

Can a business strategy framework be applied to the Scottish Premier League?

November 25 2011

Club	Average Attendance 1998/99	Average Attendance 2009/10	Difference in %
Aberdeen	12713	10461	Down 18%
Celtic	59233	45582	Down 25%
Dundee United	9187	7864	Down 16%
Hearts	14232	14484	Up 2%
Hibernian	11870	12164	Up 2%
Kilmarnock	11184	5919	Down 49%
Motherwell	8533	5307	Down 38%
Rangers	49094	47564	Down 3%
All SPL clubs* <i>includes those who are not on the list above</i>	15896	13915	Down 13%

A major research project conducted by University of Glasgow's Business School has found that leading figures in Scottish football believe the game is boring and that fans are losing interest. The MBA study by Alec Pearson, which focussed on whether a business strategy framework could be applied to the sport, also concluded that multi million pound television deals were not the salvation of Scottish football, but rather a sticking plaster on deep rooted problems. The study comes in the week in which an £80 million television deal was agreed between the Scottish Premier League {SPL} and satellite broadcasters SKY TV and ESPN.

As Pearson states, "The facts suggest a decline in the product, club revenues and attendances since the inception of the SPL in 1998. Scottish [football](#) is dominated by the Old Firm but we are about to enter

uncharted territory. The longest gap between non-Old Firm league title wins stands at 27 years spanning 1905 when Third Lanark won the league and 1932, when Motherwell were crowned champions. If either half of the Old Firm wins in season 2011-12 we will match that 27 year gap, with little prospect of a meaningful title challenge in the foreseeable future.”

Previous attempts to make the Scottish game more attractive to both fans and television broadcasters have involved league reconstruction.

According to Pearson, “The introduction of the SPL coincided with a boom in satellite TV broadcasting of games. Today some SPL chairmen and directors argue that, over the long term, satellite TV has actually reduced revenue available to SPL clubs. Ticket sales, unlike other leagues across Europe, are the SPL’s most important revenue stream. With ready access to live English and European games, the relative poverty of our domestic game is being exposed. Negative perceptions of the product and increased choice of alternatives have meant a marked decrease in average attendances.”

Critically, substantial TV revenue available in the early years of the SPL actually lowered league competitiveness. Clubs spent vast amounts on new players, which they could not afford.

Robert MacIntosh, Professor of Strategy at the University of Glasgow, thinks that the real problem facing Scottish football is holding the attention of the next generation of fans. MacIntosh says, “The worry is no longer that there are buses leaving from all over Scotland which drain support from the natural catchment of other teams, the real worry is that younger fans, brought up with wall to wall Champions League football and FIFA 2012, won’t see our domestic game as anything like as attractive as following one of a handful of global teams such as Barcelona.”

Alec Pearson's research, which included direct interviews senior figures in Scottish football, concluded that too many clubs were run on a less than professional basis. "Whilst the majority of club chairmen and directors run their own successful businesses, it appears the vast majority run their football club on a part-time basis."

Pearson found that a number of SPL clubs either didn't have a [business](#) strategy at all or operated on a model that lacked clarity and was therefore largely ineffective. "Bringing some strategic thinking skills to the table might help football clubs break out of the silo mentality. It might also help clubs to engage in serious analysis of the environmental changes occurring around them. Considering the state of the game, I believe it is pertinent that clubs work closer together to find a collective long term strategic solution to the problems affecting Scottish football today."

Provided by University of Glasgow

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