



Strategic intent behind foreign acquisitions and ownership of English Premier League football clubs

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Abstract: <p>This study provides a description and analysis of foreign owners of English Premier League (EPL) clubs and their strategic intents behind acquiring and owning EPL clubs competing in the 2020/2021 season. The study gives an updated view of foreign ownership ten years after Nauright & Ramfjord (2010) released their acclaimed paper that recognized the trend of American owners buying EPL clubs and bringing American business practices to the English football industry.</p> <p>Ownership and acquisitions of football clubs is an interesting focus of study because of the differing views of the roles that football clubs play according to different groups of people – fans see them as social institutions, while owners often see them as commercial enterprises like any other. By presenting the competitive business landscape of the EPL, reviewing the strategic intents (the underlying motives that owners have for acquiring and owning football clubs) and owner strategies (the tangible outcomes that owners want their companies to achieve and to avoid) of EPL club owners, and comparing the ways in which different owner types are presented in the media, I analyse the ownership and acquisitions of EPL clubs.</p> <p>To do this, I have conducted thematic analysis, following the guidelines presented by Braun & Clarke (2006) on a data set consisting of Deloitte consulting reports on the football industry, annual reports of EPL football clubs, and Financial Times articles about EPL football clubs and their owners.</p> <p>The findings of the study show that the competitive business landscape is tilted in favour of big clubs (often owned by wealthy, foreign owners) and that the Financial Fair Play regulation introduced by UEFA in the early 2010's has not reached all the goals it was set out to reach. The study also shows that EPL club owners can choose between applying a win-maximising or a profit-maximising owner strategy, but that the strategic intents behind the choice of strategy vary. It is, however, clear that a new type of owner, motivated by political incentives like country branding and acquiring soft power, has arrived to the EPL. Lastly, the study shows that foreign club owners in the EPL are presented in the media as ultra-rich, as untrustworthy, and as brilliant businesspeople.</p>	
Keywords: Strategic intent, owner strategy, acquisitions, ownership, football	

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Sammandrag: <p>Denna avhandling beskriver och analyserar utländska ägare av fotbollsklubbar som tävlar i Englands Premier League (EPL) under säsongen 2020/2021 och dessa ägares strategiska avsikter bakom förvärven och ägandet av dessa klubbar. Avhandlingen ger en uppdaterad syn på det utländska ägarskapet i ligan tio år efter att Nauright & Ramfjord (2010) publicerade sin hyllade artikel som identifierade trenden av amerikanska ägare som köper EPL klubbar och som hämtar med sig amerikanska affärsmetoder till den engelska fotbollen.</p> <p>Ägarskap av fotbollsklubbar är ett intressant ämne att undersöka på grund av de olika uppfattningarna som människor har av fotbollsklubbarnas roll i samhället – klubbarnas supportrar ser klubbarna som sociala institutioner, medan en del av klubbägarna uppfattar dem som vilka företag som helst. Genom att presentera konkurrenslandskapet i EPL, undersöka strategiska avsikter (de underliggande motiven som driver ägare till att köpa och äga fotbollsklubbar) och ägarstrategier (de konkreta resultat som företagsägare strävar efter att nå eller undvika) som ägare av EPL klubbar har, och jämföra hur olika ägartyper presenteras i media, analyserar jag det utländska ägarskapet av klubbar i EPL.</p> <p>Jag har gjort en tematisk analys på ett datasampel som består av konsultrapporter om fotbollsindustrin publicerade av Deloitte, årsberättelser publicerade av fotbollsklubbar som tävlar i EPL, samt artiklar om EPL klubbar och deras ägare publicerade av Financial Times. I utförandet av min tematiska analys har jag följt riktlinjerna presenterade av Braun & Clarke (2006).</p> <p>Avhandlingens resultat visar att konkurrenslandskapet är fördelaktigt för stora klubbar (som ofta ägs av rika, utländska ägare) och att Financial Fair Play regelverket som introducerades av UEFA under det tidiga 2010-talet inte har nått alla de mål det infördes för att nå. Avhandlingen visar också att klubbägare i EPL kan välja mellan segermaximerande och vinstmaximerande ägarstrategier, men att de strategiska avsikterna bakom valet av ägarstrategi varierar. Det är dock klart att en ny typ av klubbägare som motiveras av politiska mål, såsom country branding och anskaffning av mjuk makt, har anlänt till EPL. Slutligen visar studien att utländska klubbägare i EPL presenteras i media som extremt rika, som opålitliga, och som briljanta affärsidkare.</p>	
Nyckelord: Strategisk avsikt, ägarstrategi, företagsförvärv, ägarskap, fotboll	

CONTENTS

1	Introduction	1
1.1	Aim and research questions	2
1.2	Definitions	3
1.3	Methodology	4
1.4	Delimitations	5
1.5	Structure of the thesis.....	5
2	Theoretical framework.....	6
2.1	Strategy	6
2.2	Owner strategies and strategic intent	6
2.2.1	Owner strategies in football.....	8
2.2.2	Strategic intent in football	12
2.3	Acquisitions	13
2.3.1	Acquisitions in football	15
2.4	Ownership.....	16
2.4.1	Ownership in football	17
2.5	Summary of the theoretical framework	18
3	Methodology	20
3.1	Research philosophy.....	20
3.2	Research approach	21
3.3	Data collection	22
3.4	Thematic analysis	24
3.4.1	Step 1: Familiarising with the data	24
3.4.2	Step 2: Generating initial codes.....	25
3.4.3	Step 3: Searching for themes	26
3.4.4	Step 4: Reviewing themes.....	27
3.4.5	Step 5: Defining and naming the themes	27
3.4.6	Step 6: Producing the report	28
3.5	Trustworthiness of the study.....	28
4	Empirical study.....	31
4.1	The football industry	31
4.1.1	The English Premier League as part of the football industry	32

4.2	The competitive business landscape of the EPL	34
4.2.1	Polarization	34
4.2.2	Foreign owners' impact on the competitive business landscape ...	38
4.3	Strategic intent behind foreign acquisitions and ownership of EPL clubs	41
4.3.1	Direct comments on strategic intent	41
4.3.2	FFP compliance and club stance on FFP	44
4.3.3	Active/passive ownership	48
4.4	Media portrayal of foreign club owners in the EPL	49
4.4.1	Foreign club owners as ultra-rich	49
4.4.2	Foreign club owners as untrustworthy	50
4.4.3	Foreign club owners as brilliant businesspeople	52
4.5	Summary of Empirical Study	53
5	Conclusions	57
5.1	Framework for understanding strategic intents and owner strategies of club owners in the EPL	62
5.2	Practical implications	64
5.3	Limitations	65
5.4	Suggestions for future research	65
	REFERENCES	67

APPENDICES

Appendix 1	EPL clubs and owners	77
Appendix 2	Descriptions of EPL clubs in the 2020/2021 season	80
Appendix 3	Codes and themes	86

TABLES

Table 1	Summarizing table of theoretical framework	19
Table 2	Comparison of revenues between the "big five" leagues (Deloitte 2020b, p. 9)	32
Table 3	Comparison of revenues between EPL clubs and Championship clubs (Deloitte 2020b, p. 17)	33

FIGURES

Figure 1	Relationship between the three owner profiles	12
Figure 2	Critical realist ontology (based on Saunders, Lewis & Thornhill 2009, p. 139)	21
Figure 3	Framework for understanding strategic intents and owner strategies of club owners in the EPL	63

1 INTRODUCTION

As the most popular sport on the planet, football is a powerful tool. Due to the religion-like status the sport has in many countries, by owning a football club you do not only influence the lives of the people employed by the club, but many more. As football has grown from a sport looked down upon in many parts of the world due to the violence associated with it in the 1980's to the multi-billion industry it is today, owning a top-level football club is a much more appealing proposition today than it was only a few decades ago. Because of this development, investors from all parts of the world have started turning their heads to the world's footballing epi-centrum: Europe. And rightly so, according to the Deloitte Money League report published in January 2020; successful European football clubs have been able to produce revenue growth remarkably higher than their own countries' GDP growth, creating a seemingly recession-proof industry (prior to the Covid-19 crisis, which has had a severe impact on the profitability of the football industry) (Deloitte, 2020a).

Investors who are interested in acquiring a football club should however be vary of what they are getting into, as the relationship between club and fan is quite different to a typical relationship between company and consumer. Bull & Whittam (2020) describe the connection between club and fan:

“The professional football industry is unique, in that the main consumers of the product – the fans – are co-creators of the product; by fandom, heritage, rituals, the wearing of the club colours, attending and generating an atmosphere at games, buying merchandise and engaging with their respective clubs, for example, through fans forums (Brown, 2008; Numerato, 2015; Pongsakornrunsilp and Schroeder, 2011). Fans talk about football clubs as *their club*, they identify themselves as being more attached to their club than players, managers and owners – who all come and go; the fans are the ones who remain.” (Bull & Whittam, 2020, p.28)

The importance clubs play in fans' lives make the fans key stakeholders, who can make lives difficult for owners looking to maximise profits. This conflict between owners and fans boils down to a rather philosophic question: what is the purpose of a football club? Many owners that acquire football clubs see them as financial investments, whereas the football clubs in England historically have been viewed as social institutions of the community. One example of this view is presented by King (1997) who argues that football clubs in many ways used to be public utilities, like libraries, and that the role of the owner was a type of “bourgeois philanthropy”. These different views of football clubs have created an interesting ownership landscape – some clubs are still owned by traditional local philanthropist owners, other by profit-maximising owners from abroad, and as the revenues in the football industry have grown, new owner types with other underlying motives have also had their interest awoken.

No league in Europe has been affected more by the interest of foreign investors than the English Premier League (EPL). While there were no foreign club owners in English football prior to 1997 (Nauright & Ramfjord 2010, p. 431), a staggering 15 out of 20 clubs competing in the 2020/2021 season are owned by foreign nationals. These 15 foreign owners are a diverse group that include Russian oligarchs (Roman Abramovich at Chelsea FC), members of royal families (Sheikh Mansour of Abu Dhabi at Manchester City FC and Prince Abdullah of Saudi Arabia at Sheffield United), and American sport investment companies (Fenway Sports Group at Liverpool FC, among others).

Whereas most businesses are owned for purely financial purposes, the situation in the football industry is seemingly different. While many owners see football clubs as investments and own these clubs for profit-maximising purposes, there is a spectrum of other reasons behind the acquisitions of football clubs. As Olson et al. (2016) point out:

“While professional sports teams are set up as for-profit businesses, perhaps the most striking difference between these clubs and traditional product/service businesses can be observed in overall performance objective. Profit maximization is clearly not the only or even the overarching goal. Professional sports clubs are often owned by business tycoons whose personal goals of winning trophies or gaining social acceptance outweigh any short-term monetary return. Indeed, some of the most successful teams on the pitch lose large sums of money each season. Some of this annual loss is recaptured as the value of the team rises. But this is only appreciated if and when a team is sold.” (Olson et al. 2016, p. 64)

Besides profit-maximising and ego-boosting purposes, football club acquisitions can also have political motives, as research on soft power, country branding and football has shown (Brannagan & Giulianotti, 2015; Richelieu, 2018; Bull & Whittam, 2020).

It is thus easy to draw the conclusion that the strategic intents – the underlying motives behind the acquisitions and ownership of football clubs, vary greatly.

1.1 Aim and research questions

Previous research on EPL club ownership has focused on the stream of American owners (Nauright & Ramfjord, 2010), business strategies of clubs (Olson et al., 2016), and the relationship between ownership structure and club performance (Wilson, Plumley & Ramchandani, 2013). Research on European football in general has focused on drivers of success in football clubs (Rohde & Breuer, 2016a), ownership structure and financial performance (Acero, Serrano & Dimitropoulos, 2017), and the impact of Financial Fair Play (FFP) on European football (Sass, 2016; Birkhäuser et al., 2017).

The aim of this thesis is to provide a description and analysis of the foreign owners and their strategic intents behind acquiring and owning EPL clubs competing in the

2020/2021 season. This will be done by conducting thematic analysis on data that consists of articles from the Financial Times, annual reports of EPL clubs under foreign ownership, and consultancy reports on the football industry. This research is necessary as 10 years have passed since Nauright & Ramfjord (2010) identified the “American owner-profile” and the strategic intent of the owners that fit this profile. In the last decade, the growth of the football industry has only accelerated, thereby attracting new investors. No research in the last decade has, however, looked into who these new owners are and what they want from their investments. This research is needed because football as a cultural phenomenon has a much bigger impact on people’s lives than most other business ventures have, as pointed out by Bull & Whittam (2020), and the strategic intents of club owners impact the fans’ experience of supporting their clubs.

The research questions this thesis will try to answer are:

1. What is the competitive business landscape of the EPL like?
2. What are the strategic intents behind the foreign acquisitions and ownership of current EPL clubs?
3. How does the media portray foreign owners of EPL clubs depending on their strategic intents?

The first question will take a look at the competitive business landscape of the EPL and thereby lay a basis for research questions two and three – a basic understanding of how the league functions is necessary before moving on to the next two questions. The second question will concentrate on identifying different strategic intents that foreign owners have behind their acquisitions and ownership of EPL clubs. The third and final research question will examine how the media portrays the owners of EPL clubs depending on their strategic intent – whether some intents are seen as good and other as bad, and if so, why.

1.2 Definitions

In this section, I will briefly introduce the main concepts and most important abbreviations used in this thesis.

Acquisition: A purchase of the majority of the shares of a company, typically so that a larger company acquires a smaller company (Johnson et al. 2014, p. 331).

EPL: English Premier League. The top division of English football.

FA: Football Association. The governing body of football in England.

FFP: Financial Fair Play. A set of regulations established by UEFA to secure the financial sustainability of football clubs.

FIFA: Fédération Internationale de Football Association. The international governing body of football.

Owner strategy: The tangible outcomes that owners want their companies to achieve and to avoid (Baron & Barbieri, 2019).

Strategic intent: An underlying, strategic motive that drives someone to do something (Bass & Chakrabaty, 2014; Tang & Low, 2020). In this thesis: the underlying motive that owners have for acquiring and owning football clubs.

UEFA: Union of European Football Associations. The governing body of European football.

1.3 Methodology

To answer the research questions, I will use qualitative methods. I will conduct exploratory thematic analysis, as an exploratory research design is recommended when trying to create an understanding of a phenomenon which is uncertain in nature (Saunders, Lewis & Thornhill, 2016). Thematic analysis has been chosen as the data analysis method as it is a method that can usefully summarise key features of a large body of data and can highlight both similarities and differences across a data set (Braun & Clarke 2006, p. 37).

Articles from the media outlet the Financial Times have been chosen as the main data source, as they are easily available, and they offer an insight into how football clubs and their owners are perceived by the general public. Additionally, media outlets are not afraid to point out negative aspects about football clubs and their owners that the clubs themselves may choose to disregard in their own publications (annual reports, articles on club websites, etc.). Besides from Financial Times articles, Deloitte consulting reports on the football industry and annual reports of football clubs were used as data sources to give a more nuanced view of the research topic.

The methodology of the thesis will be presented in greater detail in chapter three.

1.4 Delimitations

I have decided to focus on EPL clubs instead of football clubs from all of Europe or other parts of the world as the EPL is the world's most viewed league (and therefore the most appealing league to invest in for wealthy, foreign investors), and it provides a sample of foreign owners of an appropriate size (15). Other top European leagues such as the German Bundesliga or the Spanish La Liga would have been worse alternatives for the study due to the Bundesliga not allowing any entity to have majority ownership of a club, and the top two La Liga teams, FC Barcelona and Real Madrid, being membership-based (Nauright & Ramfjord 2010, p. 434). Out of the 15 clubs studied, only three will be studied in detail after the first step of the thematic analysis.

It is also important to point out that the annual reports that have been studied in this thesis concern the financial year that ended 31 May 2019, most of the articles studied for this thesis were published before the Covid-19 pandemic, and the consulting reports that have been studied also focus on the pre-Covid football landscape. This thesis does therefore not take the impacts of Covid-19 into account. These impacts have been substantive to EPL football clubs, as the pandemic has forced clubs to play their matches "behind closed doors", i.e., without any fans in the stadiums. This has meant that clubs have not been able to generate any matchday revenue.

1.5 Structure of the thesis

This introduction will be followed by a theoretical framework. The theoretical framework presents the concepts central to the thesis: strategic intent, acquisitions, and ownership, and how these concepts can be seen in a football context.

The theoretical framework is followed by the methodology chapter, where the research method, research approach, data collection process, and the research philosophy of the researcher are presented, and the trustworthiness of the study is reviewed.

The fourth chapter, the empirical study, presents the empirical findings of the conducted study. After the empirical study comes the conclusions chapter which looks at the findings of the empirical study in the light of past research, but also discusses the limitations and practical implications of the study and presents suggestions for future research.

2 THEORETICAL FRAMEWORK

In the theoretical framework, I will present the three key terms in the thesis: strategic intent, acquisitions, and ownership. Before doing this, I will present the general concept of strategy. In addition, I will present the relationship between each of the key terms and the football industry, creating a framework on which the empirical study will be based. The chapter ends with a summary of this framework.

2.1 Strategy

Strategy is a vast concept with no one, all-encompassing definition. It is a very old concept: the oldest strategy writings deal with warfare and are over 2000 years old. The most famous of these old strategy writings is Sun Tzu's *The Art of War*, written around 400 BC. The military origins of strategy can still be seen in today's business landscape as business is often described through war metaphors describing the market as a battleground, other companies as enemies, and strategic decisions as ways of attacking or defending against these enemies. (Mintzberg, Ahlstrand, and Lampel 2009, p. 9, 89-91)

While there is no perfect definition of strategy, many different definitions give insight into how strategy can be understood. According to Mintzberg (1978) strategy is "a pattern in a stream of decisions". Johnson, Scholes, and Whittington (2008, p.3) offer a more detailed definition, as they describe strategy as "the direction and scope of an organisation over the long term, which achieves advantage in a changing environment through its configuration of resources and competences with the aim of fulfilling stakeholder expectations". From these definitions we can draw that strategy in a business context is connected to decision-making, organisational direction, long-term thinking, and the fulfilment of stakeholder expectations.

2.2 Owner strategies and strategic intent

The concept of owner strategy was coined by Baron & Barbieri (2019), who describe it as the tangible outcomes that owners want their companies to achieve and to avoid. In most widely-owned public companies the owner strategy is simple – to maximize shareholder value. For privately owned companies (that make up the vast majority of all companies), the owner strategies vary depending on who the owners are and what they want. It is the owners of a company that decide how success is measured, and for many owners maximizing shareholder value is not the sole objective, for many not even the primary objective. (Baron & Barbieri, 2019)

According to Baron & Barbieri (2019) owners need to make two decisions regarding their owner strategies; what their goals are, and what the guardrails look like. The decision regarding goals is a “pick two-problem” between growth (maximizing the value of the business), liquidity (generating cash flow for the owners to use for non-business-related expenses) and control (keeping decision-making power within the ownership group). The decision regarding the guardrails is about setting boundary conditions on the company’s actions. These guardrails can for instance be financial (a certain dividend payout ratio if the owners value liquidity) or relate to the company’s business practices (e.g., committing to environmental sustainability standards).

The term strategic intent, on the other hand, can mean many different things, as proven by O’Shannassy (2016), and most of these meanings build on Hamel & Prahalad (1989) who write that strategic intent captures the essence of winning, is stable over time, and sets a target that deserves personal effort and commitment. O’Shannassy (2016, p. 586) points out that the keywords of the definition of strategic intent are quite imprecise. When I talk of strategic intent in this thesis, I do not mean the kind of strategic intent that O’Shannassy (2016) and Hamel & Prahalad (1989) discuss, but a simpler use of the term that can be found in articles concerning the energy sector. I use the term to describe the underlying motives that owners have for acquiring and owning companies, or in the case of this thesis - football clubs. This use of the term is based on articles like Bass & Chakrabaty (2014) and Tang & Low (2020), in which strategic intent simply refers to an underlying, strategic motive that drives someone to do something.

Bass & Chakrabaty (2014) analyse resource acquisitions in the petroleum industry by state-owned-enterprises (SOE) and non-state-owned-enterprises (NSOE), and the authors argue that the reasons behind the acquisitions and ownership of resources vary between different types of acquirers. The article discusses how SOEs usually acquire resources for exploration – long-term investments to secure the home country’s future, and NSOEs usually acquire resources for exploitation - using resources for relatively shorter-term resource security, e.g., immediate petroleum production (Bass & Chakrabaty, 2014). In a football setting, the motives behind acquisitions are obviously different than in the petroleum industry, but the same principle applies – different owners acquire clubs for different reasons, i.e., they are driven by different strategic intents.

Tang & Low (2020) use the term strategic in the same way as Bass & Chakrabaty (2014) in their article in which they analyse the strategic intent behind China’s “One Belt, One

Road” (OBOR) initiative. The initiative has five key areas of cooperation, including policy coordination, facilities connectivity, trade, financial integration, and people to people ties along two routes: the ancient Silk Road from China through central Asia and the Middle East to Europe and another route linking China to South East Asia and East Africa (Tang & Low, 2020). Tang & Low (2020, p. 23) come to the conclusion that China drives the OBOR initiative for more than trade, as “the pipelines will provide an alternative channel to import the crude oil required by the country and, hence, enhances China energy resilience”. This strategic intent behind the initiative, enhancing energy resilience, is not communicated directly by China but was discovered by the authors through their detailed analysis. It is underlying motives like this that I will try to understand in this thesis, although in the setting of acquisitions and ownership of EPL football clubs.

Strategic intent and owner strategy are closely related, as the strategic intent behind a company acquisition impacts on the owner strategy that the owner chooses to implement. If an owner chooses to maximize liquidity and control, his or her strategic intent behind his or her ownership might be to finance his or her luxurious lifestyle while making sure that the company is run in a sustainable way that ensures that his or her children one day can inherit it. There is a clear difference between the owner strategy of a company (maximizing growth, liquidity, or control within certain guardrails) and strategic intent (the underlying reason to why the owner has acquired and owns the company). Now that the concepts of owner strategy and strategic intent have been explored, it is time to apply them to a football context.

2.2.1 Owner strategies in football

I have been able to identify three types of owner profiles that differ in terms of owner strategy in the academic literature reviewed for this thesis. These three owner profiles are: win-maximisers, profit-maximisers, and political owners.

Win-maximisers

The profile of the win-maximiser is based on the description of the “sugar daddy-owner” by Rohde & Breuer (2016a). They describe typical sugar daddies as foreign, billionaire majority owners who have the financial personal resources to finance top level football clubs and who also have superior incentives compared to clubs with dispersed ownership or fan-owned clubs. Rohde & Breuer (2016a, p. 7) explain:

“According to property rights theory, a company structure is fundamentally determined through the three rights of residual control, residual claim, and transfer right. Private majority owners concentrate all of these rights, and can thus minimize transaction costs and the welfare loss due to externalities. In the case of private majority investors, the owners are able to exercise superior control and direct their investments to maximize their personal utility.”

The typical sugar daddy owner is not interested in maximising profits, but rather in maximising the number of matches won by the team (Rohde & Breuer 2018, p. 565). The percentage of won football matches in the EPL has a clear correlation to the investment in the playing squad, so win-maximisers tend to spend a lot of money on player transfers and player wages. Clubs owned by sugar daddies pay higher wages and generate lower profits than clubs with distributed ownership (Rohde & Breuer 2016b, p. 252).

Research has shown that European football clubs maximize wins within a profit constraint (or guardrail, to use the vocabulary of Baron & Barbieri (2019)) (Rohde & Breuer 2018, p. 565). This profitability guardrail can differ depending on the owner, but UEFA’s FFP regulation sets a minimum requirement on clubs: they must break even over a three-year period (Sass 2016, p. 149).

Profit-maximisers

The profile of the profit-maximiser is based on Nauright and Ramfjord (2010), who explain how the Americanization of the EPL proceeded in the years 1992-2010. Owning a football club in Britain has historically been seen as a philanthropic activity, although this philanthropy often was pursued in hope of an enhanced social status. Bull & Whittam (2020, p. 31) write that the traditional view of a football club owner in England is one of “custodian, club fan and local entrepreneur “giving something back” to the community”.

The forming of the EPL in 1992 made it possible for it to negotiate separate TV rights contracts from the other English divisions, which meant that the EPL could start competing with other leagues in Europe for top players. A decade later, after a number of new, ever-growing TV rights contracts, American owners started to invest in EPL clubs. These American owners differed radically from the typical, historic British owner profile, as they were profit-maximizing businesspeople, not ego-boosting philanthropists. Most notable of the early American owners were the Glazer family, owners of the NFL franchise Tampa Bay Buccaneers, that bought a controlling interest in Manchester United in 2005, and Stan Kroenke, the head of the group that owns the St. Louis Rams of the NFL, the Colorado Avalanche of the NHL, the Denver Nuggets of

the NBA, and the Colorado Rapids of the MLS, who acquired a controlling stake at Arsenal. (Nauright & Ramfjord, 2010)

The typical profit-maximiser is an American businessperson who owns an EPL club for profit-maximising purposes (by generating an operating profit year on year and eventually selling the club for a profit), and typically owns a portfolio of other professional sports organizations in the USA. Owning a range of clubs allows the owner to create multi-ownership synergies (Rohde & Breuer 2016b, p. 248). It is important to point out that the nationality of the owner is not the decisive factor when identifying profit-maximisers, as people from other parts of the world with different investment portfolios but with similar owner strategies also definitely belong to this category of owners.

It needs to be underlined that the line between win-maximisers and profit-maximisers became blurrier when FFP was introduced by UEFA in 2012. FFP was introduced to curb the spiralling transfer fees and ever-growing levels of debt in European football (Wilson, Plumley, & Ramchandani 2013, p.32; Rohde & Breuer 2016b, p.243). Under FFP, clubs must break-even over a three-year period or face exclusion from UEFA's lucrative international competitions: the Champions League and the Europa League (Sass 2016, p. 149). This has made it difficult for win-maximisers to spend excessively on transfers to strengthen their teams, as these transfers need to be financed by the club's revenue and not by the owner's personal wealth. After the introduction of FFP, competitiveness has increasingly been determined by efficient management, rather than the maximization of team investments by attracting private funds (Rohde & Breuer 2018, p. 566).

Another reason that makes it difficult to separate win-maximisers and profit-maximisers is that both strive for on-pitch success. The win-maximiser's main priority is to win matches and the profit-maximiser understands that profits in football are a result of winning football matches. This leads both owner types to spend heavily on playing squads and as the reasons for this investment are not communicated to the outside world, the two owner types appear similar to people outside the clubs.

Political owners

When the Abu Dhabi-based Sheikh Mansour Bin Zayed Al Nahyan bought Manchester City in 2008, the EPL witnessed the arrival of a new type of owner (Thani & Heenan,

2017). The general interpretation of this takeover, as well as the Qatari takeover of Paris Saint-Germain in 2011 and the failed Saudi Arabian takeover of Newcastle United in 2020, is that they are done for political reasons – they are attempts of country branding and acquiring soft power.

The term soft power was first presented by Nye (2008, p.29) who defined it as “the ability to shape the preferences of others to want what you want ... by setting the agenda and attracting others without threat or payment”. Krzyzaniak (2018, p. 499-500) further explains that compared to hard power (e.g., the use of military power) soft power is more difficult to both perceive and use.

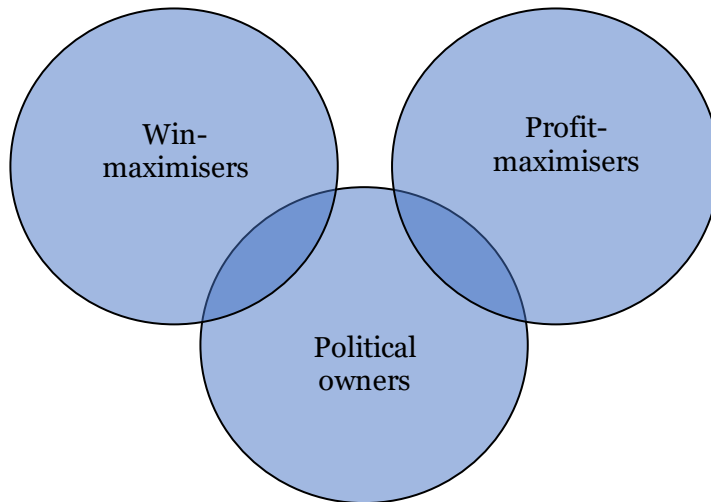
Country branding, on the other hand, “induces an international audience to construct a more positive mental inventory of a country, and this enhances the country’s soft power” (Krzyzaniak 2018, p. 500). In the case of the Gulf states that have been purchasing football clubs, this is the strategic intent behind their acquisitions. Thani and Heenan (2017, p. 1020) describe Manchester City as “a Manchester club in name only” and write that “the club has been used to promote Abu Dhabi – not Manchester – as a business, transport and sporting investment hub”.

Bull & Whittam (2020, p.38) who studied EPL club owners from an entrepreneurial perspective, report that political entrepreneurs (i.e., political owners) have been linked to literature on sports-washing, “which suggests sport ownership is a cover-up for the image of a tarnished country, such as human rights abuse in countries such as Saudi Arabia and Qatar”. They further add that:

“Political entrepreneurs tend to have the most wealth of all entrepreneur types and can therefore appease fans with their financial investments in the club, despite their lack of understanding of the nuances of heritage and social capital and their possible relationship to unethical and unscrupulous behaviour.” (Bull & Whittam 2020, p.38)

The relationship between the three owner profiles is presented in the Venn diagram in Figure 1. Political owners can be either win-maximisers or profit-maximisers, although they more often seem to be win-maximisers. A prime example of this is Manchester City’s behaviour after being acquired by the Abu Dhabi Group in 2008 and before the introduction of FFP in 2012. In the years leading up to the introduction of FFP, that is in the financial years 2010 and 2011, the club recorded losses of £121 and £195 million (Wilson, Plumley & Ramchandani 2013, p. 33).

Figure 1 Relationship between the three owner profiles



2.2.2 Strategic intent in football

As I stated earlier, there are no academic articles that set out to directly explain the different strategic intents that club owners have behind their ownership and acquisitions of football clubs.

Some articles do, however, touch on strategic intent in football club ownership. Nauright & Ramfjord (2010, p. 429) write that English football clubs have not historically been profitable businesses and that owners have typically been involved in the game to promote a sense of civic pride or to raise awareness of other business ventures in which they were engaged. This tradition of strategic intent behind club ownership is very different from the American tradition, where the owner focus has historically been on generating profits. This can be seen in the fact that professional sport teams in North America already in the early twentieth century moved between cities in hope of higher profitability. The differences in strategic intent of club ownership in North America and the UK have a historical explanation: North American professional sports like baseball and ice hockey have their roots in the middle- and upper-class population, while English football clubs very much were social institutions of the working class. (Nauright & Ramfjord 2010, p. 429)

This difference in the perceived strategic intents of British and American owners has led many British football fans to develop a mistrust towards American owners. Nauright & Ramfjord (2010, p. 437) describe the situation:

“Hostility to American owners appears greater than for others due to the widely held perception - rightly or wrongly held – that Americans do not really care about football but investment in English clubs is purely for profit taking and not long-term club development”.

Bull & Whittam (2020) also touch on strategic intent behind club ownership and acquisitions in their article, in which they apply Groen et al.’s (2008) conceptual framework of sustainable value creation to EPL club owners to highlight the tensions between club owners and fans. By doing this, they find four categories of owners, who in this article are referred to as entrepreneurs:

“(1) Local Orientation; entrepreneurs that share the same cultural heritage as fans, i.e. of the same geographical origin, (2) Fan Orientation; entrepreneurs that are themselves fans of the club they own, (3) Investor Orientation; owners that are international entrepreneurs with economic interests and (4) political orientation; international entrepreneurs that are using clubs as a vehicle for global/strategic interests.” (Bull & Whittam 2020, p. 28)

As previously stated in the presentation of the owner profile of the political owner, the strategic intents behind the acquisitions and ownership of certain clubs (e.g., Manchester City in the EPL) are country branding and acquisition of soft power (Thani & Heenan, 2017).

Now that owner strategy and strategic intent has been looked at in a footballing context, it is time to move on to the process by which foreign owners are able to take control over clubs: the acquisition.

2.3 Acquisitions

The topic of acquisitions is one that has been studied thoroughly through the years in the vast mergers and acquisitions (M&A) literature in finance academia. As the two topics typically are discussed as one (M&A) or used interchangeably, I will now present them both. A merger is a combination of two previously separate organisations, often of a similar size that both expect roughly equal status, in order to form a new company (Johnson et al. 2014, p. 331). An acquisition is a purchase of the majority of the shares of a company, typically so that a larger company acquires a smaller company (Johnson et al. 2014, p. 331).

Historically, M&A’s have happened in waves – time periods with high levels of M&A activity, followed by time periods in which M&A activity is low. Researchers have identified five M&A waves to date. The first wave occurred 1897-1904 and most acquisitions happened between companies in the same industry. The second wave 1916-1929 was spurred on by World War One and the post-war economic boom. The third wave 1965-1969 was instigated by companies that wanted to diversify and therefore

acquired businesses in business areas different to their core. The fourth wave took place 1981-1989, as conglomerates were perceived as value destroying and that their parts were more valuable than the whole. The fifth wave began in 1992 and ended in 2000, as a revolution in IT, the liberalisation of economies, the global trend towards privatisation, reductions in trade barriers, and the deregulation of industries created the favourable market conditions for what later has been described as “the era of mega-deals”. (Angwin 2007, p. 387-388)

The key question in the finance M&A literature is “have M&A’s added value?”. The answer to this question is yes if the new merged company is more valuable than the two soon-to-be-merged companies were pre-merger (or, in the case of an acquisition, if the post-acquisition value of the acquiring company minus the prize of the acquisition is higher than the pre-acquisition value of the acquiring company). The overall conclusion of decades of finance research on the question is that the majority of M&A’s are not successful for the shareholders of the companies that initiated the deals. (Whittington & Bates, 2007)

Although most M&A’s do not add value, some do. According to Penman (2004), there are three ways in which the acquirer in an M&A can add value: by buying the shares of the acquiree company at less than fair value, by using one’s own overvalued shares to buy the acquiree’s shares, and by generating value through synergies reaped by combining the operations of the different firms.

When discussing acquisitions, a central categorization is that of related and unrelated acquisitions. Related acquisitions are acquisitions that are related to the business endeavours of the acquirer. Related acquisitions can either be supplementary – “acquisitions that ... involve entry into new product markets where a company can use its existing functional skills or resources”, or complementary – acquisitions that “involve adding functional skills or resources to the company’s existing distinctive competence while leaving its product-market commitment relatively unchanged” (Salter & Weinhold, 1981). Unrelated acquisitions, on the other hand, are purchases of businesses either in product markets unrelated to existing corporate activities or purchases of businesses with unrelated key success factors to existing corporate activities (Salter & Weinhold, 1981).

Another central concept related to acquisitions is risk. The focus of most studies on risk related to acquisitions has focused on the risk/return relationship in which risk,

understood as the variation in post-acquisition performance, has been linked to acquisition type (related vs. unrelated) (Pablo, Sitkin & Jemison 1996, p.723).

Having developed a basic understanding of acquisitions in general, it is now time to look at acquisitions in the football industry.

2.3.1 Acquisitions in football

Media outlets focus most of their attention on the acquisitions of players by football clubs, so called player transfers. These acquisitions can change the level of performance of teams and thereby generate more revenue for clubs, but few player transfers change the future trajectories of organisations. From a strategic perspective, it is the acquisitions of football clubs that are more interesting. Rohde and Breuer (2018, p. 568) identify the acquisitions of football clubs by foreign direct investors (foreign acquisitions) as the most important trend in English football. As previously stated, the number of foreign owners in the EPL has risen from zero to 15 out of 20 in the last 25 years.

The first foreign acquisition of an EPL club saw the daylight in May 1997, when Egyptian businessman Mohamed Al Fayed bought Fulham FC. It took six years until the next foreign acquisition happened, but when Russian oligarch Roman Abramovich bought Chelsea FC in 2003 the ball started rolling, in part due to Abramovich's success at Chelsea. In 2005, American businessman Malcolm Glazer bought a controlling stake in Manchester United FC, which was followed by another three foreign takeovers in 2006. At this point, there was no doubting the trend of foreign acquisitions in the EPL. (Nauright & Ramfjord 2010, p. 432-433)

It is interesting to note that the wave of foreign acquisitions of EPL clubs follows a global trend within M&A's, as cross-border deals, deals in which the acquirer and the targets are set in separate nations, have become increasingly popular since the late 1980's (Angwin 2007, p. 389). A growing segment within cross-border M&A's are M&A's where the acquirer is from a non-triad nation (not from the United States, the European Union, or Japan) (Angwin 2007, p. 389-390). This trend is also reflected in the acquisitions of EPL clubs, as 10 out of 15 clubs with foreign ownership have owners from non-triad nations.

When applying the unrelated vs. related categorization to acquisitions of football clubs, it is easy to find examples of both in the EPL. The acquisition of Liverpool FC by Fenway Sports Group (FSG) in 2010 is an example of a supplementary related acquisition, where

FSG diversified its portfolio of sports organisations by acquiring a British football club. An example of an unrelated acquisition is the takeover of Manchester City by the Abu Dhabi Group in 2008, where they entered the sports market for the first time. In the cases of related acquisitions, the club owners can use one of the successful M&A strategies identified by Penman (2004): generating value through synergies reaped by combining the operations of the different firms.

Having examined the concepts of owner strategy, strategic intent, and acquisitions, it is now time to turn our heads to the final piece of the puzzle that is this theoretical framework: ownership.

2.4 Ownership

Ownership form and structure have traditionally not been seen as factors that play into firm performance in business research, as most studies have looked for determinants of firm performance elsewhere: industrial organization economics claim that factors external to the firm are the main performance determinants, while the resource-based view claims that the most important determinants are internal: resources, capabilities, etc. (Fitza & Tihanyi, 2017).

Fitza & Tihanyi (2017) were nonetheless able to prove, studying a sample of 30 525 European firms over a 13-year period, that ownership form is an important explanatory factor for performance differences across firms. The study in fact shows that ownership form is a more important determinant of firm performance than belonging to a particular industry or originating in a particular country. (Fitza & Tihanyi 2017, p. 2737)

When discussing ownership, a central question is what kind of ownership structure has the best implications for financial performance – concentrated, where the company is owned by only a few people or a single person, or dispersed, where the company is owned by many different actors (e.g., publicly traded companies). The relationship between ownership concentration and financial performance is not monotonic and is different in different countries, depending on countries' legal origins and levels of investor protection (Thomsen et al., 2006). In the academic literature, there are many different opinions on the effects of concentrated ownership. Those who believe in the monitoring effect claim that when ownership is concentrated the large blockholders monitor managers to the benefit of all shareholders (Jensen and Meckling, 1976). On the other hand, those who believe in the expropriation effect claim that large owners use their

power to get private benefits at the expense of the minority shareholders (Fama and Jensen, 1983).

Now that we are familiar with the basic theories on ownership, let us take a look at what has been written about ownership in the football industry.

2.4.1 Ownership in football

Considering how little research there is on football in general, there is a lot of research on football club ownership. Previous research has focused on the increasing American ownership of EPL clubs (Nauright & Ramfjord, 2010), the relationship between ownership structure and club performance in the English Premier League (Wilson, Plumley & Ramchandani, 2013), the relationship between ownership structure and financial performance in European football (Acero, Serrano & Dimitropoulos, 2017), the financial impact of foreign private investors on team investments and profits in the EPL (Rohde & Breuer, 2016b), and the financial and sporting efficiency of club ownership structures in European football (Rohde & Breuer, 2018).

There is a non-linear (inverted U-shaped curve) relationship between ownership structure and financial performance at the top level of European football (Acero, Serrano & Dimitropoulos, 2017). This means that clubs that have a medium level of ownership concentration have better financial performance than clubs with very concentrated or very dispersed ownership. This relationship stems both from the monitoring effect (increased concentration is positive for clubs with dispersed ownership as the new large blockholders can monitor the club's activities more efficiently) and the expropriation effect (a decrease of concentration of ownership in clubs with concentrated ownership is positive as it reduces the risk of expropriation of minority shareholders) (Acero, Serrano & Dimitropoulos, 2017).

Since the formation of the EPL in 1992, three different ownership models have been used by clubs in the league: the stock market model, the supporter trust model, and the foreign ownership model (Hamil & Chadwick, 2010). Tottenham Hotspur was the first club to arrange an initial public offering (IPO) in 1983, and in the mid-nineties there was a real IPO-boom in the EPL as 15 clubs were floated on the stock market between September 1995 and October 1997 (Wilson, Plumley & Ramchandani 2013, p. 23). Most of these clubs were de-listed in the early 2000's, but some remain partially listed (e.g., 10 percent of Manchester United's shares were re-listed on the New York Stock Exchange in August 2012) (Wilson, Plumley & Ramchandani, 2013; Rohde & Breuer, 2016b).

Bull & Whittam (2020) looked at EPL club ownership from a more critical perspective. They make the argument that fans are the “moral owners” of football clubs as they tend to outlast players, coaches, and legal owners at clubs. They claim that the shift from traditional club owners to modern (political and profit-maximising) owners has caused detachment and disenchantment with fans and call for a government inquiry to look at club ownership and sustainable value creation. (Bull & Whittam, 2020)

A list of all clubs competing in the 2020/2021 EPL season and their owners can be found in Appendix 1.

2.5 Summary of the theoretical framework

Strategy is a vast concept related to decision-making, organisational direction, long-term thinking, and the fulfilment of stakeholder expectations. The owner strategy, that is the the tangible outcomes that owners want their companies to achieve and to avoid, are important because a clearly formulated owner strategy ensures that the company tries to achieve the type of success that the owners want to achieve. According to Baron & Barbieri (2019), different owners chase different mixes of growth, liquidity, and control. The strategic intents of the owners are the underlying reasons that motivate the owners to implement the owner strategies of their choice.

In the academic literature on the business aspects of football, three owner profiles have been identified: win-maximisers, profit-maximisers, and political owners. The main target of win-maximisers is to achieve on-pitch success, and profitability is not of great concern to them. Profit-maximisers try to maximise profits, and care less about on-pitch results (although the linkage between on-pitch success and increased revenue forces them to also invest in the playing squad). Political owners acquire and own clubs for political reasons like country branding and acquiring soft power, and can be either win- or profit-maximisers.

An acquisition is a purchase of the majority of the shares of a company (Johnson et al. 2014, p. 331). Foreign acquisitions of football clubs are an important trend in English football – 15 out of the current 20 EPL clubs are owned by foreign nationals.

While ownership has traditionally not been seen as a factor that plays into firm performance, research shows that it does. The monitoring- and expropriation effects argue for and against the disadvantages and benefits of dispersed and concentrated ownership. The relationship between ownership structure and financial performance at

the top level of European football forms a U-shaped curve, meaning that a medium level of ownership concentration seems to be the most financially beneficial (Acero, Serrano & Dimitropoulos, 2017). Critical voices have pointed out that foreign owners with other incentives for their ownership than those of preservation and guardianship have caused detachment and disenchantment with the “moral owners” of clubs, the fans (Bull & Whittam, 2020). The theoretical framework in its entirety is summarized in Table 1.

It is on this framework that I will base my empirical analysis in this thesis. Before diving into the empirical analysis, I will in the next chapter give a detailed description of the methodological choices made in this research project.

Table 1 Summarizing table of theoretical framework

	Strategy	Acquisitions	Ownership
General theory	<ul style="list-style-type: none"> - Success can mean different things for different owners (owner strategy) - Different owners have different underlying motives for acquiring and owning companies (strategic intent) 	<ul style="list-style-type: none"> - Mergers and acquisitions tend to happen in waves: periods with high M&A intensity followed by periods with lower intensity - Related (acquisition related to business of the acquirer) vs. unrelated (acquisition unrelated to business of acquirer) acquisitions 	<ul style="list-style-type: none"> - Ownership form is an explanatory factor for firm performance - Monitoring effect (majority owners monitor managers to the benefit of all shareholders) vs. Expropriation effect (majority owners use their power for private benefits at the expense of minority shareholders)
Football context	<ul style="list-style-type: none"> - Owner strategy: how is the club run? What kind of success is the owner aiming for (on-pitch vs. financial)? - Strategic intent: what is the underlying reason for the owner's involvement in the club? 	<ul style="list-style-type: none"> - Club acquisitions follow the patterns of non-football M&A waves - "American owners" tend to make related club acquisitions, while other club acquisitions often are unrelated 	<ul style="list-style-type: none"> - There is a non-linear (inverted U-shaped curve) relationship between ownership structure and financial performance - Critical view: Shift from traditional to modern owners has caused detachment and disenchantment for the "moral owners" of clubs, i.e. the fans

3 METHODOLOGY

In this chapter, the methodological process of the thesis is presented. First, I will present my research philosophy. I will then discuss the research approach and the data collection, present the method of data analysis: thematic analysis, and discuss the logic behind the choice of these methods. Finally, the quality of the empirical study will be assessed.

3.1 Research philosophy

The research philosophy of the researcher has a great influence on his or her research. Patton (2015, p.89) defines research philosophy as “a way of thinking about and making sense of the complexities of the real world”. Whether the researcher is aware of it or not, his or her research philosophy will influence his or her research through his or her assumptions of the world. These assumptions include epistemological assumptions: assumptions about human knowledge, ontological assumptions: assumptions about the realities you encounter in life, and axiological assumptions: the extent and ways your values influence your research process (Saunders, Lewis & Thornhill 2009, p. 124).

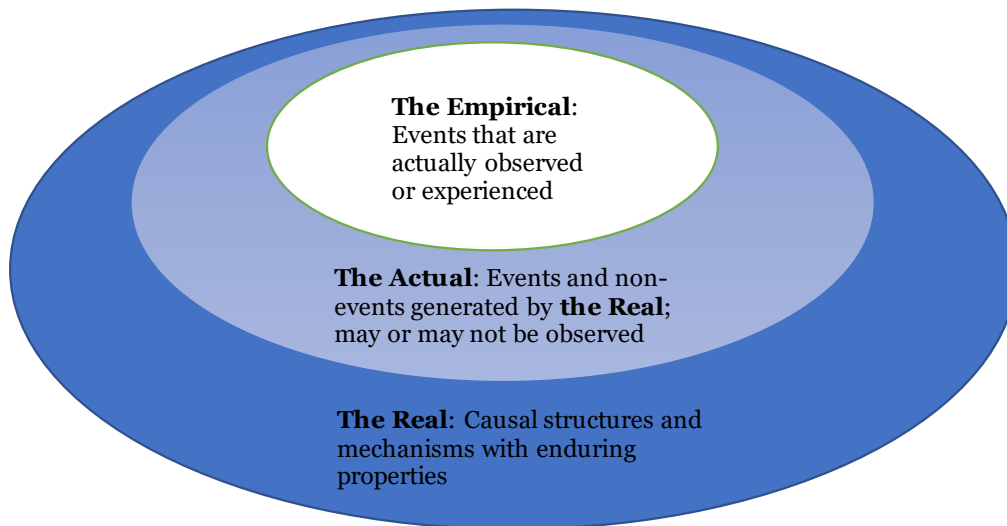
In this study, I take a critical realist perspective. Critical realism is a research philosophy that “focuses on explaining what we see and experience, in terms of the underlying structures of reality that shape the observable events” (Saunders, Lewis & Thornhill 2009, p. 138). When taking a critical realist perspective, it is important to be aware of the ways one’s socio-cultural background and experiences might influence one’s research and try to minimize such biases and be as objective as possible (Saunders, Lewis & Thornhill 2009, p. 140).

Football is a great focus of critical realist research as it is a prime example of the multi-layered ontological view of critical realism. Critical realists claim that there are 3 layers to reality: the Empirical that can be experienced, the Actual that may or may not be observed, and the Real that are the causal structures and mechanisms that generate the Actual (Saunders, Lewis & Thornhill 2009, p. 139). The critical realist ontology is depicted in Figure 2. In this thesis I am trying to identify the strategic intents of the club owners (the Real) that cause the clubs to act as they do (the Actual) and thereby field the players on the pitch who can be observed by football viewers (the Empirical).

Examples of the critical realist ontology in action can be found in the themes “FFP compliance and club stance on FFP” and “active/passive ownership” in relation to

research question two in the empirical study. While these themes are observable club behaviours on the level of the Actual, I claim that they are indicators of an underlying structure: strategic intent, which is a mechanism on the level of the Real.

Figure 2 Critical realist ontology (based on Saunders, Lewis & Thornhill 2009, p. 139)



3.2 Research approach

As there are no absolute, unquestionable answers to the research questions of this thesis, as is always the case in social sciences research (and therefore also management research), I find qualitative research methods the most appropriate for answering these questions. If these questions were to be approached from a quantitative angle, one would have to compare some proxies based on the financial information in the clubs' annual reports, but since strategic intent is a quite abstract concept there are no proxies that could be argued to signal it.

There is a limited amount of research on the strategic intent behind foreign acquisitions and ownership of EPL clubs, so the nature of this thesis is exploratory. Exploratory research is highly relevant when looking to create an understanding of a phenomenon which is uncertain in nature (Saunders, Lewis & Thornhill, 2016).

The research approach of this study is abductive. Abductive research is a mixture of the deductive and inductive research approaches and implies that data is collected and mirrored to the existing literature to generate testable conclusions (Saunders, Lewis &

Thornhill, 2009). In practice, this means that I will alternately collect and interpret empirical and theoretical data, and this empirical data interpretation will lead to the further development and final construction of the theoretical framework (Timmermans & Tavory, 2012). I have chosen an abductive approach for my study as there is a decent body of academic literature on the business aspects of football, especially for finding themes and patterns in foreign club ownership and acquisitions, that I will base this study on.

Foreign ownership of English football clubs is not limited to the EPL, as clubs in lower divisions also have foreign owners. There is also a high degree of variation regarding which clubs compete in which division, as 3 clubs are relegated from, and 3 clubs are promoted to the EPL each season. In order to create a sample of clubs of a suitable size, I have decided to study the clubs competing in the current EPL season, 2020/2021, which makes this a cross-sectional study. A cross-sectional study provides “a ‘snapshot’ of a particular topic at a particular time” (Saunders & Lewis, 2012, p. 123).

3.3 Data collection

The empirical data was collected from annual reports of EPL football clubs, consulting reports on the football industry (Deloitte Money League and Deloitte Annual Review of Football Finance), and articles from the media outlet the Financial Times (FT).

The first step of the data collection process was to create a data set of annual reports of EPL clubs. As the annual reports were only one of three data sources used, I decided that studying the latest set of annual reports would give me a good enough insight into the area of research. As I began writing this thesis in the fall of 2020, the latest set of annual reports that was available were those covering the financial year ended 31 May 2019. The annual reports of the 15 EPL clubs under foreign ownership were downloaded from Companies House (2020), which is the United Kingdom’s registrar of companies.

The second step of the data collection process was to download the latest versions of Deloitte’s Deloitte Football Money League- and Annual Review of Football Finance- reports. The latest available versions of the reports at the moment of the data collection were the Football Money League report published in January 2020 and the Annual Review of Football Finance report published in June 2020. The consulting reports were downloaded from Deloitte UK (2020), as it is their Sports Business Group who are responsible for producing both reports.

The last step of the data collection process was to create a data set of FT articles. FT was chosen as the source of articles as it is a reliable British media outlet that covers the business aspects of English football. While covering the content of more sensationalist outlets such as the Sun or the Daily Mail would have been interesting, it would not have provided as reliable information on the strategic intent behind foreign acquisitions and ownership of EPL football clubs. Newspaper articles can be a rich source of information about certain topics and the level of analysis can also be high, and because it takes time for academic articles to be published, newspaper articles are often the only source of information on recent events (Bryman & Bell, 2015). Analysing a data set consisting of FT articles is therefore useful to answer the research questions of this thesis.

When creating the data set, I searched for each of the 15 clubs under foreign ownership (which can be found in Appendix 1) in the search bar at the website of the Financial Times (2020) and selected the club from the drop-down suggestions that appear when you type in the search bar. Then, I selected all articles that touch on the owners of clubs between the time of retrieving the data and the date when the clubs were acquired by their current owners. This means that the data sets of different clubs are of different sizes, but this is not that problematic as the clubs whose owners appear interesting to the media attract more coverage than the owners who follow traditional, less attention-gaining owner strategies. Anyhow, in the cases when the club-search provided less than five articles (as was the case when searching for articles about Everton, Fulham, Leeds United, Leicester City, Sheffield United, Southampton, West-Bromwich Albion, and Wolverhampton Wanderers) I also did a search on the owner of the club, which in most cases resulted in the finding of useful data that did not appear in the initial search.

After creating my data set of FT articles and reading through all the data in step one of my empirical analysis, I decided to focus on one club per owner profile as identified in the theoretical framework for the next stages of the study. This decision was made because the data set of FT articles was too big to analyse properly as a whole. I decided to focus on Chelsea as my club of study with a win-maximising owner, Liverpool as my club of study with a profit-maximising owner, and Manchester City as my club of study with a political owner. These clubs were then studied in detail in stages 2-6 of the empirical study.

3.4 Thematic analysis

I have chosen to conduct thematic analysis as my data analysis method, as it is a good method for “identifying, analysing, and reporting patterns (themes) within data” (Braun & Clarke, 2006, p. 6). This suits my research well, as I am trying to find different strategic intents behind foreign acquisitions and ownership of EPL clubs. As this is an abductive thematic analysis, the themes found in this analysis will be placed into the theoretical framework presented in chapter two.

In my thematic analysis, I will use the thematic analysis process presented by Braun & Clarke (2006) that includes the following steps:

1. Familiarising with the data
2. Generating initial codes
3. Searching for themes
4. Reviewing themes
5. Defining and naming the themes
6. Producing the report

I will now present these six steps in further detail, and what each step looked like in practice for me when conducting this study.

3.4.1 Step 1: Familiarising with the data

Before doing actual data analysis, it is important to have a deep understanding of the research context (Saunders & Lewis, 2012). To develop this understanding, I read through all the data I had collected. The main part of this data were the FT articles that gave me a good insight into the current ownership situations at the clubs that I will study, as well as interesting, older articles from the times when the clubs were acquired by their current foreign owners. As a result of this readthrough, I chose the three clubs for further study mentioned earlier: Chelsea, Liverpool, and Manchester City.

I also read the latest reports on the footballing industry released by Deloitte; the January 2020 edition of the Football Money League report and the Annual Review of Football Finance report, released in June 2020.

Additionally, I studied the annual reports of the 15 EPL clubs that have foreign owners. When reading the annual reports, I gave extra attention to the section called the strategic report. The strategic report is a mandatory part of the annual report in the UK, as stated in paragraph 414C of the Companies Act 2006. The purpose of the strategic report is to “inform members of the company and help them assess how the directors have performed their duty under section 172 (duty to promote the success of the company)” (Companies Act 2006). The law also states that the strategic report must contain “a fair review of the company’s business, and a description of the principal risks and uncertainties facing the company” (Companies Act 2006).

During the reading process, I highlighted the parts of the texts that I found relevant and made notes about topics that stood out to me.

3.4.2 Step 2: Generating initial codes

In the second step of the thematic analysis, I coded the data that I had collected and then read through in step one of my analysis. Coding of qualitative data is a process where the researcher looks for features of the data that appear interesting to him or her, and a code is “the most basic segment, or element, of the raw data or information that can be assessed in a meaningful way regarding the phenomenon” (Braun & Clarke 2006, p. 18; Boyatzis 1998, p. 63).

The themes that I am looking for in my research are what Braun & Clarke (2006, p. 18) refer to as “theory-driven themes”, meaning that I approach the data with specific questions in mind that I wish to code around – these questions being my three research questions. As I approach the data in this way, I do not code every single sentence in the data, but only the sentences that touch on my research questions. As the strategic intent of owners is rarely directly commented on in the collected data, I have besides direct comments on strategic intent also coded snippets of text regarding other club activity (e.g., regarding the clubs’ stances on FFP and how actively involved the owners are in the clubs’ decision-making processes) in the belief that themes concerning strategic intent can be found in these activities.

When coding my data, I found that most of the codes in the Deloitte reports were related to research question one – the competitive business landscape of the EPL. The codes found in the FT articles, on the other hand, were mainly focused on research questions two and three – the strategic intent behind ownership and acquisitions of clubs and the media portrayal of foreign owners. The data coded in the annual reports touched on both

research questions one and two - the competitive business landscape of the EPL and the strategic intent behind ownership and acquisitions of clubs but did naturally not discuss the media portrayal of club owners. As I had decided to focus on three clubs (Liverpool, Manchester United, and Manchester City) in step one of the analysis, I only coded the annual reports of these three clubs, and not the annual reports of the other 12 clubs under foreign ownership.

In my coding process, I used Microsoft Excel to create spreadsheets where each row depicted the source of the text, the text to be coded, the code, a possible comment on the text, and a cell where the theme could be added in step three of the thematic analysis.

3.4.3 Step 3: Searching for themes

The third step of the thematic analysis is focused on searching for themes and creating themes from the codes generated in step two. A theme “captures something important about the data in relation to the research question, and represents some level of patterned response or meaning within the data set” (Braun & Clarke 2006, p. 10). The themes that I am looking for are what Braun & Clarke (2006, p. 13) call “semantic themes”. Semantic thematic analysis looks at the data as it is and does not try to go beyond what has been written, in contrast to latent thematic analysis which tries to identify the underlying ideas, assumptions, conceptualisations, and ideologies behind the data. The semantic analytic process goes from description to interpretation, where “there is an attempt to theorise the significance of the patterns and their broader meanings and implications, often in relation to previous literature”. (Braun & Clarke, 2006; Patton, 1990)

As Braun & Clarke (2006) point out, also this step of the research is one where the researcher plays an active role: the researcher searches for themes and creates themes - the themes do not “emerge” from the data, although this phrasing is often used in thematic analysis research. Claiming that themes “emerge” implies that certain themes exist in the data and that they then will “emerge” to whoever studies it. This is however not the case – different people can find different codes and themes in the same data and it is important for the researcher to acknowledge this when conducting thematic analysis. When searching for themes in my data, I have acknowledged my own theoretical positions and tried to limit the influence of my own values on the research as much as possible.

In the third step of the thematic analysis, I created two themes in relation to the competitive business landscape of the EPL: polarization and foreign owners' impact on the competitive business landscape. A sub-theme to the second theme was also created, namely, a wave of Chinese club acquisitions. When this sub-theme was created, I decided to also code the articles I had gathered that discuss the clubs that were acquired by Chinese owners in this acquisition wave: Aston Villa, Wolverhampton Wanderers, West Bromwich Albion, and Southampton. In relation to the strategic intent behind foreign acquisitions and ownership of EPL clubs, three themes were created. These themes were direct comments on strategic intent, FFP compliance and club stance on FFP, and active/passive ownership. In relation to the third and final research question, which concerns the media portrayal of foreign club owners in the EPL, three themes were found. These themes were club owners as ultra-rich, club owners as untrustworthy, and club owners as brilliant businesspeople. When looking for themes regarding the media portrayal of owners I only analysed FT articles and not any other data, as analysis of non-media texts would not have been helpful in this instance.

The process of coding in step two and creating themes from the codes in step three resulted in 88 codes, eight themes, and one sub-theme. All themes, as well as the codes that construct the themes, are presented in Appendix 3.

3.4.4 Step 4: Reviewing themes

The fourth step of the thematic analysis process focuses on the refinement of the set of candidate themes created in step three (Braun & Clarke 2006, p. 20). The fourth step involves two levels of reviewing: first, reviewing at the level of coded data extracts – making sure that the codes in a theme form a coherent pattern, and second, reviewing the themes in relation to the entire data set – ensuring that the themes reflect the meanings evident in the data set as a whole (Braun & Clarke 2006, p. 20-21).

I reviewed my themes on both levels and came to the conclusion that the codes form clear themes and that the created themes reflect the data set as a whole. After coming to this conclusion, I decided not to re-code as recommended by Braun & Clarke (2006, p. 21) who emphasize the importance of avoiding unnecessary refinement of codes and themes.

3.4.5 Step 5: Defining and naming the themes

The fifth step of the thematic analysis is focused on “defining and refining the themes”, or “identifying the “essence” of what each theme is about (as well as the themes overall),

and determining what aspect of the data each theme captures” (Braun & Clarke 2006, p. 22). In step five the researcher considers how the narratives of the themes fit together with the overall narrative of the thesis and makes sure there is not too much overlap between themes. Another task that belongs to step five is naming the themes – the researcher should try to give themes names that are “concise, punchy, and immediately give the reader a sense of what the theme is about” (Braun & Clarke 2006, p. 23).

As I was content with my themes after step four, no refining was needed. The themes were, however, defined in this step, i.e., they were given the names that were presented in 3.4.3.

3.4.6 Step 6: Producing the report

The task of the researcher in step six of the thematic analysis process is to tell the story of the data in a way that convinces the reader of the merit and validity of his or her analysis. The analysis should provide a “concise, coherent, logical, nonrepetitive, and interesting account of the story the data tell – within and across themes”. (Braun & Clarke 2006, p. 23)

Once I had defined all my themes in step five, I began writing my analysis. I did this by following the structure I had come up with in step five, and systematically going through all the snippets of texts that were coded as belonging to the themes. I also focused on providing actual analysis of the data, as Braun & Clarke (2006, p. 23) point out that the “analytic narrative needs to go beyond description of the data, and make an argument in relation to your research question”.

3.5 Trustworthiness of the study

I will assess the quality of my research with the criterion of trustworthiness as suggested by Bryman & Bell (2015). Trustworthiness consists of four sub-criteria: credibility, transferability, dependability, and confirmability. Historically, the quality of research in qualitative studies has been assessed by the criteria of reliability and validity. These criteria do, however, seem to fit the purposes of assessing quantitative research better than qualitative research as they are grounded in the realist view that there are absolute truths about the social world, and consequently the use of these alternative criteria for assessing qualitative research has been suggested. (Bryman & Bell, 2015)

The sub-criterion of credibility answers the question “how believable are the findings?” (Bryman & Bell, 2015). The credibility of research is established by ensuring that the

research is executed according to the rules of good practice (Bryman & Bell, 2015). In this thesis, credibility was established by using the thematic analysis process presented by Braun & Clarke (2006) and transparently reporting how this process proceeded in the study's methodology section. Credibility is further established by the fact that the claims I make in my empirical analysis are supported by direct quotes from the publicly available data I use as the basis for my analysis. Because the data is publicly available, readers can make their own credibility assessments of the thesis by familiarizing with the data.

The sub-criterion of transferability answers the question “do the findings apply to other contexts?” (Bryman & Bell, 2015). The transferability of qualitative research is established by creating a “thick description”, that is “a database for making judgements about the possible transferability of findings to other milieux” (Bryman & Bell 2015, p. 402). Some of the findings in this thesis are transferable to other contexts. The transferability of findings to research questions one and three is minimal as the football context is critical to the questions (the competitive business landscape of football cannot be found in another industry and the media portrayal of club owners is impacted by the history of foreign ownership in the sport). The findings to research question two have more transferability: the strategic intent behind acquisitions of professional sports organisations outside of football are probably quite similar to those in football.

The sub-criterion of dependability answers the question “are the findings likely to appear at other times?” (Bryman & Bell, 2015). To ensure dependability in research, researchers can adopt an “auditing approach” – keeping records of all phases of the research process in an accessible manner (Bryman & Bell, 2015). All the information needed to conduct a study similar to this is presented in the methodology chapter of this thesis. Replicating the findings of qualitative research has proven to be difficult even in the case of high-quality peer reviewed articles, but because the data used in this thesis is publicly available it will at least be possible to try to re-do it if someone feels tempted to do so. The codes and themes that are presented in detail in Appendix 3 further increase the dependability of this thesis.

The sub-criterion of confirmability answers the question “has the researcher allowed his or her values to affect to a high degree?” (Bryman & Bell, 2015). To ensure confirmability, the researcher should show that he or she has acted in good faith as total objectivity is impossible in qualitative research (Bryman & Bell, 2015). I can ensure that the research

in this thesis has been conducted in good faith and my attempted objectivity is proven by the quotes I use in my empirical analysis to support the claims I make.

4 EMPIRICAL STUDY

In this chapter I will present the empirical findings of the thematic analysis I have conducted. The chapter is structured around my research questions: I will first present the themes that are related to the competitive business landscape of the EPL, I will then present themes related to the strategic intent behind foreign acquisitions and ownership of EPL clubs, and finally discuss themes related to how the media portrays foreign owners of EPL clubs.

Before diving into the actual thematic analysis, I will give a short presentation of the football industry as this information is good to have before reading the more detailed information presented later. The data that the thematic analysis was conducted on requires that the reader has some basic knowledge of the football industry, so those basics will now be swiftly presented.

4.1 The football industry

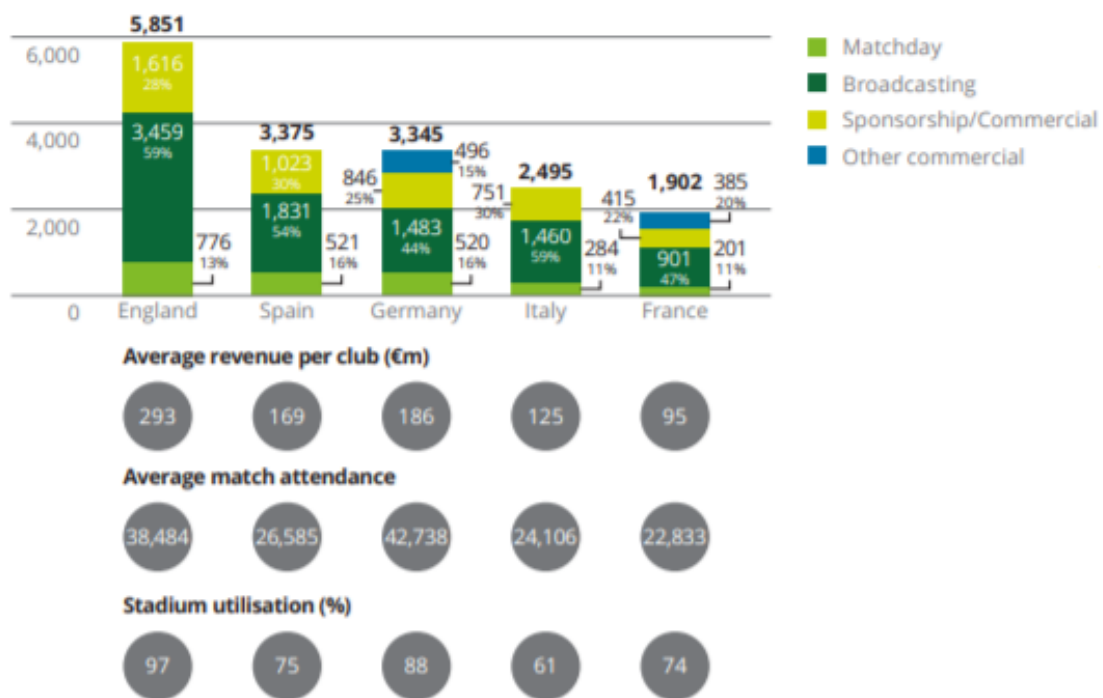
I will now present the business landscape of top European football, of which the EPL is a part. This short presentation will cover topics such as revenue streams of football clubs, the “big five” leagues in Europe, the structure of an EPL season, and drivers of success in the football industry. Subchapter 4.2, the first part of the thematical analysis, will then look at the competitive business landscape of the EPL and ponder if all clubs have the same possibilities to reach success and how the competitive business landscape developed into its current form – but in order to do this we first need a basic understanding of the industry in which this competitive business landscape has developed.

A good starting place to understanding the football industry is looking at the revenue streams of a European football club at the top level. As presented in the yearly Deloitte Money League report of Europe’s top 20 revenue generating football clubs, a club’s revenue consists of three revenue streams: broadcast, matchday, and commercial (Deloitte, 2020a). Broadcast revenue is the largest (and fastest growing) source of revenue and consists of money the clubs receive from TV rights deals that the leagues they play in have made with broadcasters. The payments of this money are usually directly related to how many of a club’s matches are shown on TV – the more you are on TV, the more you earn. Matchday revenue is revenue generated from hosting matches – ticketing income, sales of food and drinks, sales of hospitality packages, etc. Commercial

revenue is money received through sponsorships and partnerships with other brands (such as having kit partnerships with large sportswear companies).

The European footballing industry is dominated by the so called “big five” leagues, as teams in these leagues regularly win the European club tournaments and also lead the way in terms of revenue. The “big five” leagues are the EPL, the German Bundesliga, the Spanish La Liga, the Italian Serie A, and the French Ligue 1. Out of the “big five”, the EPL is by far the most successful in terms of revenue, as can be seen in the Table 2.

Table 2 Comparison of revenues between the “big five” leagues (Deloitte 2020b, p. 9)



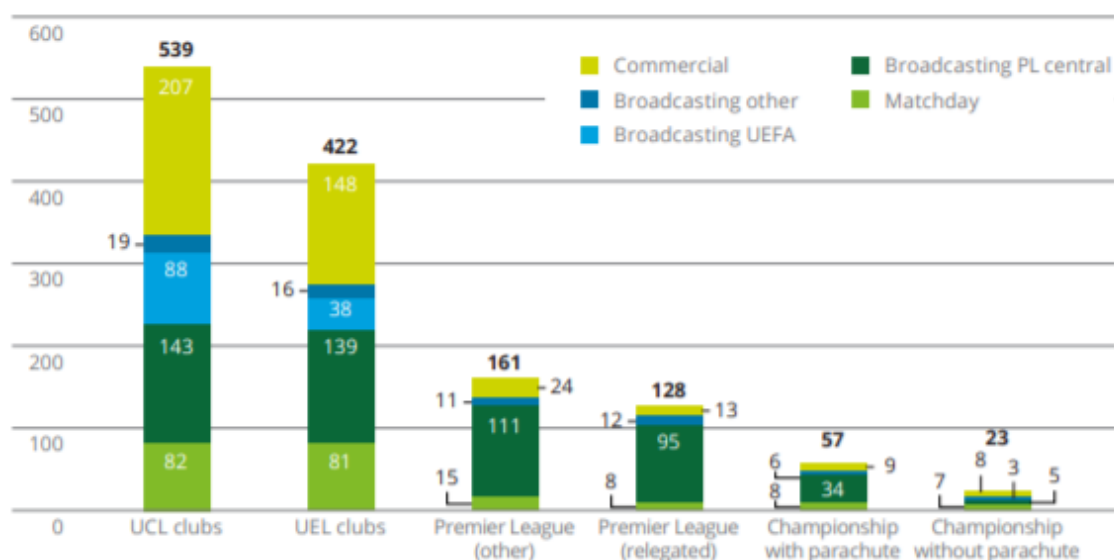
4.1.1 The English Premier League as part of the football industry

The EPL consists of 20 teams that all play each other twice each season. A won game results in 3 points, a drawn game in 1 point, and a lost game in 0 points for a team. At the end of the season the teams in the positions 18-20 are relegated to the second division of English football, the Championship, and replaced by the two first teams in the Championship as well as the winner of a playoff tournament between the teams finishing in the positions three to six. The clubs that are relegated to the Championship receive so-called parachute payments for three years after their relegation to cope with the reduced revenues caused by the relegation. What is also noteworthy is that the teams that finish in the positions one to four in the EPL qualify for the next season’s Champions League,

a tournament in which the top football clubs in Europe compete. Furthermore, the team finishing fifth qualifies for the Europa League (a European tournament for clubs that did not qualify for the Champions League). In the somewhat confusing English football season, EPL clubs also compete against each other and against lower division teams in the FA Cup and the Carabao Cup. The winner of the FA Cup also qualifies to the Europa League, and the winner of the Carabao Cup qualifies to the second qualifying round of the Europa League (meaning that they need to win three qualifying rounds to qualify for the actual tournament).

The importance of reaching the European tournaments, as well as the importance of not being relegated to the Championship, can be seen in Table 3.

Table 3 Comparison of revenues between EPL clubs and Championship clubs (Deloitte 2020b, p. 17)



In addition to the importance of on-pitch success (as finishing in a high league position leads to increased revenue), another factor that needs to be considered is the relationship between team investment and on-pitch success. The cost structure of professional football is interesting: in the 2018/2019 season, 61% of EPL club revenue was spent on player wages (Deloitte 2020b, p. 18). There is, however, a good reason for this big spending on wages as the correlation between wage bill and league position is significant: out of the 20 clubs competing in 2018/2019, 14 clubs finished within two places either side of their wage costs rank and 8 clubs finished within one place (Deloitte 2020b, p. 19). This is a consequence of UEFA's FFP regulation which requires football clubs to break even over three-year periods – clubs that finish in high league positions and

generate higher revenue are allowed to spend that money on players in the future, whereas clubs that finish lower in the table and generate less revenue are not allowed to spend as much, even if the owners could afford it (Sass 2016, Birkhäuser et al. 2017). Rohde & Breuer (2016a) give a simple explanation to why certain clubs succeed in modern football: “financial success is driven by national and international sporting success, ... sporting success is driven by team investments, and team investments tend to be driven by (foreign) private majority investors” (Rohde & Breuer 2016a, p. 1).

Those who want to gain an even better understanding of the EPL can study appendix 2, which gives a short presentation of all clubs competing in the 2020/2021 EPL season.

Now, as we have a basic understanding of both the European and English football industry, we are ready to move on to the thematic analysis, starting with themes related to the topic of the competitive business landscape of the EPL.

4.2 The competitive business landscape of the EPL

The two main themes that were found in relation to the competitive business landscape of the EPL were polarization and foreign owners’ impact on the competitive business landscape, and within the theme of foreign owners’ impact on the competitive business landscape a sub-theme was also found: namely, a wave of Chinese acquisitions.

4.2.1 Polarization

Polarization is a word that gets used a lot when people talk about today’s society, usually referring to the polarization of political opinions. The word polarization is also very popular in the discussion about the competitive business landscape of football, but in this context the polarization happens between the rich and the poor, rather than the left and the right. In short, the phenomenon of polarization in professional football is one where the rich clubs get richer and the “poor” clubs stay “poor”, seemingly because of the market mechanics of professional football (Deloitte 2020a, Deloitte 2020b).

Unsurprisingly, none of the three clubs studied in this thematic analysis: Chelsea FC, Liverpool FC, or Manchester City FC mention the polarization of the competitive business landscape in their annual reports, as all three clubs have wealthy owners and benefit from the polarization as most of their competition in the EPL cannot match them in terms of investment in playing squads. Two of the three clubs, Liverpool FC and Manchester City FC, do however mention some of the polarizing mechanisms when discussing risks and uncertainties in their strategic reports. Liverpool FC write that:

“The directors consider the principal risks and uncertainties associated with running a professional football Club such as Liverpool Football Club to be the player transfer market and wage levels, attendance levels, and **revenues from broadcasting contracts and football competitions**... Development of the Club's commercial revenue continues, and the Board is mindful that **continued success on the field is paramount** to this development.” (The Liverpool Football Club and Athletic Grounds Limited 2019, p. 3)

Whereas Manchester City FC write that:

“The Club's income is affected by the performance of the first team because **significant revenues are dependent upon strong team performances in the Premier League, domestic and European Cup competitions**. The Club is regulated by the rules of the FA, Premier League, UEFA, and FIFA and any change to these regulations could have an impact as the regulations cover areas such as; **the distribution of broadcasting income**, the eligibility of players, and the operation of the transfer market.” (Manchester City Football Club Limited 2019, p. 5)

This is of course true; success on the field is important for the financial success of clubs as the most broadcasting income is handed out to those clubs who get the most airtime (i.e., the most successful clubs), and the prize money dealt out in UEFA competitions is substantial even for the biggest clubs in Europe. Both these money distribution mechanisms whose importance the clubs communicate in their strategic reports are, however, part of the system that has created the polarized competitive business landscape of football according to critics and researchers. Sass (2016) and Birkhäuser et al. (2017) argue that while FFP does force the big clubs to live within their means, it also hinders rich owners of smaller clubs from overspending and thereby challenging the top clubs on the pitch. In the long run, as the successful big clubs gain more fans due to the glory hunter phenomenon where the success of some clubs make people switch from supporting less successful clubs to these successful clubs, Sass (2016, p. 154-155) predicts that this will lead to a situation where “big clubs will become bigger and bigger over time, totally dominating smaller clubs in the long-term equilibrium, in which competitive balance is maximally uneven”.

If FFP has frozen clubs into a certain revenue generation pecking order as Sass (2016) and Birkhäuser et al. (2017) claim, and if on-pitch success is directly linked to spending on playing squads as Deloitte (2020b) shows, then the factors that the clubs communicate in their annual reports as crucial to their success are really the results of a system that is rigged in their favour.

This sentiment was shared by Deloitte in their Annual Review of Football Finance 2020 and Football Money League 2020 reports. The reports show that polarization is apparent not only within leagues, but also between leagues, as can be seen in the next examples:

“Polarisation, which is not a new topic when discussing football finance, **appears to be more prominent than ever** and has been exacerbated across domestic and international club competitions by both the **financial distribution mechanisms** and **competition qualification formats** in place.” (Deloitte 2020a, p.4)

“The self-fulfilling nature of polarisation has been well recorded, as the most successful teams on the pitch reap financial rewards in increased revenue and invest in playing talent to further strengthen on-pitch performance. This has been seen again in the 2019/20 season as, for the first time since the introduction of the round of 16 in 2003/04, all 16 of the clubs reaching the knockout stages of the UEFA Champions League play their domestic football in a ‘big five’ league. The correlation and causation is imperfect, as ‘big’ clubs can underperform and ‘smaller’ clubs can excel, but the overall strength of the relationship between revenue and on-pitch success in the same direction is hard to resist.” (Deloitte 2020b, p.8)

“Revenue increases, whilst benefitting all in absolute terms, have not resolved the longstanding challenge of polarisation as relative gaps widen. Clubs from the ‘big five’ leagues benefited from 70% of the additional UEFA prize money distributions, amounting to €483m, driving their share of the European football market to 59%.” (Deloitte 2020b, p.8)

As we know, UEFA prize money is not distributed to randomly selected teams across Europe, but to the top teams of countries that qualify to the European competitions by being successful in the domestic competitions. Polarization within the EPL was also commented on in the Annual Review of Football Finance 2020 report:

“An emerging theme in the sector in respect of the highest revenue generating clubs, and which is also observed in the Premier League, is **the emergence of “mini-leagues”** which represent the grouping of clubs in terms of revenue generation. **The revenue gap between the ‘big six’ and the rest is the largest it has ever been.** Arsenal, the sixth highest revenue generating club (£393m), earned more than double the revenue of West Ham United (£193m) in seventh, a revenue gap of £200m. **The introduction of historical performance coefficients into UEFA’s distribution model will further benefit those clubs with previous success in the competition,** many of whom have already built strong fanbases and global brands. It is becoming increasingly apparent that for clubs outside of the ‘big six’ to reduce the revenue gap they need to consistently challenge on the field and finish inside the top six league positions. Breaking through and establishing themselves in this virtuous circle is neither easy (as many have tried and failed) nor cheap, as the most recent successes in doing so have shown.” (Deloitte 2020b, p.17)

Polarization in the EPL is by no means a new phenomenon, as can be seen in a FT article from February 2005, where the writer is concerned that Chelsea’s new owner Roman Abramovich would turn the club into a title winning monopoly:

“Is this good for English football? In the short run, Chelsea's rise has broken up what was turning into an irritating Arsenal-Manchester United duopoly. But **football leagues** (look at Scotland, look at Spain) **can get along OK with duopolies. A monopoly, however, is a disaster.** Everyone else in the Premiership has to operate on some kind of business footing, and the terror stalking Highbury and Old Trafford is that Chelsea will be immune from financial discipline forever.” (Engel, 2005)

This quote alludes to two things that are worth commenting on. First, the fact that only a few clubs are able to challenge for the EPL title is nothing new; the early 2000’s were dominated by Manchester United FC and Arsenal FC, and Manchester United was dominant for most of the 1990’s (although this success could be seen as the result of good coaching and recruitment, and less as the result of any financial superiority). Over the

years, as more clubs have been bought by rich owners, and some clubs have developed their business to catch up with the top clubs (such as Tottenham Hotspur), the “big six” of today was created. Second, this quote shows the need for regulation that stops rich owners from overspending on their clubs and thereby “buying titles” that existed pre-FFP. The FFP regulation has, to some extent, been successful in preventing clubs like Chelsea from creating title winning monopolies as it forces clubs with wealthy (and often foreign) owners to live within their means. The FFP regulation is, however, problematic as it hinders owners at smaller clubs from investing heavily and challenging the big clubs as Sass (2016) and Birkhäuser et al. (2017) point out, and another problem that has become evident lately is that even in cases where UEFA deems clubs to have broken their rules and would want to punish them, they are unable to prove wrongdoing by clubs in court - but more on this later.

Another FT article, published in May 2014 after Manchester City FC had just won their second league title, discusses the phenomenon of clubs “buying titles”:

“You get what you pay for, as a rule, and **Abu Dhabi’s most northerly outpost (officially called Manchester City FC)** duly **completed the purchase** of their second English Premier League title in three seasons on Sunday. There was unbridled celebration at the Etihad stadium, of course, including a pitch invasion. But **given the extent of the investment** from the Abu Dhabi United group, it was a bit like **whooping and hollering on leaving a supermarket checkout.**” (Engel, 2014)

This quote presents a thought that most viewers of football probably share: a title won through heavy spending on the transfer market means less than a title won by a team that includes at least a few home-grown players and whose success is the result of a long-term project. This is not only a problem for fans who might become disinterested if titles are “bought” year after year, but also a problem for the EPL itself. The viewership of the EPL is dependent on the interest it creates among the people who follow it, and clearly games where two even teams compete against each other will awake more interest than games where one team is the clear favourite. If the EPL under the current FFP regulation was to develop into the dull scenario predicted by Sass (2016), I doubt that viewership figures would be at the level of today. This line of thought is supported by Birkhäuser et al. (2017, p.118) who argues that part of the reason behind the expensive broadcasting deals the EPL has been able to sell is that the EPL is able to offer more top-class matches than competing leagues because all the clubs in “the big six” have been seen as contenders for the title in recent years. Thereby, if the EPL is to continue its growth in broadcasting revenue, it should aim to increase the number of teams challenging for the title, not freeze the current hierarchies as FFP does in its current form.

If viewership drops, the value of the broadcasting deals will also undoubtedly drop, thereby hurting club revenues. Therefore, clubs like Liverpool and Manchester City should not only be alert to changes in the competitive business landscape, as they report that they are in the “risks and uncertainties” sections of their strategic reports - the status quo in itself may also present a risk in the long run.

4.2.2 Foreign owners’ impact on the competitive business landscape

The second theme that I found when reading about the competitive business landscape is something that has already been presented in detail in earlier stages of this thesis: foreign owners. The impact that foreign owners have had on the competitive business landscape of the EPL has, however, been profound and the number of times the theme appeared in the data set meant that it could not be left out at this stage either.

As discussed earlier, prior to the introduction of FFP club owners were allowed to finance their clubs with their private money to whatever extent they wanted. After the introduction of FFP, clubs have needed to finance their expenses with their revenue and break even over three-year periods. The cash that was injected into certain clubs prior to the introduction of FFP has, however, tweaked the competitive balance in favour of the teams with the richest owners and through debt-to-equity swaps, clubs were even able to reduce the debt burdens they built up in the years prior to the introduction of FFP so that these debts would not impact the first three-year cycle, as reported in FT in December 2009:

“Mr Abramovich converted the £340m of interest-free loans owed by the club to him into equity. It follows a similar gesture of largesse from the club owner in the previous year, reducing Chelsea’s burden of debt to Mr Abramovich from a peak £760m. Bruce Buck, Chelsea chairman, said: “The club’s debt load has been reduced almost to nil. **The reduction will also enable the club to comply with any regulations on debt levels which are being discussed by the football community.**” (Kavanagh, 2009)

These interest-free loans, also called “soft loans”, appear to be the most common way for owners to finance the undertakings of their clubs. The ability to take out interest-free soft loans from rich owners is an advantage that clubs with rich owners hold over clubs with owners who do not have the funds to, or simply are unwilling to, lend them money. Deloitte addresses soft loans in the EPL in the following way in their Annual Review of Football Finance 2020 report:

“**Soft loans** – a club’s borrowings on interest-free terms typically from their owners – **increased by 16%** (£338m) in 2018/19. The increase is considerably smaller than was seen in 2017/18 (£679m) which was the result of promoted clubs contributing a combined soft loans balance of over £700m. **Chelsea’s soft loan balance increased by £228m in 2018/19 and the club**

continue to hold the largest owner borrowings balance in the league (£1.4 billion)."
(Deloitte, 2020b)

It is no surprise to read that Chelsea FC tops the list of owner borrowings, as they have been owned by Roman Abramovich since 2003 so they have had a long time to run up this balance. £1.4 billion is still an astonishing amount to spend on a football club, even when split over a 14-year period, and especially when keeping in mind that the owner completed a £340m loan-to-equity swap in 2009 which is not accounted for in the £1.4 billion owed by the club today.

Chelsea FC is however not the only of the three clubs studied whose competitiveness was improved because of actions by its owners. FT reported in 2016 that John Henry, the principal owner of FSG, had "helped reduce the club's debt to £95m" and that the expanded main stand at Liverpool FC's stadium Anfield Road had been "partly financed through an interest-free loan from FSG" (Bond, 2016). The financial boost that Manchester City FC has received since being acquired in 2008 has already been discussed but needs to be underlined here as well: in 2016 FT reported that Sheikh Mansour had invested "more than £1.2bn" into the club (Bounds, 2016).

Wave of Chinese club acquisitions

Within the theme of foreign owners' impact on the competitive business landscape, a sub-theme was found: a wave of Chinese club acquisitions that happened in the years 2015-2018. Acquisitions tend to happen in waves as previously mentioned in the theoretical framework and pointed out by Angwin (2007), and this specific wave is certainly a good example of that.

In 2015, the Communist Party of China released a plan where it stated its intent of turning China into a "great sports nation", creating a sports industry worth \$760bn by 2025, and expanding the number of schools offering specialised football training from 5,000 to 50,000 (Bland & Clover, 2016). The party also wanted to "build thousands of soccer schools, host the World Cup and transform the national team, ranked 57 in the world, so it can hold its own at the sport's premier international tournament" (Bland & Ahmed, 2017). The wave of Chinese acquisitions got its start shortly after China's president Xi Jinping visited Manchester City FC's youth academy in October 2015, as a consortium led by private equity groups China Media Capital and CITIC Capital bought a 13% stake in City Football Group, the parent company of Manchester City FC. Peter Schloss, chief executive of CastleHill Partners, a sports and media advisory firm in

Beijing, commented on the deal: “President Xi is a very avid football fan. Businesses and tycoons are going to follow his lead. We are going to see more deals.” (Noble, 2015)

This acquisition was followed by Chinese acquisitions of no less than four of the current EPL clubs. Aston Villa FC was sold to Chinese businessman Tony Xia in May 2016, Wolverhampton Wanderers FC was sold to Chinese company Fosun Group in July 2016, West Bromwich Albion FC was sold to Chinese entrepreneur Guochuan Lai in August 2016, and Southampton FC was sold to Chinese real estate magnate Jisheng Gao in August 2017 (Odell & Massoudi, 2016; Mitchell, 2016; Khan & Clover, 2016; Ahmed & Massoudi, 2017). In addition to these acquisitions, FSG, the owners of Liverpool FC, were also approached by Chinese investment group Everbright and PCP Capital Partners in August 2016 as they showed interest in buying a “substantial stake” in the club (Binham, Massoudi & Ahmed, 2016).

The underlying reason behind the acquisition wave and president Xi’s ambitious football plan is one that has already been discussed in this thesis: soft power. In an article on China’s football push published in April 2017, FT wrote that “Boosting China’s influence in the world’s most popular game is part of a wider push to increase the country’s soft power and earn China its rightful place on the world stage” (Bland & Ahmed, 2017). A Wolverhampton fan interviewed for the article agreed with the analysis and said:

“It’s about soft power. It’s about coming in and investing in a neglected area that’s been overlooked for years. **People in the West Midlands like the Chinese.** They’re seen as a moneyed, successful people. **They are doing a lot more for us than the British government.**” (Bland & Ahmed, 2017)

The wave of Chinese acquisitions of English football clubs abruptly ended in August 2017, as the Chinese government, concerned about capital outflows and the overly risky nature of many outbound deals “laid out new criteria for overseas acquisitions, placing investments in sports clubs, cinemas and real estate on a list of “restricted” sectors” (Bland & Ahmed, 2018). Then-Aston Villa owner Tony Xia sold his stake in the club shortly after these new criteria were presented (Bland & Ahmed, 2018) and there have been no Chinese acquisitions of English clubs since.

The Chinese acquisition wave of English clubs is a good example of the role that national authorities play in the shaping of M&A patterns. Angwin (2007, p. 390) explains China’s new stance on M&A’s in the 2000’s:

“More recently, **China has changed its position** from only allowing limited foreign ownership – through joint ventures, for instance – to permitting M & A as a crucial way to invigorate the state and semi-state owned firms... **This illustrates the role that national authorities can play in using M & A as a policy tool for re-shaping economies.**”

Both the beginning and the end of the acquisition wave were motivated by government initiatives: it began with the plan of turning China into a “great sports nation” and ended when foreign sports clubs were listed as a restricted sector of investment. Besides these government initiatives, other market conditions were also favourable for the Chinese investors at the time: due to Brexit the British Pound was relatively weak and the seemingly ever-growing broadcasting deals of the EPL gave acquirers hope of continued profit growth in the future (Binham, Massoudi & Ahmed, 2016). These circumstances created a situation where for a short time, Chinese investors were highly motivated to enter the English football market, thereby altering the competitive business landscape of EPL football by boosting the competitiveness of certain clubs.

4.3 Strategic intent behind foreign acquisitions and ownership of EPL clubs

The three main themes that were found in relation to the strategic intent behind foreign acquisitions and ownership of EPL clubs were direct comments on strategic intent, FFP compliance and club stance on FFP, and active/passive ownership. As previously discussed in section 3.4.2, the strategic intent of owners is rarely directly commented on in any of the collected data, but some comments were found, and a theme was created of these comments. The other two themes do not directly relate to strategic intent, but I claim that by analysing these two themes, conclusions can be made about the strategic intents of owners. In the conclusions chapter, I will present a framework for understanding the strategic intents of football club owners that is based on these themes.

4.3.1 Direct comments on strategic intent

The first indicator found in the data regarding the strategic intent of owners was direct comments made about it. Where the two themes presented next are themes that after analysis can be used to make claims about the strategic intents of owners, this theme is more concrete – it consists of comments found in the data about the reasons that the owners are believed to be involved in football.

Since FSG took over Liverpool FC in 2010, it has transformed the organisation in many ways. On the pitch it has changed from a club that was challenging for titles to a club that in the last two years has won both the Champions League and the EPL. This on-pitch

transformation is largely due to a data-driven approach brought to the club by John Henry, the principal owner of FSG. (Ahmed, 2020c)

John Henry fits the bill of the typical “American owner” presented by Nauright & Ramfjord (2010) as he earned his money as a commodities trader, founded FSG (or New England Sports Ventures, as it was called at the time) and bought the Boston Red Sox baseball franchise before acquiring Liverpool FC in 2010 (Germano, 2020). As Nauright & Ramfjord (2010) point out, the main thing that separates the American owners who have entered English football in the last twenty years from the traditional British philanthropist owners is their eagerness to maximise profits. Also on this point, John Henry seems to fit the profile. FT reported in 2020 in a piece discussing Henry and his future prospects:

“According to one person who knows Mr Henry well, a more plausible scenario could entail **breaking up Fenway Sports Group** and keeping the Red Sox private while **listing Liverpool on the open market**. He is an avowed baseball fan but **Mr Henry's interest in Liverpool is more financial than emotional**. **“I think he wants to make money,”** the person said.” (Germano, 2020)

Roman Abramovich, whose acquisition of Chelsea FC in 2003 started the acquisition wave of EPL clubs by foreign investors, is more complicated to fit into a box but he does certainly not fit the profile of a profit-maximising owner. FT described him as follows in an article on football finance from 2006:

“For some billionaire owners, their clubs are nothing more than trophy assets, or hobbies, with the fluctuations of the profit and loss account a mere irrelevance compared with the club’s latest position in the Premiership table. **Roman Abramovich**, the Russian oil billionaire whose investment in Chelsea in effect secured them last year’s Premiership title, **falls firmly into that category.**” (Blitz, 2006)

In another article from 2008, which discusses a court case in which Abramovich was involved, a judge goes on to describe the reasons behind his involvement in football:

“The football club, bought by Mr Abramovich in 2003 and on which he has lavished around £500m, was described as a **“hobby and a leisure interest”** by Mr Justice Clarke in his lengthy judgment. “It is not a business investment,” the judge said. **“The sums that Mr Abramovich has given to the club far exceed any return that could possibly be expected.”**” (Murphy, 2008)

These quotes make it clear that Abramovich’s investment in Chelsea is not one that he expects to give him any financial returns. The strategic intent behind the acquisition is, however, not entirely clear – some people claim that his involvement in English football is purely due to his love of football, while other claim that there may be political reasoning behind it:

“The second decision was his 2004 purchase of Chelsea for £140m, seen by many in Russia as a kind of **“insurance policy” against any attack by Russian authorities**. The purchase massively **increased his profile in Europe** and propelled Chelsea into the elite tier of British soccer, as he assembled a squad of some of the best global players. **Soccer, however, has become more than a mere pastime**. Despite two consecutive Premier League titles, he ruthlessly dispatched José Mourinho, Chelsea’s charismatic manager, this year amid rumours of a personality clash and the owner’s desire for his team to play in a more attractive style.” (Buckley & Belton, 2007)

Whereas the reasons behind Abramovich’s ownership can be debated, there seems to be a rather strong consensus about the strategic intent behind the ownership of Manchester City FC. Already at the time of the acquisition of the club in September 2008, FT described the purpose of the deal in the following way:

The trophy is, by definition, an object with no useful purpose except as **a symbol of power, excellence or, in the case of trophy assets, wealth**. That’s not something that seems to worry Abu Dhabi. In the past couple of days, the emirate has bought Manchester City, the British premier league football club, and set out plans to invest in film production. Those investments will join a government-backed portfolio of assets that already includes two London restaurants, a stake in Ferrari, the sports car manufacturer, and control of Manhattan’s Chrysler Building. (Hill & Betts, 2008)

This undoubtedly sounds a lot like Krzyzaniak’s (2018, p.500) description of country branding which states that country branding “induces an international audience to construct a more positive mental inventory of a country, and this enhances the country’s soft power”. Other writers in FT have later been more direct in their writing about the strategic intent behind the ownership of Manchester City FC:

“Others suggest CFG [Manchester City’s parent company] represents a **geopolitical play, designed to exert Emirati soft power by creating winning teams in the world’s favourite sport**. One Premier League club owner refers to Manchester City as “the nation state” playing an entirely different game to its rivals. “Abu Dhabi is not doing this because it likes Levenshulme [a district of Manchester],” says Simon Chadwick, professor of sports enterprise at Salford Business School. **“They are doing this to seek sustainable revenue streams from the investments that will provide currency inflows in 10, 20, 50 years’ time when the oil and gas is gone.”**” (Ahmed, 2017)

“Critics alleged the owner, the brother of Sheikh Mohammed bin Zayed al-Nahyan, the de facto ruler of the UAE, has **used the club to burnish the Middle Eastern country’s soft power through dominating the world’s favourite sport**.” (Ahmed & Agini, 2020)

In another article, a writer writes about how the success of the country branding project of the United Arab Emirates can be heard in the chants sung the home matches of Manchester City:

“I’ve always cringed when the chant of “Sheikh Mansour, m’lord, Sheikh Mansour” goes up at City games. His acquisition of the club in 2008 certainly ushered in an era of unprecedented success, during which City have played some of the best football I have ever seen. But it seems to me **a category error to suppose that supporting the “club” or the “team” entails an unblinking indifference to the entanglement of City’s on-field fortunes with Abu Dhabi’s projection of soft power.**” (Derbyshire, 2020)

The problematic aspect about this chant is, as the writer implies, that by chanting the name of an Abu Dhabi sheikh, you are indirectly also expressing your support for the United Arab Emirates-government that he represents. This, in turn is problematic because, as FT reports:

“Abu Dhabi’s carefully managed image has also been tarnished by its involvement in the devastating **war in Yemen**, its role in **conflict in Libya**, the **embargo on Qatar** and an **increasingly autocratic government that has displayed zero tolerance for dissent.**”
(Kerr & England, 2019)

Also, when studying the annual reports of the three clubs, the different strategic intents of the owners could be seen impacting the reports. In Chelsea FC’s and Liverpool FC’s annual reports, both clubs’ respective owners are only mentioned briefly. Sheikh Mansour, on the other hand, is presented in the first sentence of Manchester City FC’s report, which says: “As Manchester City enters the second decade of His Highness Sheikh Mansour’s ownership, the men’s team celebrated another record-breaking season, making English history by becoming the first team to win all four domestic trophies in a single campaign.” (Manchester City Football Club Limited, 2019). The fact that the owner is referred to in the very first sentence of the report cannot be a coincidence, but a conscious decision by the club to highlight its owner and his connection to the on-pitch success the club is experiencing.

The analysis of the theme of direct comments on strategic intents of the three chosen clubs has confirmed the classification of Liverpool FC as a club with profit-maximising ownership, Manchester City FC as a club with political ownership, and Chelsea FC as a club with win-maximising ownership, although comments that implied that there were political reasons behind the Chelsea ownership were also found.

4.3.2 FFP compliance and club stance on FFP

This theme concerns the clubs’ positions on Financial Fair Play (FFP) – how well they have complied with the regulations and what the general club stances on the regulations are. As presented on page 10, the FFP regulations were introduced by UEFA to curb the spiralling transfer fees and ever-growing levels of debt in European football, and FFP demands clubs to break-even over a three-year period (Wilson, Plumley, & Ramchandani, 2013; Rohde & Breuer, 2016b; Sass, 2016). As FFP is something that hinders owners who want to spend more than the club generates to bring in players who could help the club achieve on-pitch success, it would make sense for win-maximising owners to be against FFP. Profit-maximising owners, on the other hand, would probably take a more positive stance on FFP, as it hinders win-maximisers from overspending and

creates a competitive business landscape which, in theory, awards the most well-run clubs, not the clubs with the richest owners. The analysed data seems to be in line with this assumption.

Out of the three clubs studied, Manchester City FC is the club that has had the biggest problems complying with FFP. The first time that eyebrows were raised in regard to Manchester City and FFP was in 2011 when the club announced a 10-year, £400m sponsorship deal with Etihad Airways.

“The sponsorship deal, said to be between £350m and £400m over 10 years, has been criticised by rival clubs and could be investigated by Uefa, European football’s governing body, amid allegations that **Etihad, owned by the same ruling Abu Dhabi family as the club, paid above market rate to give the FA Cup holders a financial boost**. Sheikh Mansour bin Zayed al-Nahyan, who bought City in 2008, is the half-brother of Sheikh Hamid bin Zayed al-Nahyan, chairman of Etihad.” (Bounds, 2011)

Executives and managers of rival clubs were suspicious of the deal:

“Arsene Wenger, the Arsenal manager, said Uefa faced an early test of its financial fair play rule, under which clubs must break even or record only a small deficit from next season. Related parties to the owners cannot make up any shortfall with sponsorship while commercial deals must reflect “fair value”. **“If the financial fair play is to have a chance, the sponsorship has to be at the market price. It cannot be doubled, tripled or quadrupled,”** he said. Ian Ayre, managing director of Liverpool also questioned the deal, asking: **“Is Etihad, Manchester City and Sheikh Mansour a related party? If they are, then it’s up to Uefa to rule on them.”** “It hasn’t happened in Europe that a football club has renamed an existing stadium [as opposed to building a new one] and it’s had real value,” he added. (Bounds, 2011)

In May 2014, Manchester City were fined £49m by UEFA and forced to cut its Champions League squad from 25 to 21 players for the 2014/2015 tournament for failing to comply with FFP regulation, although the club’s “commercial deals with Abu Dhabi’s Etihad Airways, worth £400m, were accepted by Uefa, but the club agreed not to increase the value of two second-ranked commercial deals with other Abu-Dhabi related parties” (Blitz, 2014). The punishment was given because of the club’s non-compliance with the three-year break-even rule. Manchester City accepted the punishment and did not appeal, but was not happy.

“In a statement, City said it was on course to break even for the 2013-14 season. It said it had a **“fundamental disagreement” with the interpretation of fair play rules governing players purchased before 2010** but that it had decided to settle in the interests of its commercial operations.” (Blitz, 2014)

In more recent times, Manchester City have continued to have problems with FFP. In 2017, in an article about City Football Group (CFG), the parent company of Manchester City, FT presented suspicions about the purpose of the group.

“CFG executives say the goal on the pitch is for all the clubs to play attacking, possession-based football, in the style laid down by City’s head coach Pep Guardiola, who was previously at the

Spanish club Barcelona and the German champions Bayern Munich. They also want to outdo United's balance sheet, by exploiting "economies of scale" by convincing sponsors to pay for marketing deals that apply across its teams. Critics argue **the elaborate business model is a smokescreen to satisfy Europe's so-called Financial Fair Play rules**, introduced in 2011, designed to prevent individual clubs from spending beyond their means to buy success. **A senior Premier League club executive describes CFG as a "hall of mirrors" designed to funnel revenues back to the central entity in Manchester and justify its enormous spending on players.** A £400m 10-year deal with Etihad, Abu Dhabi's state airline, to become Manchester City's stadium and shirt sponsor, led to accusations of "financial doping" by Andrea Agnelli, president of Italy's Juventus. The group admits that Manchester City, which benefits from the Premier League's multibillion-pound TV contract, is the only profitable club in its network." (Ahmed, 2017)

The most prominent story regarding Manchester City and FFP is, however, the two-year Champions League ban they were handed by UEFA in 2019, which was later withdrawn by the Court of Arbitration for Sport (CAS). It all began when UEFA announced it would reopen FFP investigations into the club after leaked internal emails suggested that the club had "artificially inflated the value of sponsorship deals with undeclared additional funding from its owner" (Ahmed, 2019a). The leak also suggested that the club "set up a shell company to pay players for "image rights" in an effort to take millions of pounds off its wage bill, as well as a range of other measures to mask the true size of the club's breach of FFP rules" (Ahmed, 2019b). Manchester City first commented shortly on the allegations, saying: "The attempt to damage the club's reputation is organised and clear" (Ahmed, 2019a). In a later statement, the club wrote:

"Manchester City welcomes the opening of a formal UEFA investigation as an opportunity to bring to an end the speculation resulting from the illegal hacking and out of context publication of City emails. **The accusations of financial irregularities are entirely false.** The Club's published accounts are full and complete and a matter of legal and regulatory record." (Ahmed, 2019b)

In February 2020, the UEFA investigation came to the conclusion that Manchester City had committed "serious breaches" of the FFP regulations, and as punishment the club was banned from the Champions League for the next two seasons and was ordered to pay a €30m fine (Ahmed, 2020a).

Manchester City were obviously not happy with the ruling and appealed to CAS, which lifted most of the sanctions in July 2020 (Ahmed, 2020b). The CAS ruling on the case was described in FT as follows:

"CAS ruled that **Uefa had failed to prove Manchester City had disguised funding from its owner as sponsorship income, or if any breaches of the rules occurred within a time period that sanctions could be applied.** The panel did find that the club had failed to co-operate with Uefa's investigators, implementing a lesser fine of €10m, but that this did not warrant a ban from European tournaments." (Ahmed, 2020b)

It needs to be pointed out that the reason behind the lifting of the sanctions was not Manchester City's innocence, but rather UEFA's inability to enforce its own regulation. FT commented on the verdict in a later article:

“CAS found these charges were either “not established” (there was not sufficient proof, not that there was no evidence at all) or “time barred” (any proof was inadmissible, as Uefa did not bring the case within a required five-year time period). **Both outcomes are embarrassing, suggesting Uefa failed to understand its own rulebook.** Yet, the court still imposed a €10m fine on Manchester City for not co-operating with Uefa's investigation. As Tottenham Hotspur's José Mourinho pointed out, Manchester City weren't exonerated as “if you're not guilty, you're not punished.”” (Agni et al., 2020)

Whether the actions that led to Manchester City's fines from UEFA in 2014 and 2020 were mistakes or deliberate can of course not be proven, but Manchester City has systematically expressed their unhappiness with the FFP regulation through the years. In 2014, the club wrote that it has a “fundamental disagreement” with aspects of UEFA's break-even rules (Blitz, 2014). Before the 2020 CAS hearing, it was reported that Manchester City even was considering a legal strategy where it would “not only argue that it did not breach the regulations but that these rules should not exist at all”, using the argument presented by Sass (2016) and Birkhäuser et al. (2017) that UEFA's FFP regulation is anti-competitive.

Out of the three clubs studied in detail, also Chelsea FC failed to comply with the regulations of the football industry, as it was given a ban from signing players in the two upcoming transfer windows (time periods when clubs are allowed to buy and sell players) in February 2019. This ban was not handed out by UEFA, but by FIFA, as Chelsea had broken FIFA's rules regarding transfers of underage foreign players. FIFA's rules state that “football clubs cannot sign foreign players under 18 unless their parents have emigrated for reasons unconnected to the sport, or that both club and player are based within 50km of a national border” (Ahmed, 2019c). FIFA's disciplinary committee found that Chelsea “broke the rules on hiring foreign minors on 26 different occasions” (Ahmed, 2019c). Chelsea followed the example of numerous other clubs that have been handed a punishment by one of football's governing bodies and appealed to CAS, which halved the punishment to a one transfer window-ban.

While the two clubs of study that prior to the thematic analysis were seen as win-maximising clubs have had trouble complying with the regulations imposed by football's governing bodies, the profit-maximising club, i.e., Liverpool FC has not. On the contrary, Liverpool executives have openly communicated their support of FFP. In 2012, Tom Werner, chairman of Liverpool, said to FT: “It's about making sure clubs are financially

sound and not letting a club go out and overspend [on players] to change the competitive field. Each of the FSG sports assets has to be financially sound on their own.” (Garrahan, 2012). A year later, then-Liverpool managing director Ian Ayre made a comment in a FT interview which could be interpreted as a dig at win-maximising clubs: “There are some questionable sponsorship deals that have appeared in the market. It’s clearly people just trying to get around [the rules]. You’d like to see a sport where you’re supposed to compete and have a bit of respect about it” (Blitz, 2013a).

The fact that Liverpool is pro-FFP makes sense from a strategic point of view, as they as profit-maximisers do not want to spend more than necessary to be successful on the pitch and thereby get prize money from European competitions and a maximal amount of broadcasting revenue from matches played in the EPL. The amount that needs to be spent to achieve on-pitch success is smaller if opponents also are tied to spend no more than they earn. Win-maximisers, on the other hand, are anti-FFP as their owners would be willing to spend their own money on player transfers which would give these clubs a competitive on-pitch advantage over profit-maximising clubs, but FFP prevents this spending.

4.3.3 Active/passive ownership

Another theme which was found in the data that could be seen as an indicator of strategic intent of owners is that of active/passive ownership. One could think that owners who have a personal interest in the club they own would be eager to watch the club’s matches live in the stadium, while owners who are involved in the club due to political or financial reasons would be less eager to travel to England and sit in the stands watching football in England’s at times suboptimal sports-viewing conditions. Besides from attendance at matches, the activeness of an owner can also be determined from how involved he or she is in decision-making at the club – owners who have a personal interest would probably want to be more involved in decision-making than owners whose involvement is financially or politically motivated.

In the data, it appeared that Roman Abramovich takes a very active approach to his ownership. In a 2008 ruling over a Siberian oil dispute, Abramovich’s life was described in detail. FT reported that the oligarch owns “seven or eight flats in Knightsbridge, London”, and that a “very large percentage of his visits to England – as much as 92 per cent in any given year – were specifically connected with Chelsea matches, rather than any personal or professional ties” (Murphy, 2008). Abramovich is also told to get

personally involved in player transfer negotiations (as was the case when Chelsea FC bought Willian from Russian club Anzhi Makhachkala in the summer of 2013), take decisions regarding the firing of first team managers, and even hold “crisis meetings” with players when results are bad (Blitz, 2013b; Blitz, 2012; Lex, 2012).

Whereas Abramovich is a regular at Chelsea FC’s home ground Stamford Bridge and involved in day-to-day activities, the same cannot be said about Manchester City FC’s owner Sheikh Mansour or Liverpool FC’s owner John Henry. Sheikh Mansour is reported to have “visited the club only once”, as chairman Khaldoon al-Mubarak is the person who makes the big decisions at the club (Kerr & England, 2019). John Henry, the man behind Liverpool owners FSG, is likewise a passive owner. He rarely visits Liverpool in the flesh, and he is not eager to give interviews either. This media wariness seems to be a conscious choice, as can be seen from Henry’s comments after the acquisition of the club in 2010: “We’re not going to have a lot to say; our actions will hopefully speak for us” (Blitz, 2010).

4.4 Media portrayal of foreign club owners in the EPL

As opposed to parts one and two of the thematic analysis, the third part of it which studies the media portrayal of foreign EPL club owners was only done with data from FT articles, not from annual reports or Deloitte reports. When looking for themes regarding the media portrayal of foreign club owners in the EPL, three themes were found. These themes were club owners as ultra-rich, club owners as untrustworthy, and club owners as brilliant businesspeople.

4.4.1 Foreign club owners as ultra-rich

The overarching theme that journalists used when presenting foreign club owners in FT was to present them as ultra-rich. This theme was found in articles about all three club owners that were studied in detail in the gathered FT data.

When presenting Chelsea FC owner Roman Abramovich in a 2007 article, FT wrote that “A man who is estimated by Forbes to be worth \$18.7bn, and is the owner of Chelsea Football Club, a Boeing 767 and several luxury yachts can do \$400m deals before breakfast” (Buckley & Belton, 2007).

In a 2008 article, FT also focus on his wealth as they write that:

“Even for an oligarch, Mr Abramovich appears wedded to a hectic schedule. Spending time at **his myriad of chartered yachts, his “seven or eight” flats in Knightsbridge, London, his ski chalets in Colorado, the €230m (\$303m, £183m) chateau in France and his three**

homes in Russia, means that Mr Abramovich boards an aircraft between 10 and 15 times a month.” (Murphy, 2008)

In articles about John Henry, the principal owner of Liverpool FC, FT also point out his wealth, but in a more subtle way. He is described as a “US billionaire”, as “both an independently wealthy, mostly private figure content to enjoy his trophy assets and a markets savant with an eye for maximising returns”, and as “a guy who made a lot of money and is able to buy a team” (Ahmed & Burn-Murdoch, 2020; Germano, 2020). Interestingly enough, no comments were made about how many ski chalets or chateaus he owns, or about how big deals he can do before breakfast.

When Sheikh Mansour, owner of Manchester City FC, is presented in FT, his wealth is also often mentioned but so is his political power in the United Arab Emirates. In a 2017 article about CFG, FT describe him as “Sheikh Mansour bin Zayed al-Nahyan, the billionaire businessman, deputy prime minister of the United Arab Emirates and member of the Abu Dhabi royal family” (Ahmed, 2017). In an older article he is presented as a “member of Abu Dhabi’s ruling family” with an “interest in glitzy British assets”, and as an “influential private-sector power broker in the emirate” (Kerr, 2008).

4.4.2 Foreign club owners as untrustworthy

Another theme that was found in the media portrayal of foreign EPL club owners was untrustworthiness. This feeling of suspicion against foreign club owners in England is understandable, as many clubs have suffered after having been bought by foreign investors. Some clubs have just been unsuccessful on the pitch due to poor management, but other have even declared bankruptcy because of reckless new owners. Because of these problems, the EPL introduced a Fit and Proper Persons Test for new club directors and owners in the 2010/2011 season in response to worries about the amount of debt, levels of transparency, insolvency, and competitive balance in football (Blitz, 2009).

A 2014 FT article discussed foreign owners in the EPL and highlighted their lack of respect for traditions, saying:

“The owners are a rum bunch, with a variety of motives. But whether they are feeding their teams or bleeding them, they want their money’s worth and the power it brings. Even the sideshows now come increasingly from **owners whose self-regard tips towards the monomaniac end of the spectrum.** Hull City avoided relegation after their owner, Aseem Allam, was thwarted in his attempt to change their name to Hull Tigers; Cardiff City, “the Bluebirds”, were forced to play in red by their owner Vincent Tan and duly went down, which serves him right.” (Engel, 2014)

But doubtfulness about foreign owners is by no means a new phenomenon in English football. An FT article published in 2005 questioned the morality of Abramovich's involvement in Chelsea FC:

"I suppose the British public might take a dim view if the revenues from North Sea oil had been spent propelling Moscow Dynamo to the Russian League title. But we will leave aside the morality of **whether the mineral wealth beneath the Siberian wastes (which used to belong to the glorious peoples of the Soviet Union rather than Abramovich) might have been better spent nearer to home** and on some worthier cause than the improvement of a London football club." (Engel, 2005)

The writer however hoped that Abramovich would not be a long-term problem for English football, as he writes that "maybe Herb Stein's law is helpful here: "If something can't go on forever, it won't. Russian oligarchs do come croppers." (Engel, 2005). Unfortunately for football finance purists like Mr Engel, Abramovich's stint as owner of Chelsea FC has already lasted 17 years and does not seem to have an end in sight.

FT also took a doubtful position when the news broke about Sheikh Mansour potentially buying Manchester City FC in 2008, writing that "Like his father-in-law, Sheikh Mansour is a champion endurance rider, but whether he has the stamina for life in the premiership is another matter" (Kerr, 2008). In another article published at the same time, FT questioned whether the new owners would be ready to invest enough money into the club to turn it into a success:

"But will the planned change of ownership provide the injection of cash necessary to transform the club from Manchester's also-rans? The City faithful have learned along with other fans that the hype surrounding the arrival of cash-rich foreign owners does not always match the eventual reality. At Liverpool, Americans George Gillett and Tom Hicks arrived to great fanfare in February 2007 when they bought the club in a £219m deal. They pledged to redevelop Anfield stadium, but last week said the credit crunch had forced them to postpone their plans. Many scoffed when Roman Abramovich, on buying Chelsea in 2003, said the club could achieve further success. While it has enjoyed unprecedented success on the pitch, it has come at a cost, particularly wage inflation, and it admits it faces a struggle to meet its goal of breaking even by 2009-10. **Whether Abu Dhabi United is prepared to pay such a cost to transform City's fortunes – assuming the deal completes – remains highly debatable.**" (Stafford & Blitz, 2008)

Also when FSG – who in hindsight have made a positive impact both on the financial and on-pitch performance of the club – acquired Liverpool FC in 2010, people were suspicious. The previous owners at the club, Tom Hicks and George Gillett, were also American businessmen and their reign ended with what they described as "an extraordinary swindle" as the Liverpool FC board of directors sold the club to FSG (Blitz, 2010).

In an opinion piece released when the board was negotiating with FSG (who at the time went under the name New England Sports Ventures), FT predicted that the owners

would not be able to reach the same on-pitch success with Liverpool FC as they had with their baseball franchise, the Boston Red Sox:

“In their last assignment, the likely new owners of Liverpool FC famously “reversed a curse”. New England Sports Ventures bought the Boston Red Sox in 2002. Two years later the team won US baseball’s World Series championship for the first time in 86 years. Led by the hedge fund manager John Henry, NESV is the most skilled group of US sports entrepreneurs to dip into the shark tank of English football. **But the Boston formula will not transfer to Liverpool...** Mr Henry might see Liverpool, like the Red Sox eight years ago, as an underperforming asset. But he inherited a winning team with several superstars in Boston, not one currently plumb the depths (in the relegation zone). Monetising a passionate regional fan base worked in New England, but in the global sport of soccer, Liverpool will need to expand fan bases in Asia. **Reversing Liverpool’s 20-year league curse will be expensive, and cannot be done in two years.**” (Lex, 2010)

They did not reverse the curse in two years, but they did it in ten. Based on the articles I have read on foreign acquisitions of EPL clubs, the turnaround in form that the club has seen in the last decade was probably beyond the wildest expectations of most people at the time, and definitely beyond the wildest expectations of the media.

4.4.3 Foreign club owners as brilliant businesspeople

The third theme found regarding the media portrayal of foreign EPL club owners presented the owners in a more in a more positive light as brilliant businesspeople. This theme was primarily used when discussing Liverpool owner John Henry, but it was also used to some extent in articles discussing the two other owners.

In a 2008 article, Sheikh Mansour’s background in the business side of football was presented in a FT article:

“**He has already blended sporting and business interests as president of Al Jazeera football club**, overseeing the Abu Dhabi club’s modernisation, including the development of real estate around its stadium. A keen football fan who lobbied for Abu Dhabi’s hosting of next year’s Fifa club world cup, Sheikh Mansour wants to play at the highest table of world football, the premier league.” (Kerr, 2008)

Apart from this, there were no comments made on the sheikh’s successes in the world of business. This is understandable, as the sheikh’s story is not quite as remarkable as Abramovich’s or Henry’s, who both had to build their own fortunes as they were not born into royal families.

In a 2007 portrait of Abramovich, FT described his youth and his meteoric rise in the uncertain Russian business environment in the years following the collapse of the Soviet Union:

“The stubbly figure with the shy grin was born in 1966 in Saratov on the Volga. He lost both parents by age four and was raised by maternal grandparents in Ukhta, a bleak northern oil town. In 1988, he started a Moscow business making plastic toys; then he traded oil on Moscow’s first commodity

exchanges. **His breakthrough came in 1995 when he met Mr Berezovsky and, by some accounts, brought him the idea to carve out two prime assets from Rosneft, a state oil company, to create what would become Sibneft**, which they then acquired together through loans-for-shares. Like other participants, Mr Abramovich has admitted the assets were sold at knockdown prices. But he says the hazards – above all, the prospect of a Communist return in elections – made few willing to take part.” (Buckley & Belton, 2007)

John Henry also “made his fortune as a trader of commodities futures” (Germano, 2020). Henry is however presented in a much more positive light than Abramovich by FT, as he is described by people interviewed for a 2020 article as “a brilliant and sophisticated investor”, “a groundbreaking numbers genius”, “one of the original quantitative investment guys” (Germano, 2020).

While presenting one billionaire club owner as an opportunist who got lucky in the 1990’s and another as a “groundbreaking numbers genius” may seem unfair, the praise for Henry is understandable when looking at Liverpool’s success under his leadership. If Abramovich’s solution for success at Chelsea has been to outspend his rivals, Henry has pushed Liverpool to outperform its competitors relative to spending by the means of quantitative analysis. FT write:

“The club have also benefited from the **long term approach** of their owners: Fenway Sports Group, a sports investment company controlled by US billionaire John W Henry, which acquired Liverpool for £300m in 2010. The owners have insisted on **a data-driven approach to football’s multibillion pound transfer market**. This philosophy is pioneered by the likes of Michael Edwards and Ian Graham, Liverpool’s sporting director and head of research, who were both hired from Tottenham Hotspur. The club’s analysts have identified undervalued players from pools of talent that are relatively untapped by their rivals. In recent seasons, Liverpool have signed footballers from bottom-half Premier League teams, such as Sadio Mané from Southampton and Andrew Robertson from Hull City, both of whom have gone on to become stars. “Football is an efficient market, but there are inefficiencies in that good players will end up at bad teams occasionally,” said Omar Chaudhuri, head of football intelligence at 21st Club, a football consultancy. “If you know that, and no one else is looking at the same place, then you’ll find value.”” (Ahmed & Burn-Murdoch, 2020)

Because of the success of Henry’s data-driven leadership at Liverpool, the fact that his business skills are emphasized more than those of the other two owners can be deemed as fair, and not as a tendency by FT to present English speaking EPL club owners in a more positive light than owners from non-English speaking parts of the world.

4.5 Summary of Empirical Study

The empirical study began with a depiction of the football industry based on Deloitte’s Annual Review of Football Finance 2020 and Football Money League 2020 reports. This depiction begins with presenting the three revenue streams of football clubs: broadcasting, matchday, and commercial, and describing the financial competitive balance between the “big five” leagues. The characteristics of an EPL season are then presented (point allocation, promotion, relegation, qualification to European

competitions, etc.), followed by a short discussion on FFP and the correlation between club spending and on-pitch success.

Then follows the thematic analysis, which is presented in three parts based on the research questions. First up is a thematic analysis of the competitive business landscape of the EPL. In relation to the competitive business landscape, two main themes were found: polarization and foreign owners' impact on the competitive business landscape, as well as a sub-theme to foreign owners' impact on the competitive business landscape: a wave of Chinese acquisitions.

In regard to polarization, it was found that two of the three clubs mentioned polarizing mechanisms in the football industry when discussing risks and uncertainties in their strategic reports. Both Deloitte reports and FT articles discussed polarization in football, which was found to exist both between leagues as well as within leagues – also in the EPL. This polarization was deemed to present a risk in the long run for the EPL: if the current FFP-regulated competitive business landscape leads to a situation where “big clubs will become bigger and bigger over time, totally dominating smaller clubs in the long-term equilibrium, in which competitive balance is maximally uneven” as Sass (2016, p. 154-155) predicts, viewership and revenues will suffer.

In regard to foreign owners' impact on the competitive business landscape, it was found that the most popular way for wealthy, foreign owners to finance their clubs was through interest-free soft loans. These soft loans were on some occasions, prior to the introduction of FFP swapped into equity, giving clubs whose owners had injected lots of money into their clubs a competitive advantage that has continued in the FFP-era.

The sub-theme, a wave of Chinese club acquisitions that was found within the theme of foreign owners' impact on the competitive business landscape, was seen to have improved the competitiveness of certain clubs and therefore affecting the competitive business landscape of the EPL. These club acquisitions were motivated by a political plan by the Communist Party of China that wanted to turn the country into a “great sports nation”. The reason behind this plan, in turn, seems to have been to increase the country's soft power by being successful in, and associated with, top-level sports in general and football in particular. This acquisition wave came to its end in August 2017 when the Chinese government became concerned about capital outflows and the overly risky nature of these outbound deals and placed overseas sports clubs on a list of “restricted sectors” of investment.

The second part of the thematic analysis looks at the strategic intent behind foreign acquisitions and ownership of EPL clubs. The first theme is direct comments on strategic intent, and the second and third theme are indicators of strategic intent: FFP compliance and club stance on FFP, and active/passive ownership.

In FT articles that discussed the reasons behind the three owners' involvement in English football, it was found that Liverpool FC owner John Henry is a profit-maximising owner, Manchester City FC owner Sheikh Mansour is a political owner, and Chelsea FC owner Roman Abramovich is a win-maximising owner although although comments that implied that there were political reasons behind the Chelsea FC ownership were also found.

In regard to FFP compliance and club stance on FFP, it appeared that Manchester City FC has had the biggest difficulties complying with regulations, and Chelsea FC also failed to comply with FIFA's rules regarding transfers of underage foreign players. Liverpool FC has not had such problems. It appears that win-maximising clubs are more likely to take an anti-FFP stance and try to circumvent regulation to create an on-pitch competitive advantage, while profit-maximising clubs are more likely to be pro-FFP, comply with the regulation, and try to create a competitive advantage through other means.

In regard to active/passive ownership it was found that Chelsea FC owner Roman Abramovich has taken on the most active owner role, while Manchester City FC owner Sheikh Mansour and Liverpool FC main owner John Henry have taken on passive owner roles. This implies that owners that have a personal interest in the club and in football in general (like Abramovich) are more likely to take on active owner roles, while owners who have acquired their clubs for purely financial or political reasons are more likely to take on passive owner roles.

The third part of the thematic analysis looks into the media portrayal of foreign EPL club owners, and three themes were found on this topic. These themes were club owners as ultra-rich, club owners as untrustworthy, and club owners as brilliant businesspeople.

The first theme, club owners as ultra-rich, was used in FT when describing all three owners. It was found that Roman Abramovich's assets were presented in much greater detail than the other two owners' assets, and that when presenting Sheikh Mansour, a lot of focus was put on his political power in the United Arab Emirates.

The second theme, foreign club owners as untrustworthy, was seen to have its explanation in the fact that some foreign owners have not managed their clubs in sustainable ways, with clubs being relegated or even declaring bankruptcy consequently. FT articles questioning each of the three owners in the early days of their ownership were found, and the average position of FT towards these new owners was doubtful.

The third theme, foreign club owners as brilliant businesspeople, presented the owners in a more positive light. This theme was to some extent used when presenting Sheikh Mansour and Roman Abramovich, but used to a much larger extent when presenting John Henry. It was however deemed that this positive presentation of Henry was not the result of any favouritism of American club owners by the English media, but rather motivated by Liverpool FC's success under Henry's leadership.

5 CONCLUSIONS

The purpose of this thesis was to provide a description and analysis of the foreign owners and their strategic intents behind acquiring and owning EPL clubs competing in the 2020/2021 season. This was done through thematic analysis of three types of publicly available data: annual reports of clubs, Deloitte consulting reports on the football industry, and FT articles. The research questions were as follows:

1. What is the competitive business landscape of the EPL like?
2. What are the strategic intents behind the foreign acquisitions and ownership of current EPL clubs?
3. How does the media portray foreign owners of EPL clubs depending on their strategic intents?

In this chapter, I will analyse and discuss the findings of this thesis in the light of past research. First, the findings related to each research question are discussed. Second, I present a framework for understanding the strategic intent of EPL club owners based on the findings to research question two. Third, I present the practical implications and the limitations of the thesis. The chapter ends with suggestions for future research.

In order to answer the first research question, I analysed data from all three sources: annual reports, consulting reports, and FT articles. The themes relating to the competitive business landscape of the EPL that were found in the data were polarization and foreign owners' impact on the competitive business landscape, and a sub-theme was found to the second theme: a wave of Chinese club acquisitions.

Polarization in professional football was discussed in both FT articles and Deloitte consulting reports, while clubs commented on the polarizing mechanisms of the football industry when discussing risks and uncertainties in their strategic reports. The phenomenon of polarization is one where rich clubs get richer while "poor" clubs stay "poor" as a result of market mechanisms such as prize money from European competitions being paid to the most successful clubs, FFP working as a barrier of entry for new win-maximising owners, and successful clubs receiving a bigger share of revenues from the EPL broadcasting contracts.

The argument that UEFA competition prize money serves as a polarizing mechanism is supported by Birkhäuser et al. (2017), who writes that UEFA prize money has become an

important source of revenue for football clubs in recent years, and believes that qualification for UEFA tournaments is likely to split clubs into two segments in the future: “major clubs with strong international brands and local or regional clubs forced to focus on their regional identity” (Birkhäuser et al. 2017, p. 118).

Support for the arguments about the negative effects of FFP can be found in Sass (2016) and Birkhäuser et al. (2017), as both articles present as their main finding the fact that FFP stifles competition in European football. It is, however, important to point out the fact that FFP has been successful on some other fronts, e.g., it has increased the profitability of clubs and thereby protected the long-term sustainability of the European football market (Birkhäuser et al. 2017, p. 114-115).

Naurigh & Ramfjord (2010) confirm the fact that successful, bigger clubs receive larger shares of broadcasting income than less successful, smaller clubs and write that the television contracts of the EPL have served the larger clubs better overall (Naurigh & Ramfjord 2010, p. 431).

Polarization in football is clearly a big problem from the point of view of most traditional fans that have a somewhat romantic view of what football is and should be. These fans want nothing more than seeing a new fairy tale like Leicester City’s unlikely title winning season in 2015-2016, but due to the market structures of modern football the likelihood of such fairy tales is becoming smaller and smaller. As mentioned earlier, FFP has been successful on some fronts, and the regulation faces a difficult balancing act between on one hand protecting football clubs from owners that are prone to over-investing and running clubs into the ground, and on the other hand not hindering smaller clubs from challenging the super-clubs. This balancing act is unquestionably difficult, and it may well take years for UEFA to get it right, but a much more urgent matter for UEFA is the enforcement of FFP. UEFA’s current inability to win cases at CAS encourages clubs to continue circumventing the regulation in the belief that even when getting caught by UEFA, the consequences will be minimal.

It was also found that foreign owners have tilted the competitive business landscape of the EPL, and that clubs whose owners made large cash injections into their clubs prior to the introduction of FFP have been able to enjoy the benefits of these investments also in the FFP-era. The most popular way for owners to finance their clubs are through so called interest-free “soft loans”, that in some cases were converted into equity through debt-to-equity-swaps prior to the introduction of FFP.

Support for the claim that foreign owners have tilted the competitive business landscape of the EPL was found in several articles. Nauright & Ramfjord (2010) describe how the entry of new, foreign owners has led to the “Americanization” of the EPL. Sass (2016) and Birkhäuser et al. (2017) both make the connection between the entry of wealthy, foreign owners into the EPL and the spiralling transfer fees and player salaries that FFP was brought in to curb. Birkhäuser et al. (2017, p. 119) write that it is “likely that external financing by investors such as Roman Abramovich (Chelsea F.C.) and Sheikh Mansour (Manchester City F.C.) may have amplified the development of higher player market values and thereby increasing costs to English football clubs.” Therefore, my research is in line with previous research that shows that the entry of foreign, wealthy club owners into the EPL has created a competitive business landscape where having a wealthy owner is a prerequisite for on-pitch success (which in turn has become a prerequisite for financial success because of the polarizing market mechanisms described earlier).

The sub-theme of the wave of Chinese club acquisitions is a good example of how political decisions affect acquisition trends and how governments try to acquire soft power through football club ownership. Contrary to the many American club acquisitions, all Chinese acquisitions in the years 2015-2017 were unrelated acquisitions, meaning that the Chinese investors invested into “businesses with product markets or key success factors unrelated to existing corporate activities” (Salter & Weinhold, 1981). The acquisition wave also reflects the growing trend of acquisitions where the acquirer is from a non-triad nation, identified by Angwin (2007). No prior research has, however, discussed the wave of Chinese acquisitions of English football clubs in the years 2015-2017.

In order to answer the second research question, I analysed data from two sources: annual reports and FT articles. The themes relating to the strategic intent behind the foreign acquisitions and ownership of EPL clubs that were found were direct comments on strategic intent, FFP compliance and club stance on FFP, and active/passive ownership.

As the second research question was of a more exploratory nature than the first, it is natural that there is not as much previous research that the findings relating to it can be compared to. There are, however, some articles that have looked at similar questions with different lenses that can be somewhat helpful in this section.

As stated earlier, previous research confirms that foreign investors have developed an interest in the EPL in the last 20 years and that this interest has formed the competitive business landscape of clubs competing in the league. The findings of this thesis underline Baron & Barbieri's (2019) point that different owners apply different owner strategies as they themselves decide how success is measured in their ownership. Rohde & Breuer (2016a) state that clubs can either try to maximize wins or profits, and Nauright & Ramfjord (2010) point out that American owners in the EPL tend to apply profit-maximizing strategies. This is in line with the finding that Liverpool FC's American owner FSG is a profit-maximiser. Nauright & Ramfjord (2010) also point out that the football club acquisitions of American owners tend to be related acquisitions (i.e., that the acquirers already own one or several other sports organisations), which was also the case when FSG acquired Liverpool FC. These related acquisitions are an example of one of the ways in which an acquirer in an M&A can add value according to Penman (2004) – reaping synergies by combining the operations of the different organisations. This is the same phenomenon that Rohde & Breuer (2016b, p. 248) call “multi-ownership synergies”. The acquisitions of Manchester City FC and Chelsea FC were unrelated acquisitions, although Sheikh Mansour (and CFG) has expanded its football club portfolio since its acquisition of Manchester City FC in 2008.

Another finding that can be supported by previous research is that of the political intent behind Manchester City FC's ownership. As presented in the empirical study, Manchester City FC has been acquired by its owner for the purposes of country branding and acquiring soft power. The political ownership of Manchester City can also be connected to the phenomenon of sports-washing that Bull & Whittam (2020) write about. It is also important to note that the acquisition of Manchester City was not a once in a lifetime occurrence, but that negotiations for similar takeovers of English football clubs have been ongoing also in recent times. Bull & Whittam (2020) discuss the recent takeover attempt of Newcastle United by Saudi Arabia's Public Investment Fund and report that the majority of Newcastle fans were in favour of the acquisition regardless of the political strategic intent behind the planned acquisition (Bull & Whittam 2020, p.41). This finding by Bull & Whittam (2020) points out the same phenomenon that can be seen in Manchester, where City fans occasionally chant the name of Sheikh Mansour during matches – the moment the prospect of winning trophies arises for a fanbase, the interest in human rights abuses of owners or potential acquirers tends to go out the window. The trend where football clubs, social institutions whose moral ownership lie with their fans as Bull & Whittam (2020) argue, are turned into sports-washing vehicles

of nation states with poor human rights records is a concerning one which deserves more attention in the public discussion.

In order to answer the third research question, I analysed data from just one source: FT articles. Because this question focused on the media portrayal of EPL club owners, it did not make sense to analyse the non-media texts that the two other data sources provided. The themes relating to the media portrayal of foreign EPL club owners that were found were foreign owners as ultra-rich, foreign owners as untrustworthy, and foreign owners as brilliant businesspeople.

Research question three was like research question two of an exploratory nature, which means that findings related to it are difficult to compare to previous research. But like in the case of research question two, some articles have discussed topics related to the research question so some comparisons can be made in this case as well.

Previous research has not focused on the media portrayal of foreign club owners, but it has discussed the public's and fans' perception of foreign club owners. Nauright & Ramfjord (2010) write that hostility towards American owners seems to be greater than towards other owners because of their profit-maximising practices. In the FT articles that I analysed in my empirical study, very little hostility was shown towards the American owners that I studied. The principal owner of FSG, John Henry, was presented as rich, but his assets were not presented in the same scandalous way as Roman Abramovich's. FT did not believe FSG would have similar success with Liverpool FC as it had with the Boston Red Sox in the MLB, but the group was still described as "the most skilled group of US sports entrepreneurs to dip into the shark tank of English football" (Lex, 2010). If anything, FT seemed to take an admiring stance to FSG and John Henry, calling Henry a "groundbreaking numbers genius" and praising Liverpool's data-driven approach to the transfer market (Germano 2020, Ahmed & Burn-Murdoch, 2020). It is after all not that strange that the public has one opinion of American owners and that John Henry and FSG are presented in another way in FT. The Liverpool FC owners do not represent all American owners in the EPL, in fact they have been the most successful of the American owners in the last ten years, winning one EPL title and one Champions League, delivering profits, and drastically increasing the value of the club in that time. FT does also not represent the opinion of the general population; it is a business media-outlet and will therefore understandably praise those who are successful in their business endeavours. It is also noteworthy that Nauright's and Ramfjord's article was written

eleven years ago, and that the public opinion of American club owners might have changed in that time as people have grown used to the Americanization of the EPL.

Bull & Whittam (2020) identify a phenomenon of churn in ownership, where foreign investors who invested in English clubs for profit-maximising purposes, only to see their investment decrease in value before selling the club, show a “lack of appreciation of the industry” and cause “detachment and disenchantment with the fans” (Bull & Whittam 2020, p. 39). They also showcase that the current and recent historical relationship between fans and owners in the EPL and the Championship has “extensively been in disequilibrium where ownership has an outsider orientation”, the term “outsider orientation” referring to non-local, political or profit-maximising owners (Bull & Whittam 2020, p.40). This history of conflict between fans and clubs owned by foreign investors may explain the tendency of FT to present foreign owners as untrustworthy.

Now that the findings of the thesis have been discussed in the light of past research, I will in the following subchapter present a framework that I have developed from the findings relating to strategic intent behind club ownership and acquisitions.

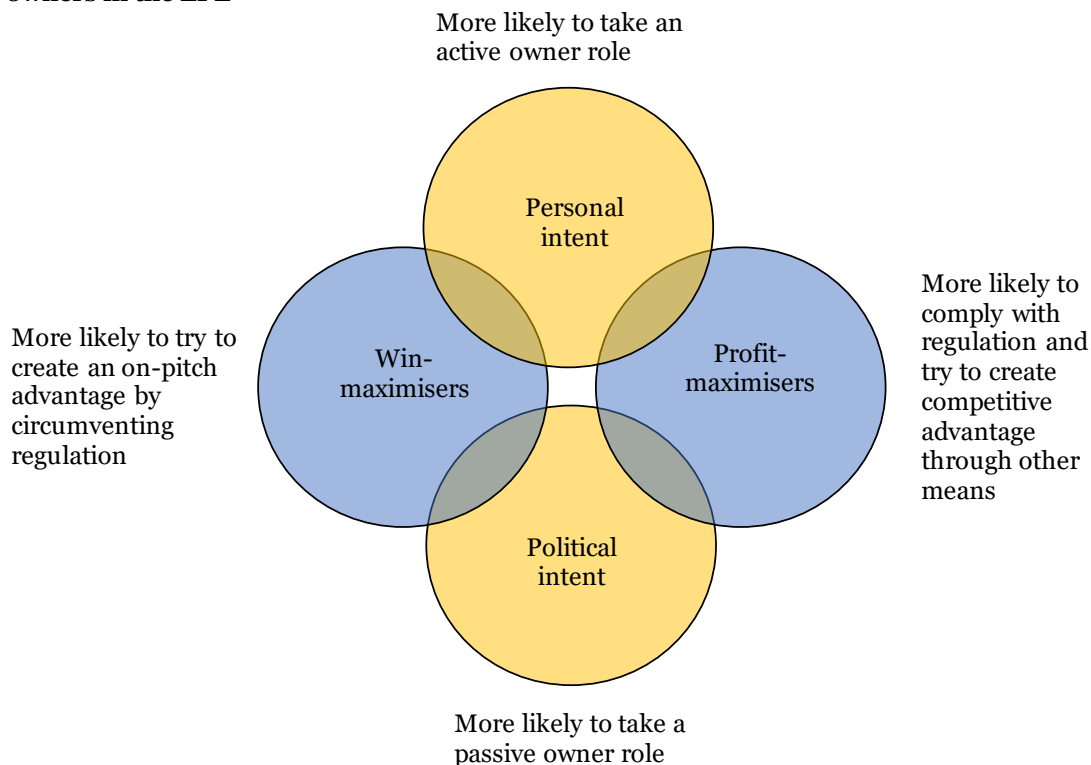
5.1 Framework for understanding strategic intents and owner strategies of club owners in the EPL

As a result of the thematic analysis that I have conducted, my understanding of strategic intents behind acquisitions and ownership of EPL clubs has changed and improved. I will now present a framework based on my findings to research question two that can be used to better understand the strategic intents behind the ownership of EPL clubs (and which is also probably applicable to other football clubs and sports organisations in the world).

This framework was developed from Figure 1 in chapter 2, which depicts the understanding I had of the relationship between different owner types in the beginning of this thesis writing process. After doing a thematic analysis on research question two, my understanding of this relationship has changed. I have realised that that viewing owners as win-maximising, profit-maximising, or political does not really work. After looking more closely at the issue, it is clear that win-maximising and profit-maximising are owner strategies - tangible outcomes that owners want their companies to achieve and to avoid, as defined by Baron & Barbieri (2019). Some owners want to make money, other owners want to win matches, and this steers the ways in which their clubs are run. Political ownership, on the other hand, is not an owner strategy but a strategic intent –

e.g., the underlying reasons behind Sheikh Mansour’s ownership of Manchester City are country branding and the acquisition of soft power. Another strategic intent that I have identified is what I call “personal intent” – examples of this could be Roman Abramovich’s ownership of Chelsea, or the traditional English ego-boosting philanthropist club owners. An owner motivated by personal intent has a personal connection to the club; he or she gets enjoyment out of the success of the club, either because of an actual liking of the sport or because he or she sees the on-pitch success of the club as a boost to his or her own social status in society. An owner, motivated by either political or personal intent, can choose between a win- or profit-maximising owner strategy according to whichever strategy best suits his or her needs. Based on these realisations I have created the following Venn diagram to better understand the acquisitions and ownership of EPL football clubs. The Venn diagram is supported by characteristics of the different owner strategies and strategic intents of owners identified in the themes “FFP compliance and club stance on FFP” and “Active/passive ownership”.

Figure 3 Framework for understanding strategic intents and owner strategies of club owners in the EPL



I will now try to place the three club owners that were studied in the empirical study into this framework. Liverpool owner John Henry fits into the category of profit-maximisers motivated by personal intent, as his involvement in football seems to be financially motivated and as he probably gets self-fulfilment out of his success as owner of Liverpool

FC (and he will also probably feel good when he eventually sells the club for a profit). Henry has also taken a passive owner role at Liverpool, and the club has complied with FFP under his ownership. Manchester City FC owner Sheikh Mansour clearly fits into the category of win-maximisers motivated by political intent, due to the club's big player transfer spending since the 2008 takeover, the club's problems with FFP compliance, his passive owner role, and the consensus about the reasons behind Mansour's ownership. Chelsea FC owner Roman Abramovich is more difficult to place into the framework: the club is definitely a win-maximiser and not a profit-maximiser as can be seen from their big spending since Abramovich's 2003 takeover, but the underlying reasons behind his involvement in football are somewhat unclear. He is clearly very interested in football and cares about the success of his club (which is reflected in his active ownership style), but people suspect that the reason behind his acquisition of the club was to make name for himself in the west and thereby get a type of political life insurance.

As with all over-simplified frameworks trying to make sense of a messy reality, this framework is not applicable to all owners in a way that perfectly explains their strategic intents. Frameworks tend to explain reality in black-and-white terms, but Abramovich is an ambiguous character who does not fit into any of the strategic intents, he is rather a mix of the two – a win-maximiser who gets personal pleasure out of his team's success but the reasoning behind his club acquisition might well have been political.

Even though this framework is not perfect in the way that it could explain the reasoning behind every club acquisition, I believe that it can be a useful tool for people who want to think about the ways in which football clubs and other sports organisations are used by their owners.

5.2 Practical implications

This thesis will hopefully benefit football fans, as it shows how owners of clubs are driven by different strategic intents in their ownership. The fan discussion around football is overwhelmingly focused on on-pitch events such as goals, assists, tackles, tactical setups of teams - the list goes on. In recent years, even statistical models such as "expected goals" have broken their way into the living rooms of football enthusiasts, and newspapers and TV-channels regularly turn to "transfer market experts" for transfer rumours or analysis of transfers.

The underlying structures of the football industry are given little attention. Most football fans simply want their club to win, preferably by playing attacking football that is easy

on the eye, and care little about who owns the club they feel so strongly about, or what the motive behind the ownership is. I hope that this thesis can contribute to the discussion around football ownership so that the next time a football club is targeted by foreign acquirers, fans of that club who have read this thesis do not only ask “how much can the new owners help us?”, but also “why are they interested in this investment?”.

5.3 Limitations

Like all research, this thesis also has its limitations. One limitation is that the media articles analysed in this thesis all come from the same outlet: the Financial Times. Analysis of another media outlet’s articles, or several other outlets’ articles, could have provided different findings than those presented in this thesis. FT is a commercial actor that works on a subscription-basis, and naturally this means that the company is constantly trying to grow its reader base. This is a factor that one can fairly assume is also visible in FT’s football reporting – the articles are not only supposed to be fact-based, but also attention-gaining and interesting.

It should also be pointed out that the annual reports analysed in this thesis were all from the financial year ended 31 May 2019. Looking at annual reports for the financial year ended 31 May 2020 would have given an even more up-to-date view of the state of the clubs (including the impact Covid-19 has had on them), but these reports were not published at the time of data collection and were thereby not collected. Analysis of annual reports from a longer period would undoubtedly also have given a better understanding of the clubs, but this was left undone due to the scope of the thesis, as this process would have been very time-consuming and as it was possible to conduct meaningful analysis with only one year’s worth of annual reports.

5.4 Suggestions for future research

This thesis has looked into the competitive business landscape of EPL football clubs, strategic intent behind foreign EPL club ownership and acquisitions, and media portrayal of foreign EPL club owners. While the first area of research mentioned has already been studied in great detail, the two latter areas could provide interesting opportunities for future research.

Regarding strategic intent behind foreign club ownership and acquisitions, future research could go deeper into the concepts presented in this thesis, and study what specific kinds of owner strategies are being used in football clubs. In this thesis I have

presented win-maximising and profit-maximising owner strategies, but there are different ways of maximising wins and profits in football. The win- and profit-maximising sub-strategies could be studied by quantitative means by looking at data about club acquisitions, player salary structures, and the transfer market activity of clubs.

Another area of research related to strategic intent behind foreign club ownership and acquisitions that could be studied further is sports-washing and club ownership (mentioned in section 2.2.1.3). The concept of sports-washing is still relatively new, and the sports-washing research conducted until now has focused on the hosting of sporting mega events like the Olympics and the FIFA World Cup as tools for sports-washing. Research on club ownership as a tool for sports-washing would further develop the understanding of the ways in which football clubs are being used for strategic political purposes in today's world.

It could also be interesting to do a similar study to the one that I have conducted, but in a different league setting. The German Bundesliga would be an interesting focus for a study focused on the strategic intent behind club acquisitions and ownership, as clubs like TSG 1899 Hoffenheim and RB Leipzig in recent years have been heavily criticized by German football fans for ownership-related reasons.

Furthermore, as I analysed a specific data set in this thesis, the same research questions could be studied with different data in future research. It could for instance be interesting to study the media portrayal of foreign club owners in British tabloid papers such as the Sun, the Daily Mail, and the Daily Mirror to see how club owners are presented in newspapers that are not known for their objectivity in reporting.

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APPENDIX 1 EPL CLUBS AND OWNERS

Club	Majority owner	Natio- nality	Source
Arsenal	Stan Kroenke	USA	https://www.arsenal.com/the-club/corporate-info/the-arsenal-board
Aston Villa	NSWE Group	Egypt/ USA	https://www.ft.com/content/4ee64a54-8c1f-11e8-b18d-0181731a0340
Brighton and Hove Albion	Tony Bloom	UK	https://www.brightonandhovealbion.com/club/company-details
Burnley	M. L. Garlick and J. Banaszkiwicz	UK	https://www.burnleyfootballclub.com/company-details/
Chelsea	Roman Abramovich	Russia	https://www.chelseafc.com/en/about-chelsea/about-the-club/club-personnel
Crystal Palace	Steve Parish, Joshua Harris, David Blitzler	UK, USA, USA	https://www.cafc.co.uk/company-details/
Everton	Blue Heaven Holdings Limited	India	https://www.evertonfc.com/club/shareholders/list-of-shareholders
Fulham	Shahid Khan	USA	https://www.fulhamfc.com/news/2013/july/12/welcome-to-shahid-khan
Leeds United	Aser Group Holding Pte Ltd	Italy/ Sing- apore	https://www.leedsunited.com/club/Owners-hip-structure

Leicester City	Aiyawatt Srivaddhanaprabha	Thailand	https://www.lcfc.com/club/company-details
Liverpool	Fenway Sports Group	USA	https://www.liverpoolfc.com/corporate/directors
Manchester City	City Football Group	United Arab Emirates	https://www.cityfootballgroup.com/our-business/ownership/
Manchester United	Manchester United plc.	USA	https://ir.manutd.com/investor-faqs.aspx
Newcastle United	Newcastle United Limited	UK	https://www.nufc.co.uk/club/corporate-information/
Sheffield United	Prince Abdullah bin Mosaad bin Abdulaziz Al Saud	Saudi Arabia	https://www.sufc.co.uk/news/2019/november/company-information/
Southampton	Lander Sport Investment	China (Hong Kong)	https://www.ft.com/content/599f0a1e-8910-11e9-a028-86cea8523dc2
Tottenham Hotspur	ENIC International Limited	UK	https://www.tottenhamhotspur.com/the-club/investor-relations/shareholder-information/
West Bromwich Albion	Guochuan Lai	China	https://www.wba.co.uk/club/about-us/board-directors/guochuan-lai

West Ham United	David Sullivan	UK	https://www.whufc.com/club/corporate-information/ownership
Wolverhampton Wanderers	Fosun Group	China	https://www.wolves.co.uk/club/about-us/directors-profiles/

APPENDIX 2 DESCRIPTIONS OF EPL CLUBS IN THE 2020/2021 SEASON

Arsenal FC

Arsenal FC is a club from North London and is regarded as one of the “big six” clubs in English football. Arsenal is most famous for a successful stint in the 1990’s and early 2000’s under the leadership of manager Arsène Wenger and is the only club in English football to complete a whole season without a defeat, which it achieved in 2003/2004. In recent seasons, however, Arsenal has been finishing outside the lucrative Champions League positions and in the financial year ended 31 May 2019, they recorded a loss before taxation of £27.1 million, largely due to spending £91 million on incoming transfers while only selling players for £16.8 million (Arsenal Holdings Limited, 2019).

Aston Villa FC

Newly promoted Aston Villa FC is a club based in Birmingham. Although recently playing in the Championship, Aston Villa has historically been a successful club at the top level of the game, winning the English top division seven times and the European Cup once (Aston Villa, 2020). In the financial year ended 31 May 2019 Aston Villa recorded a loss of £8.3 million playing in the Championship in the season that it gained promotion to the EPL (Aston Villa FC Limited, 2019).

Brighton and Hove Albion FC

Brighton and Hove Albion FC is a club from Brighton that has been playing in the EPL since the 2017/2018 season following a 34-year absence from the country’s top division. Brighton is operating on a relatively small budget and have finished in the bottom-half of the table in each of the seasons since their promotion to the EPL. In the financial year ended 30 June 2019, Brighton and Hove Albion recorded a loss before taxation of £16.8 million, mainly due to investment in the playing squad (The Brighton and Hove Football Club Limited, 2019).

Burnley FC

Burnley FC most recently got promoted to the EPL before the 2016/2017 season, after yo-yoing between the EPL and the Championship for a number of years. Since their promotion, they have finished 16th, 7th, 15th, and 10th (Premier League, 2020a), playing a traditional type of hard-hitting English football. In the financial year ended 30 June

2019, Burnley FC made a pre-tax profit of £4.9 million (The Burnley Football & Athletic Company Limited, 2019).

Chelsea FC

Chelsea FC is a club located in London and is considered to be one of the “big six”. The club changed dramatically in June 2003 when it was bought by Russian oligarch Roman Abramovich, and the competitiveness of the team has been much higher since the acquisition than it was prior to it. Mr. Abramovich has invested heavily in the club in his almost 20 years of ownership, as Chelsea have received £1.4 billion pounds in soft loans from the owner (Deloitte 2020b, p. 21). Chelsea have regularly featured in the Champions League in recent seasons, and they recorded a loss before taxation of £102 million in the financial year ended 30 June 2019, largely due to £286 million spent on player acquisitions (Chelsea FC PLC, 2019).

Crystal Palace FC

Crystal Palace FC is club based in South London that is currently playing its eight-consecutive season in the EPL. In the seven seasons since their last promotion, they have finished each season somewhere in the positions 10-15 (Premier League, 2020b). Crystal Palace is one of the smaller clubs in the EPL as it generated a revenue of £155 million in the financial year ended 30 June 2019 (CPFC Limited, 2019). In the same financial year, it recorded a pre-tax profit of £5.5 million (CPFC Limited, 2019).

Everton FC

Everton FC is a Liverpool-based club, that has played in the EPL ever since the league’s first season in 1992. In their history they have won the English top division nine times, with the latest triumph occurring in the 1986/1987 season (Everton, 2020). In the financial year ended 30 June 2019, Everton recorded a loss before taxation of £111.8 million, largely due to heavy investment in the playing squad (Everton Football Club Company Limited, 2019).

Fulham FC

Fulham FC is one of the newly promoted sides for the 2020/2021 season, although they did play in the EPL as late as in the 2018/2019 season, and in the seasons 2001/2002 – 2013/2014 prior to that (Premier League, 2020c). In the financial year that ended 30 June 2019 (i.e., in the 2018-2019 season in which Fulham were relegated to the

Championship), the club generated a revenue of £137.7 million and posted a loss of £20.4 million after investing heavily in the playing squad in an attempt to secure a place in the EPL.

Leeds United FC

Leeds United FC is another of the newly promoted clubs for the 2020/2021 EPL season, returning to the top division after a 16-year absence. In its history, Leeds United has won the English top division three times and reached the European Cup final in 1975, losing against Bayern Munich (Leeds United, 2012). In the financial year ended 30 June 2019 (i.e., in a season in the Championship in which they did not gain promotion), Leeds United generated a revenue of 48.9 million and posted a loss of 21.4 million (Leeds United Football Club Limited, 2019). The small revenue compared to other clubs can be explained by the smaller broadcasting revenue streams in the Championship and the loss is due to investments to the playing squad and salary expenses.

Leicester City FC

When speaking of Leicester City FC, it is hard not to think of their fairy-tale 2015/2016 season when they won the EPL in a season in which they were predicted to get relegated. Since that season, they have however established themselves as one of the bigger clubs in England. In the seasons after becoming champions, they have finished 12th, 9th, 9th, and 5th (Premier League, 2020d). In the financial year ended 31 May 2019 the club made a pre-tax loss of £20.2 million, mainly as a result of continued investment in the playing squad and costs incurred with the change of manager (Leicester City Football Club Limited, 2019).

Liverpool FC

The reigning EPL champions Liverpool FC is one of the “big six” clubs in England. In recent years, Liverpool has dominated English football together with Manchester City. Liverpool is also historically one of the biggest clubs in England, having won the English top division 19 times and the European Cup (nowadays the Champions League) six times (Liverpool FC, 2020). In the financial year ended 31 May 2019 Liverpool FC recorded a profit before taxation of £41.9 million, thanks to generating £260.8 million in broadcasting revenue as a consequence of finishing second in the EPL and winning the Champions League (The Liverpool Football Club and Athletic Grounds Limited, 2019).

Manchester City FC

Manchester City FC is regarded as one of the “big six”, and it has been one of the dominant powers of English football in recent years as it won the EPL in both the 2017/2018 and 2018/2019 seasons. Manchester City was the target of a takeover by the Abu Dhabi United Group in 2008, an event that saw the club go from not winning a single trophy in the previous 32 seasons to winning 14 trophies in the next 12 seasons (BBC, 2018). In the financial year ended 31 May 2019 Manchester City recorded a pre-tax profit of £10 million (Manchester City Football Club Limited, 2019).

Manchester United FC

Manchester United FC is one of the “big six” clubs and the third largest club in the world in terms of generated revenue, after FC Barcelona and Real Madrid (Deloitte, 2020a). Historically, Manchester United has also been very successful on the pitch, winning the English top division 20 times and the European Cup three times (Manchester United, 2020). In the financial year ended 30 June 2019, Manchester United recorded pre-tax profits of £28.4 million (Manchester United Football Club Limited, 2019).

Newcastle United FC

Newcastle United FC is a club from Newcastle upon Tyne, which is most famous for challenging Manchester United for titles for a period in the mid-1990’s. In recent years, the club has finished in the bottom half of the table. In the financial year ended 30 June 2019, Newcastle United posted a pre-tax profit of £41.2 million (Newcastle United Limited, 2019). Recently the club has been in the headlines as the target of an attempted overtake by the Saudi Arabian Public Investment Fund, but at the moment of writing the acquisition attempt seems to have gone cold (BBC, 2020).

Sheffield United FC

Sheffield United FC was promoted to the EPL for the 2019/2020 season, having not played in the division since 2006/2007 (Premier League, 2020e). Last season, they did however surprise their critics as they finished ninth in the league despite operating on a small budget – in the financial year ended 30 June 2019 they had a revenue of £20.9 million (due to playing in the Championship) and a loss before tax of £21.3 million (The Sheffield United Football Club Limited, 2019).

Southampton FC

Southampton FC has consecutively played in the EPL since the 2012/2013 season, claiming their best finish to a season in 2015/2016 when they finished 6th (Premier League, 2020f). Primarily, Southampton is known for producing talented players in their academy and then selling them on to other clubs. In the financial year ended 30 June 2019, Southampton generated a revenue of £144.6 million and posted loss before taxation of £41.2 million (Southampton Football Club Limited, 2019).

Tottenham Hotspur FC

Tottenham Hotspur FC is based in North London and is regarded as being one of the “big six”. Historically known for playing attractive but relatively unsuccessful football, the club has had a resurgence in recent years. By regularly playing in the Champions League in recent years and by building a new 61 000 seater stadium, the club now seems to be in a position to start challenging the biggest clubs in England. In the financial year ended 30 June 2019 Tottenham Hotspur recorded a pre-tax profit of £87.4 million (Tottenham Hotspur Limited, 2019).

West Bromwich Albion FC

West Bromwich Albion FC is the third club that got promoted to the EPL for the 2020/2021 season, having been relegated to the Championship after the 2017/2018 season (Premier League, 2020g). West Bromwich has won the English top division once, in 1919/1920, but success has been scarce in recent years (West Bromwich Albion, 2020). In the financial year ended 30 June 2019 (that is, a season in which it played in the Championship and did not get promoted to the EPL), the club generated revenues worth £70.8 million and recorded a loss before taxation of £6.6 million (West Bromwich Albion Football Club Limited, 2019).

West Ham United FC

West Ham United FC is a club based in East London that since their latest promotion to the EPL after the 2011/2012 season has been a regular finisher in the mid-table. The club moved to play its home games in the London Stadium, that was built for the 2012 London Olympics, in 2016 and has invested heavily in player transfers in recent years, but their highest finish since the move has been a 10th place finish in 2018/2019. In the financial

year ended 31 May 2019, West Ham United generated revenues of £190.7 million and posted a pre-tax loss of £28.2 million (West Ham United Football Club Limited, 2019).

Wolverhampton Wanderers FC

Wolverhampton Wanderers FC is a club that was promoted to the EPL after the 2017/2018 season, having not played in the league since the 2011/2012 season (Premier League, 2020h). Since their return to the EPL in the 2018/2019 season they have, however, done extremely well for a newly promoted side as they have finished 7th in both seasons (Premier League, 2020h). In the financial year ended 31 May 2019, Wolverhampton generated a revenue of £172.5 million and a profit before taxation of £22.1 million (Wolverhampton Wanderers Football Club (1986) Limited, 2019).

APPENDIX 3 CODES AND THEMES

Codes from both FT articles and annual reports are presented in "Codes: Liverpool FC", "Codes: Chelsea FC", and "Codes: Manchester City FC". Codes from Deloitte reports are presented in "Codes: Deloitte reports".

