. In particular, although Newcastle United has degraded in season 2015 to 2016, it still spent 115 million pounds on buying players. Another club, Manchester city, broke record for fees of purchasing players, arriving at 175 million pounds. In season 2014 to 2015, there were a totally 7 teams which spent over 50 million pounds on purchasing players. This number has increased to 12 clubs in season 2015 to 2016. The reason behind this is that the revenue of the Premier League was promised to rise in the season 2016 to 2017 and Premier League's broadcasting rights worth more in the market in this season. Furthermore, in this season, the Premier League has allocated the broadcasting revenue in the most equal way since its establishment of this division.

In season 2015 to 2016, the cost of net transfer of the Premier League rose to over 750 million pounds. This includes 160 million pounds of transfer fees to pay for the agents and 43 million pounds to pay for the EFL.

In season 2015 to 2016, it totally cost EFL 190 million pounds in terms of transfer fees. Compared with this number of the last season, it has greatly increased by 36%. Part of the reason is that some of the clubs in EFL has invested great resources in order to upgrade to the Premier League.

In fact, two teams, Burnley and Middlesbrough, in the EFL upgraded to the Premier League. These two teams belong to the championship clubs which invested great money in players transfer.

Leading football teams and clubs in Britain, Spain and Italy bought more players than they sold in the season 2015 to 2016. On the other hand, in Germany, Bundesliga earned 50 million pounds during the process of net transfer in this season. Football league in France also reported earnings in transfer in this season.

In season 2016 to 2017, China has been the focus of the football players transfer market in the media. It cost the Chinese clubs over 300 million pounds for football player transfers in this season. On the other hand, British Premier League together paid 1.4 billion pounds to purchase football players in this season. In the first month of 2017, Premier League clubs gained more than they spent during this transfer process.

5.7 Financial Administration

The last few years, it is not uncommon leagues of the European football to adopt policy of limitation of its expenditure. This policy has been the standard for the sports business in America for quite a long time. European football leagues started to learn from it.

The purpose of such policy of limitation on expenditure is usually to protect the balance and the potential of the League's future and make sure that the competition is fierce and not the other way around. However, specifically, the type of the game and the objective and wishes of the stakeholders of the sport have a real say in the specific content of the regulation regarding how to control the cost of the game.

The prosperity in the long run for football leagues partly comes from the policy of a good administration of financial management. On the other hand, however, some people question the control of financial expenditure by posing the view that it could possibly prevent further investment and limit the clubs' ability to buy good football players. Indeed, the fees of having a football club have risen to sky high as a result of the policy of control on financial expenditure in Europe. Indeed, the financial ability of the Premier League is far beyond imagination (Dawson, 2018).

In season 2013 to 2014, Premier league is another example in the European's football industry that applied the policy of cost control. In that season, the division that has successfully welcomed an operating profit. This situation has not happened in the previous 15 years.

5.8 Infrastructure

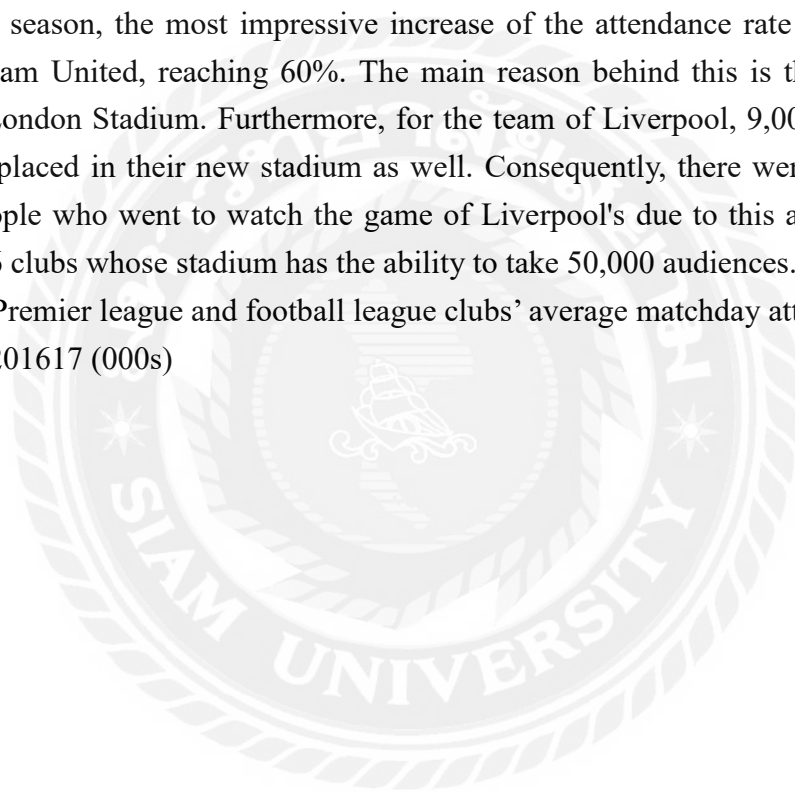
In season 2016 to 2017, the of the number of people who went to watch football games in the Premier League and English Football League rose to nearly 32 million people. It was a 5% of rise, compared with the last season. Companies, clubs and financial institutions kept on interested in the investment of stadiums in order to provide high quality football matches in Britain for football fans and consumers. The number of people who went to watch Premier League matches decreased by 2% and this is because two previous Premier League clubs have degraded in this season. However it should be noted that these two clubs together contributed to an increase of 15% of attendance in the championship matches. Although TV viewers made of the

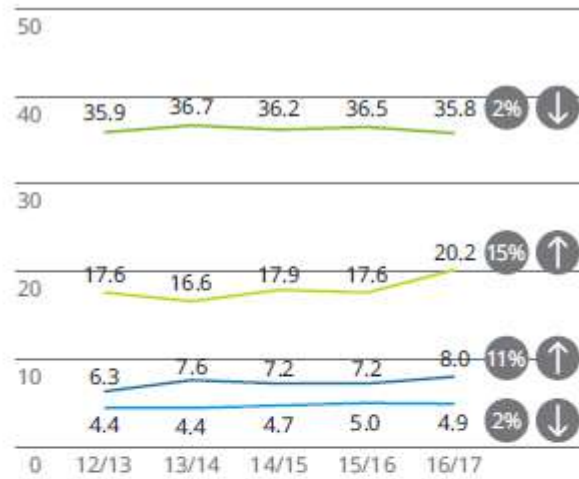
majority of the Premier League's source of income (Ft.com, 2018), it is still important for the league to build fantastic stadium to attract the local audience.

In season 2016 to 2017, the number of people who went to watch the Premier League football matches arrived at 13.5 million people. In particular, 96% of the stadiums were used during this season, with 36,000 people participating in the football matches in every stadium during every game. Among the clubs of the Premier League, there were 16 teams which had the occupation rate of 95% in their stadiums in this season. Only three clubs of this Premier League had relatively lower attendance rate, 90%.

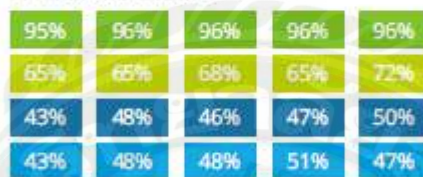
In this season, the most impressive increase of the attendance rate belonged to the West Ham United, reaching 60%. The main reason behind this is that they had their new London Stadium. Furthermore, for the team of Liverpool, 9,000 additional seats were placed in their new stadium as well. Consequently, there were more than 20% of people who went to watch the game of Liverpool's due to this action. There are totally 6 clubs whose stadium has the ability to take 50,000 audiences.

Figure 18: Premier league and football league clubs' average matchday attendances – 201213 to 201617 (000s)





Stadium utilisation



Aston Villa and Newcastle United are two clubs that has greatly contributed to the attendance rates of the championship matches. In season 2016 to 2017, this two were the most popular teams in their league. In particular, there was an average of 20,000 people who attended their games in the second tier. In the meanwhile, it is noteworthy that there are more than 50,000 people who go to watch the game of Newcastle United, indicating the fact that there are even more people who attend to watch their games, compared with the last season in the Premier League.

There are 11% of rise in the number of people who attend the games in League 1. The reason behind this increase is the fact that Bolton Wanderers and Charlton Athletic performed excellent in this league. In the third tier of the league, Sheffield United reached the attendance people of more than 20,000. This is because they were the champion in that season. There are 5,000 people attending each game in the matches of the League 2. This number is almost as much as the figure of the last season. The most impressive performance in terms of attendance belongs to Portsmouth. In fact, their game attracts as much as 17,000 people in matches of League 2.

Bundesliga of Germany continues to be the football league that has the most high attendance rate all across the world. In season 2016 to 2017 alone, the league's attendance reached more than 40,500. The price for the league's ticket remains lower than the British football clubs. The Premier League adopted a policy of no more than 30 pounds for each game and this policy was welcomed by football fans in Britain.

Compared with Britain and Germany, football leagues in France, Italy and Spain does not have as high attendance rate as that in their counterparts. Although the Euro 2016 has made France financially invest in the construction of its stadiums. France's football league remained the least popular among the European's big five in the season 2016 to 2017. In Spain in season 2017 to 2018, the stadium of Atlético de Madrid will have a positive impact on the attendance rate for La Liga.

5.9 Esports

Esports was used to be seen as a video game that had relatively small customer base and market. However, this point of view is shifting. It is predicted that there would be 1.8 billion people who knows of this eSports market until 2020 and the revenue deriving from this market will rise to 1.2 billion pounds .This new phenomenon has attracted lots of strong brands into this new market both in terms of interest and finance. In particular, some of the most famous teams and clubs in Europe have placed much more attention to this traditionally small market.

Usually, players of this eSports participate in the game as one person or as a member of a team. The competition is very strong between excellent players in this Esports game. Like the situation of other sports activities, the prize for the talented winners could be very attracting. In particular, the financial reward of professional games could usually be as high as the number with six zeros. Indeed, a DOTA 2 electronic game carried out by the company of Valve has attracted tens of millions of fans, both online and offline. This company has held a competition called 'The International 2016'. The winner belonged to a Chinese competing team called 'Wings Gaming'. The prize for the championship was a reward of 7.2 million pounds .

There are totally two games that are most popular among players across the world. One of them belongs to FIFA of the EA Sports, while the other is Pro Evolution Soccer from the Konami company. They are both football games. Although other Esports games are also backed up financially by other investors, these two

games are invested most heavily and gained the most significance. The FIFA game is turning to be more and more popular because it is relevant to European football leagues.

The real aim of many football clubs, as the investors of Esports, goes beyond the football video games. In fact, there are other video games that also have audiences and fans all around the world. For example, Counter-Strike: Global Offensive, DOTA 2 and League of Legends are good cases that demonstrate that other excellent video games can also attract large volumes of audience all across the world. Maybe the most heavily financially backed up Esports game belongs to PSG eSports. It is financed by a football club. It is created by a company called Paris Saint-Germain in 2016.

The reason why many football clubs and teams perceive Esports as a great potential to invest in is that lots of famous international brands such as Coca-Cola, Gillette and McDonalds have seen potential in this field, with the purpose of targeting on young generation of audiences which are fans of sports. This young generation group of audience are consisted of the people between the age 20 and 35. The majority of them know the new trend of technology. Moreover, they consume lots of their free time on the Internet and are fond of using mobile phones than their superior age groups. International brands such as Coca-Cola find it more and more challengeable to target on this audiences by the means of traditional media networks such as television.

The circumstance of traditional media has shifted a little. Although television broadcasting for football matches continues to attract lots of audiences, the loyalty of their audiences has changed a little bit. For instance, compared with the situation of we TV audience rates of the Premier League in season 2015 to 2016, the audience in traditional TV channels such as Sky and BT have decreased a little in the season 2016 to 2017. Esports turns out to be a bridge between football leagues and strong international brands on the one hand and potential young generation customer base on the other hand. It's a good opportunity because this young group of target audience may otherwise become consumers of other entertainment without the help of Esports.

Although Esports may seem promising in the long run, actions of investment from either football leagues or international brands should be careful with their resources. One of the reasons comes from the fact that there are a variety of video games which consist of the industry of Esports, with disparate group of audience being interested in different video games. Moreover, this market has to deal with problems associated with privacy and legitimate issues of the football players,

administration, schedules situation of the relevant football match seasons, to name just a few. So, sophisticated and careful investigation and the estimation should be an essential part of action before any further investment

5.10 SWOT Analysis

Strengths:

The strengths of the Premier League are very big at the very moment. Broadcasting deal and the central distribution mechanism are two very illustrative examples.

A new circulation of broadcasting rights of the Premier League began in the season 2016 to 2017. Central distribution of all the football clubs will reach to 2.4 billion pounds in this season. This is an increase of 46% compared with the last season. A number of reasons set behind this increase. One of them belongs to the fact that one famous club, Chelsea, signed a new contract with the big brand of Nike. Earnings of the football game day rise as the West Ham United had a new stadium for the game in this season, with clubs such as Tottenham Hotspur and Liverpool also having amendment for their stadium in the next season. Therefore, the overall earnings of the Premier League is predicted to increase to 4.5 billion pounds in this season and the 4.6 billion pounds in the next season.

Despite the fact that the Premier League clubs distributes revenue of broadcasting in the most equal way among European continent, the financial performance of individual clubs behave differently according to their different situations. Clubs and teams who can participate in the competition of the UEFA can earn more in terms of revenue. As the broadcasting contract of the UEFA has increased, Premier League clubs participating in this game, in particular, gained 230 million pounds in season 2015 to 2016.

Weaknesses

Compared with other European football leagues, Premier League lack some of the advantages in terms of media channels.

With the development of social media technologies, consumers nowadays expect beyond just watching football matches. What they want today is the interaction in the

form of digital communications with the match events. In other words, what they want is not just the traditional one way broadcasting but two-way interactions on digital channels. It is a great opportunity for new emerging media networks to meet this new trend of needs of consumers. They can have much more impact on football consumers by providing extra content on live broadcasting or filling the gap where traditional television broadcasting are not available. In this day and age, it is more and more essential for organizations to pay enough attention to the changes of the global marketing (Warren, 2017).

The companies of traditional televisions have seen this new trend. Their way to deal with this new threat is to create their OTT of their own or to produce new content or lower their price in order to get more opportunities. What traditional companies also do to response the challenges of new threats are focusing on and financially backing up the development of new technologies such as Virtual Reality.

Although it has been reported that these new media platforms has great resources, none of them has made the achievement of winning the competition for the exclusive rights of broadcasting of any famous football leagues. What these new companies focusing on is to compete for the non-exclusive broadcasting rights, playing an additional role for the traditional media networks.

In terms of the bosses of the football leagues and clubs, their broadcasting revenues from traditional television broadcasting networks have the obvious trend of increasing. Therefore it is reasonable that they might not pay enough attention to sell their broadcasting rights through new patterns.

Opportunities:

Opportunities of the macro environment for the Premier League are also inviting, with some worrying future to some extent.

In the season of 2016 to 2017, it cost the Chinese Super League Division over 300 million pounds for purchasing players in the window transfer period. This figure is the highest one all around the world. Moreover, it is over 100 million pounds the Premier League Clubs spent in the same period. In fact, Premier League's record of transfer receipts was due primarily to selling two important British players to the Chinese Super League in Shanghai and Changchun. This is good news for the Premier League. Good communication and co-operation for any company is the image that it shows the business world that it has good relationship with other companies (Nils, 2015).

However, things began to change. It is hard for the Chinese Super League to buy players at this huge spending. According to the General Administration of Sport, an organization of the Chinese government to make policies regarding the sport business in the country, there is going to be a limitation on the payment on football players and the transfer expenditure from the first month of 2017.

In the meanwhile, another organization, the Chinese Football Association adopted a new policy of the football industry in China. In this new adjusted policy, there will be a maximum of three football players from oversea to take part in a football match of the Chinese Super League. Compared with previous policy, the Chinese Super League allowed 4 foreign players and 1 Asian player to attend the match of its League.

In the middle of the year 2017, the Association of Chinese football made another policy regarding the administration of the League. Teams and clubs which are in the situation of profit loss while at the same time cost the club over 5 million pounds on overseas football players have to spend an equal fee on nurturing younger local football players. This new policy has great power to limit the investment on overseas young football players from China.

Threats:

Finally, the threats for this league are also not hard to find.

In France, the UEFA generated a significant increase in the revenue in 2016. On the side of FIFA, the division shifted policy in terms of revenue recognition in order to better administrative its World Cup cycle. In the season 2015 to 2016, European Football Leagues has seen an increase of revenue. Besides the major football leagues, small football leagues has also seen rise in terms of revenue. In fact, there were 271 million pounds of revenue coming from the lower level of European football leagues. This was an 11% of increase, compared with the last season.

In France, in 2016, the number of teams of the UEFA Euro raise from 16 to 24. It has led to a great rise in the revenue of the division in the season 2015 to 2016. The matches of this division attracted 2.5 million fans and are broadcasted in 230 countries all across the world, making revenue of more than 1.9 billion pounds . This figure has increased 500 million pound , compared with the last matches in 2012. In 2016, the net profit of this match received over 800 million pounds .

The revenue of the European Football Championship was over twice about the amount in the game of 2004, which was held in Portugal. Moreover, this number was nearly 50 times, compared with the amount of the game in 1992, which was held in Sweden. Money from the broadcasting deals of the 2016 tournament was more than 1 billion pounds , accounting for 53% of the revenue in total. In the tournament of the 1996, the broadcasting part represented for only 33% of the revenue. And revenue from the ticket accounted for 44% then. However, this number has dropped to 14% in the tournament of 2016. In the period of the previous 20 years, both European's national football team and clubs have changed in the same way in terms of financial performance.



CHAPTER 6

CONCLUSION AND DISCUSSION

After careful investigation and comparison of the Premier League and other European football leagues, it is concluded that the Premier League is better than other European football leagues comprehensively at all terms. For instance, in terms of revenue, Premier League gains more than twice the revenue than other European football leagues and their operating profits is far more better especially compared with football leagues.

6.1 Conclusions

Policy of cost control has the advantage of let investors of the European football industry be sure that they are making profit in a secure way and that their interest could be protected to some extent. Some of the new policies set green light on the issues of letting clubs spend more than they earned. Other policies of cost control have a positive impact on building facilities for children and women regarding football industry as the long run investment. In the meanwhile, these policies also involved the limitation of the investment in order to diminish the extent of loss for the investors. This financial regulation, together with administration of running a football team, indicates the fact that the investment in the football industry is secured in the long run.

Policies of cost-control have good influence in the game of UEFA competition. This regulation turned out to be effective since 2012. In season 2013 to 2015, European's big five together made profit of 1.5 billion pounds .It is a great turn compared to the 700 million pounds of operating loss before the rules of cost control become effective. In fact, there is totally 81% of decrease because of the significance of cost control policy.

Championship clubs again (for the third time in four seasons) spent more on wages than they earned in revenue in 2015/16 and also suffered record operating losses of £261m, continuing to stretch their financial limits in the hope of securing the

riches and glory accompanying promotion to the Premier League. As a result of this financial performance aggregate net debt increased to £1.3 billion in the 2015/16 season, more than double the revenue of the division. The division's new profitability and sustainability rules effective from the 2016/17 season, largely aligned with the approach for Premier League clubs, seem unlikely to deliver a turnaround in Championship clubs' financial results.

6.2 Research Limitations

Because of the fact that premier league is so huge at the global level it is not possible for a single student to have the bigger picture of an organization with such supreme. Questionnaire should be involved in this essay. However, the whole global market of the Premier League so big so that we choose not use question there at all.

The Esports competitions usually take place on the Internet or in specific stadiums. It is better for the formation of the competition to be a mixture of both in order to have more volume of audiences all around the world. This way, Esports players and audience could also become the audience of the relevant sports because they attend the competition in specific stadiums that hold sports games. 'The League of Legends World Championship' attracted more than 20,000 audiences in Los Angeles in the stadium of Staples Center in 2016. Afterwards, the company prepares to hold the final games of 2017 in Beijing Bird's Nest, the stadium that carried out the 2008 Beijing Olympic Games.

6.3 Suggestions

Other kinds of investigation should be involved in this comprehensive report regarding some questionnaire or official research team stepping in. This could help this essay to reach a different level of perfection. However, due to limited resources and time, it is reasonable that we come to the conclusion that premier league is superior than other European football leagues in terms of financial resources, player talents and the infrastructure.

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