

Analysis on the Impact of COVID-19 on the Football Industry and Corresponding Strategies

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Abstract. The COVID-19 epidemic has had a great impact on people's work and life since 2019. In the football industry, the impact of the pandemic has never been so obvious. First, there was a massive league lockout, then there was the postponement of the European Championship held every four years. Despite the efforts made by everyone from the federation to the country to get the league back on track, the loss of empty matches remains indelible. From the economic level to the athletic level, the pandemic has hit the football industry hard. Many football teams have been struggling a lot since the outbreak of COVID-19, while there are also some teams remaining to be impressive. The purpose of this paper is to analyze the impact of the epidemic on various aspects of the football industry and to study the strategies that can be adopted by the football team to fight against global diseases. In conclusion, starting from the athletes, the epidemic has a great impact on the physical fitness of the players, and the infection of the star players will greatly reduce the competitiveness of the team. At the same time, the impact of the empty-stadium strategy on the whole football economy can not be ignored. The return of fans and players needs to be focused on to achieve a quick recovery from the pandemic.

1. Introduction

The European football league is undoubtedly the best-developed and the most famous one in the world. Therefore, the rules and regulations of the European football league or the big-five leagues (Bundesliga, Premier League, French Ligue 1, Italian Serie A, and Spanish La Liga) are worth being referred to. For instance, according to the 50+1 policy of the Bundesliga, football clubs will not be allowed to play in the Bundesliga if commercial investors have more than a 49 percent stake [1]. The Bundesliga's 50+1 policy has long been a controversial issue. It limits the control of foreign investors in clubs. Under the 50+1 policy, commercial investors are not allowed to own more than 49% of a club's equity, which also guarantees the right of clubs and fans to make decisions. Hoffenheim and Hannover 96 are the exceptions, given that the club's investors have invested in the team for more than 20 years, and they have a special 50+1 deal. So far, most fans and teams have recognized the stability brought by the 50+1 policy. However, with the emergence and successful development of RB Leipzig and the impact of the epidemic on the club's economy in recent years, more and more people begin to think about whether the 50+1 policy needs to be overturned [2]. In addition to the operation of individual football clubs and leagues, there is also a need to study more about employment contracts, transfer/labour markets, broadcast deals, salaries, and fan experience and engagement, so as to better deal with the

crisis faced by the football industry under the COVID-19 pandemic.

This paper analyses the impact of the COVID-19 epidemic on the football industry from the aspects of economy and the players themselves. Data analysis in the paper includes the financial data of different clubs and football-related consumption data such as tickets. The changes and innovations made by football clubs and football leagues during the pandemic, as well as the corresponding strategies are summarized. This paper can help readers understand the role of players in football's network society and, more importantly, give suggestions on crisis management in the football industry under COVID-19.

2. Influences of COVID-19 on the Football Industry

2.1. Reduced Profits from Tickets, Broadcast Rights and Sponsors

The main revenue of the football industry comes from tickets (including season tickets and team memberships), broadcast rights, player deals, and accessory sales. The consequences of COVID-19 have led to a considerable crisis in the football industry, with matches suspended or canceled and major events like the 2020 UEFA European Football Championship postponed. Therefore profits created from tickets, broadcast rights, and sponsors have reduced significantly. For more than a year, the revenues

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of European clubs have been significantly affected by the absence of fans in stadiums and by smaller TV audiences. For example, in France, the withdrawal of Mediapro, which held the broadcasting rights for Ligue 1 and Ligue 2, deprived the clubs of a significant share of their revenue. In the midst of the pandemic, Mediapro could not afford the €814 million a year it had promised for broadcasting rights. As the pandemic closed bars and restaurants, advertisers spent less money, making it difficult for Mediapro to monetize on subscription fees alone, and eventually leading to Mediapro's exit [3].

According to Figure 1, it is not just France, teams in all five major leagues have been affected by the delay in rights payments, and the Premier League's revenues have fallen significantly for the first time in more than a decade. European football has seen a rapid increase in revenues over the past decade, but the total impact of the pandemic on club revenues in the 2019/20 and 2020/21 seasons was estimated at around €7bn. Although there has been a slight increase in revenue from ticket and sponsorship sales, there has not been a significant improvement in club finances. For the club, competitiveness remains the primary goal, and investment in players and facilities remains compromised by the pandemic for the sake of sustainable development. Manchester United, for example, was able to sign Sancho for close to 90 million pounds in stages during the pandemic and acquire Cristiano Ronaldo from Juventus for a staggering salary. Every club knows that reaching the Champions League, or even the latter stages of the competition, can be financially rewarding, and that losing qualification for the Champions League, or even relegation, can mean losing the quality of the competition and losing the interest of sponsors [4].

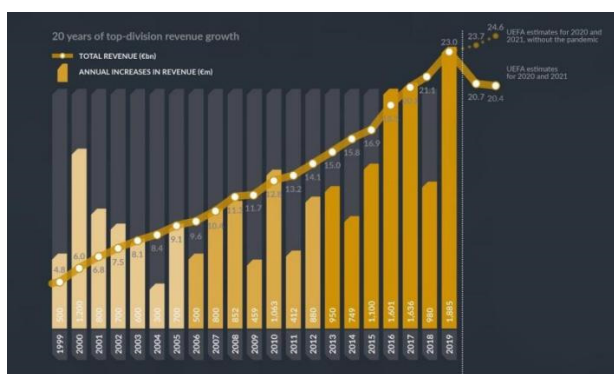


Figure 1. 20 years of top-division revenue growth (source from Weforum) [3].

2.2. Reduced Revenue of the Football Team

On the dimension of finance, Manchester United, one of the biggest clubs in the world with top earnings, has seen its revenues plummet during the pandemic. As shown in Figure 2, other than a slight dip in 2015, Manchester United's revenue grew year on year from 2012 until it hit a record of £627.1 million in the year ending June 2019. It then dropped to £509 million in 2020 and again to £494.1 million in their latest set of annual accounts in 2021. It highlights just how badly Manchester United was

impacted by the pandemic, supported by the fact that its match-day revenue dropped from £110.9 million (2019) to £89.8 million (2020) before dramatically falling to £7.2 million [5].

As an old and wealthy giant club, the match-day income of Manchester United ranks the highest among all clubs. Before the epidemic began, Manchester United's matches were packed. Besides die-hard fans, many tourists from other places would choose to watch Manchester United's matches during their trip. In addition to ticket costs, sales of shirts and club memorabilia, as well as stadium tickets also make up a significant portion of the revenue.

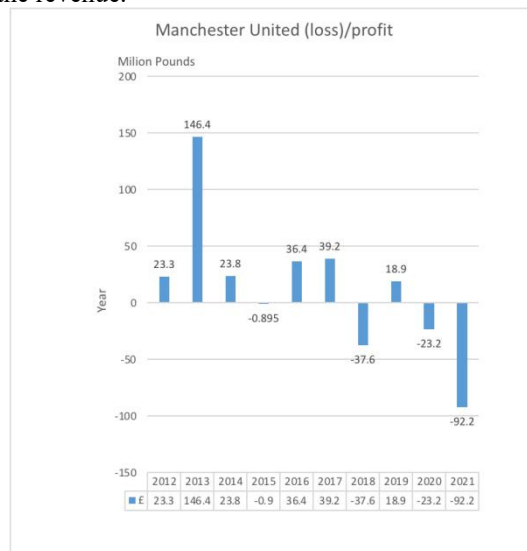


Figure 2. Manchester United (loss)/profit (source from the Athletic).

2.3. Unreasonable Salary Structure for Players

On the other hand, in order to improve the competitiveness of the team, the club will strengthen the team through the transfer of players. Before the pandemic, some clubs would spend high salaries and transfer fees to complete the transfer of some star players. But profits during the pandemic have struggled to make up for pre-pandemic expenses, and teams have struggled to pay full salaries during the pandemic, leading to unhealthy salary structures for some teams.

2.4. Unhealthy Physical and Mental Conditions of Players

For players, the main body of the football industry, the epidemic will also have a serious impact on their health. Physical performance and mental well-being would change after COVID-19. The effect on physical performance is conflicting, indicating an increase in countermovement jump height and an improvement in eccentric hamstring strength whereas the mean isometric hip adduction and abduction strength are reduced [6]. It can be seen from the results of the experiment that the impact of the virus on the body of athletes will gradually decrease with time, and it has a significant impact on the mental health of athletes. Assuming the effect of

COVID-19 on players can be completely diminished eventually, the club will still have to pay for the player's medical costs and even find a temporary substitute player. Although the football season is long, a few weeks or even months' performance can have a huge impact on a team's final result.

3. Strategies for the Football Industry to Recover from COVID-19

3.1. The Health of Players

The return of football starts with the return of the game, with every club making sure their players are protected against infection and in good health during the pandemic. For some players unlucky enough to get infected, getting their bodies back to where they were before the pandemic is crucial. There are many issues facing the top game as a result of the COVID-19 crisis and its effects on the football ecology, including how to resume competitive football safely and effectively. A progressive build-up of aerobic high-intensity, speed endurance, and power training is advised by experts. The players' level of fitness should be regularly evaluated, and the best healing choices should be prioritized. This includes paying special attention to diet and tactics for preventing injuries. Soccer teams had to be conscious that these are special situations and get ready for the future [7].

3.2. The Safety of Football Fans

The fans will return along with the games. The beginning of football's ecological comeback is the return of the fans, the primary source of match-day revenue. Even though large audiences and sporting events can raise the danger of COVID-19 transmission, postponing games and festivities virtually guaranteed the demise of lower-league clubs. The sustainability of the football pyramid across leagues in the UK will be threatened as a result, creating a domino effect that will cascade down the ladder. For instance, FC Midtjylland of Denmark installed two giant screens in their stadium parking lot so that fans could drive in, park, and watch live matches from their cars while maintaining social distance [8].

3.3. A Phased Return of Spectators

The phased return of the audience is mainly reflected in the following points: first, the lower league is started from; second, a certain number of audience is allowed to watch the match, and the number of people is slowly increased to see the effect. England, for example, started with a phased and limited recovery of audiences from TIER 3-6 and TIER 3-4 clubs, where the number of spectators is required to be within 15% of the minimum ground grading capacity at these levels, or the relevant numbers are specified by The Football Association (The FA) in the updated guidelines. From August 31, 2020, the number increased to 30 percent [7].

Slowly, other leagues are bringing crowds back into the game. In September 2020, the Bundesliga's home crowd was allowed back into the stadium to watch the home team play. It is the first top-flight league in Europe to do so, with 10 to 25 percent of the pitch occupied by enthusiastic fans and everyone following strict social distancing rules. The government's quarantine plan is strictly implemented [9]. Strict quarantine measures are guaranteed to get fans back to the stadium, and following a safe social distancing can reduce the risk of infection while keeping fans at the stadium. Brighton drew 1-1 with Chelsea in a friendly match on 29 August in front of 2,524 fans. Social distancing measures were taken around the pitch and in the sparsely populated stands [10]. In addition to social distancing, pre-match checks are also important. Fans are required to provide proof of accounting before they can buy tickets and enter the stadium. They are also required to take their temperatures and wear masks before entering the stadium. These are by no means perfect solutions, but in the interim, they can provide a way for clubs to regain some control of their revenue streams, and broadcasters can start to repackage their products. The UK Government's decision to end the phased return of spectators threatens the sustainability of many football clubs [11].

3.4. A Breakaway Super League

There have even been some frantic moves to recover from the damage caused by the pandemic. On 18 April, 2021, twelve Europe's top soccer clubs announced they were launching a breakaway Super League. JP Morgan Chase will be the main source of funding for the tournament, with \$4.2 billion earmarked for infrastructure and recovery from the damage caused by the pandemic. The sponsorship and broadcast revenue are the other two main sources of revenue in addition to matchday revenue, and the support from JP Morgan is huge for every single club. But the practice is seen by many fans and club members as a monopoly on the game, with some arguing that European super leagues are set up for money and lack competitive content. Besides, this independent league also has an impact on the competitive status of the participating teams. Some teams may need to participate in the domestic league and cup, as well as the Champions League, and even some players have to participate in the upcoming World Cup. With the launch of several major competing clubs, the development of the league was put on hold.

4. Conclusion

To conclude, the impact of COVID-19 on the world of football will be evident in the coming years. The outbreak of COVID-19 has led to a reduction in revenue and profits of football teams, as well as a problem in players' salary structure and physical and mental conditions. It has exposed a fragile ecosystem and countermeasures such as a phased return of spectators and the launch of a breakaway super league can help the football industry recover from the crisis. Future investigation is also

required to comprehend the evolving and dynamic nature of the football industry. Football is an inherently diverse field, much like sports in general. As a result, the meaning and significance of phenomena in the world of football cannot be boiled down to financial gains. It must also take into account the dynamics of how football is produced culturally, how it is integrated into regional and global societies, and its performance, scientific, and medical aspects. The game of football is and can be viewed as a complex ecosystem.

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