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"BUSINESS MODELS IN THE PORTUGUESE FOOTBALL CLUBS"

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1 - Executive Summary

This work project discusses the key features that affect the Portuguese Football Market and the business models presented by its football clubs by analyzing its unique characteristics and performing a comparison with the main European championships. The business models of *Sport Clube Beira-Mar - Futebol, SAD*, *Sport Lisboa e Benfica - Futebol, SAD*, *Sporting Clube de Braga - Futebol, SAD* and three Portuguese Football Academies were analyzed in order to understand the differences between clubs with dissimilar goals and scopes and which aspects should be improved and explored.

Portuguese clubs present a significant competitive advantage in developing players as well as an important members base. However, they face many challenges due to low stadium occupation rates, excessive dependence on certain revenue streams, lack of sports facilities utilization, a limited range of services, and the need to reformulate their revenue structure and increase the interaction with their fans and members by providing them enjoyable experiences beyond the football matches.

Hence, a set of recommendations and suggestions was developed, which was discussed with and approved by the previously mentioned clubs, in order to face the referred issues according to nine different operating areas of football clubs management and Portuguese Football in general: Restructuring of Portuguese football, Partnerships & sponsorships/new services, New customer segments and retaining the current ones, Customer relationship management, Interaction with fans and members, Facilities utilization/stadium occupation rates, Financial aspects, Participation in society/social concerns, and Internationalization/search for new revenues in emerging markets.

Keywords: Portuguese Football, Business Models, Challenges, Recommendations.

2 - Introduction

The business models from clubs with different goals and areas of operation were evaluated in this Work Project. Therefore, the primary goal was to analyze clubs with an international (*Sport Lisboa e Benfica - Futebol, SAD*), a national/regional (*Sporting Clube de Braga - Futebol, SAD; Sport Clube Beira-Mar - Futebol, SAD*), and a local scope (*Escola de Futebol Crescer, Escola de Futebol Pauleta* and *Grupo Desportivo Os Amarelos*). Moreover, an analysis of the Portuguese football market and the business models of those clubs was used to present a set of recommendations and suggestions in order to improve the existing business models. These recommendations were discussed with and approved by the clubs.

This research is qualitative-based and sustained on in-depth interviews with clubs' directors using a semi-structured questionnaire with open-ended questions and also interviews by phone and e-mail. The in-depth interviews were conducted at the directors' office. Publications about the market, scientific and media articles and clubs' websites were also consulted.

The selection of the clubs was made attending to their availability for participating in this research and their differences in terms of scope.[1]

3 - The Business Model Canvas (BMC)[2]

In order to choose the tool used to capture the business models of the football clubs, I assessed different theoretical models, namely those that were analyzed by Fielt (2011) and Osterwalder (2004). After this assessment, I concluded that the most suitable one for this research is the Business Model Canvas (Osterwalder and Pigneur, 2010).

[1] In this field of analysis, Richelieu, Lopez and Desbordes (2008) present a framework that allows us to understand the scope of each football club (please refer to Appendix X - page 89).
[2] For more information about this topic, please, refer to Appendix I - page 29.

This approach has been appraised by many professionals for its easiness of use and visual effect.[3] According to this methodology, a business model is composed by nine blocks, namely:

- Customer Segments (e.g. fans, members, company-members);
- Value Proposition (e.g. "Provide a totally enriching experience and all the modern and innovative services needed by its members in order to involve them and represent them all over the world, differentiating the club's revenue sources" - *Sport Lisboa e Benfica - Futebol, SAD*'s BMC - Table 6, pages 18 and 19);
- Channels (e.g. club houses, website, newsletters, media);
- Customer Relationships (e.g. close follow-up of company-members);
- Revenue Streams (e.g. season seats, broadcasting, merchandising);
- Cost Structure (e.g. wages, external services and supplies);
- Key Resources (e.g. sport facilities, players, coaches);
- Key Activities (e.g. participation in *Liga ZON Sagres*, attract new members); and
- Key Partnerships (e.g. official sponsors, official suppliers, wear sponsors).

One of the limitations of this model is its newness. Although it is being adopted by many managers, mainly in start-up companies, there is insufficient data to conclude its efficiency, its limitations and appropriateness to real world cases.[3] Moreover, the continuous change of the environmental context (competition, technology, etc.) can largely affect the business model, considered to be a picture at a point in time by Linder and Cantrell (2000), and hamper the application of this tool. The high number of blocks can also contribute to make it more difficult to apply. Furthermore, Osterwalder (2004) assessed the suitability of this ontology through its application in case-studies,

[3] Business Model Innovation Hub. 2011. http://businessmodelhub.com (accessed September 25, 2011).

interviews with managers and comparisons with other previously developed studies. According to the interviewed managers, the business model ontology would be more interesting if it showed cost relationships. One manager pointed out that the usefulness of the ontology is the fact that it allows a faster assessment by venture capitalists. Finally, a manager saw it as a tool for start-ups since it allows them to organize ideas about the business logic of the company. A final limitation is related with the current need of a business to include a corporate social responsibility and a social impact component, which is still not part of the BMC (Jenkins, 2009).

This framework was used to depict, organize and evaluate ideas about the football clubs' business models since it represents an easy way to visualize them, as well as the relationships between their blocks. Moreover, the management of a football club includes all the variables presented by the nine blocks of the BMC and it is a consolidated market that favors its application. Through a SWOT, TOWS, Value Chain analysis, and the in-depth interviews, I was able to overcome the stated limitations by analyzing other issues not included in this tool such as corporate social responsibility and cost relationships.

4 - The Portuguese Football Market

According to a recent study conducted by *Centro de Estudos de Gestão e Economia Aplicada da Faculdade de Economia da Universidade Católica Portuguesa (CEGEA)* for *Liga Portuguesa de Futebol Profissional* (*LPFP*) (CEGEA (1), 2011), the business volume of the Portuguese First Division's, *Liga ZON Sagres'*, clubs was 317 million Euros in the 2009/2010 season. In the last decade, the market has grown, in average, 7% each year, which represents a much higher growth than the one of the country and

Europe (CEGEA (1), 2011). The increase of the business volume over the years and the increasing professionalization of the sector (stated by the interviewed managers as the main change in the sector over the last decade) associated with the huge variety of variables and revenue/cost streams that clubs have to deal with (specialized services, players, members, infrastructures, etc.), and the growing demanded transparency and sustainability of their accounts and management[4], led to a general adoption of the *SAD* (*Sociedade Anónima Desportiva*)[5] model that obliges football clubs to adapt themselves to a more professional and competitive environment, abandoning the previous amateur/non-profit management style. Thus, in the 2011/2012 season, 50% of the clubs present in *Liga ZON Sagres* follow this model.[6] This change of strategy conducted to a high increase in assets (namely in players and infrastructures), mainly financed through short-term debt (especially bank loans and suppliers)[7], due to an easier access to investment sources relying in a higher transparency of these clubs (CEGEA (1), 2011).

When analyzing the last four seasons of the two Portuguese professional leagues (*Liga ZON Sagres* and *Liga Orangina*), we can see that, in average, these competitions reach about 2.85 million spectators (about 27% of the Portuguese population).[8] It is also important to notice that these numbers have been decreasing which can be explained by the performance of the top clubs (e.g. *SL Benfica's* victory in 2009/2010) and the composition of both professional leagues (clubs with a higher members base).

In 2009/2010, Portugal presented an interesting ratio between its population and the number of tickets sold for *Liga ZON Sagres'* matches (about 250 tickets sold per 1000

[4] Decreto-Lei n.º 67/97 de 3 de Abril.
[5] Equivalent to United Kingdom's "Public Limited Sports Company".
[6] For a complete list of the *Liga ZON Sagres*' clubs that adopted the *SAD* model, please refer to Appendix II, page 33.
[7] Increase of 402 million and 108 million Euros, respectively, in a total positive variation of 462 million Euros of the investment sources of First Division's clubs between 2000/2001 and 2009/2010 (CEGEA (1), 2011).
[8] www.lpfp.pt. This number includes repeated attendance. Please, refer to Table 7 (page 20) to see the average number of matches watched at the stadium by the respondents who participated in the survey.

inhabitants) being equal to England's one and higher than the one presented by the remaining four countries of the so-called Big 5 European Championships group - England, Germany, Spain, Italy and France (Table 1) (CEGEA (1), 2011).

Moreover, when comparing the value per spectator of *Liga ZON Sagres* with the equivalent indicator from the Big 5, we can see that the Portuguese value per spectator is much lower comparing to countries like England, Spain and Germany (Table 1). This means that Portuguese football clubs charge lower prices for match tickets and season seats. However, it is very unfeasible and unsuitable to increase prices since, in average, in the last four seasons, *Liga ZON Sagres* had an average stadium occupation rate lower than 40% and *Liga Orangina* lower than 25%.[8] This issue is extremely related with the inappropriate capacity of several Portuguese football stadiums comparing to the clubs' number of members, and their inability to bring fans to the stadium in less exciting matches (e.g. the first vs. the last; recent team's poor performance).[9]

Table 1: Value per Spectator of the main 9 European Football Championships in 2009/2010

2009/2010 Season	N. of Spectators	Population in 2009	% of the Population	Tickets	Value per Spectator
England	13.001.616	51.810.000	25%	649.000.000 €	50 €
Spain	10.442.635	45.828.172	23%	436.000.000 €	42 €
Germany	12.790.000	82.002.356	16%	379.000.000 €	30 €
Scotland	3.172.758	5.062.011	63%	99.000.000 €	31 €
Italy	9.127.912	60.045.068	15%	212.000.000 €	23 €
Portugal	2.616.301	10.627.250	25%	61.000.000 €	23 €
France	7.633.831	64.369.147	12%	138.000.000 €	18 €
Netherlands	5.939.895	16.485.787	36%	104.000.000 €	18 €
Belgium	3.388.134	10.753.080	32%	58.000.000 €	17 €

Source: CEGEA (2) (2011); LPFP; Barclays Premier League (2011); Ligue 1; ESPN; Worldfootball; Eurostat; UK National Statistics; German Football Association. Computations made by the author.

Although most of *Liga ZON Sagres'* clubs have a significant members base, they have not been able to increase their stadium occupation rates. In fact, the number of members of *Liga ZON Sagres'* clubs in 2011 represented about 5% of the Portuguese population and 23% of that competition's total spectators. Regarding ticket prices, *LPFP* imposes a

[9] To know more about the stadium occupation rates, the number of members vs. stadium capacity of *Liga ZON Sagres'* clubs in 2010/2011, subsidies and GDP per capita comparisons, please, refer to Appendix II - page 30.

price interval according to the category of the club's stadium (LPFP, 2011). For this reason, the value per spectator in *Liga ZON Sagres* almost corresponds to the maximum price that can be charged for a *Liga Orangina*'s match (20 Euros).[10]

According to CEGEA (2) (2011), in 2009/2010, Portugal presented a totally different revenue structure from the one shown by the Big 5, being composed essentially by players transfers revenues and a lower amount of broadcasting and sponsorships streams. In fact, of the 153 million Euros classified as "Other" in Table 2, 80 million correspond to players transfers and the remaining amount consists of merchandising and on-field performance revenues (national and international competitions) (CEGEA (1), 2011). In global terms, Portugal presented the seventh highest revenues in 2009/2010 (Table 2) which is aligned with its average eighth position in *UEFA*'s country ranking between 1960 and 2011 (Table 3).

Table 2: Weight of each Revenue Stream in the main European Championships in 2009/2010

Countries	Broadcasting	%	Tickets	%	Sponsorships	%	Other	%	Total
England	1270	51%	649	26%	560	23%	N.A.	N.A.	2479
Germany	506	30%	379	23%	512	31%	267	16%	1664
Spain	725	45%	436	27%	461	28%	N.A.	N.A.	1622
Italy	915	60%	212	14%	405	26%	N.A.	N.A.	1532
France	607	57%	138	13%	178	17%	149	14%	1072
Netherlands	54	13%	104	25%	201	48%	61	15%	420
Portugal	53	17%	61	19%	49	16%	153	48%	316
Belgium	42	20%	58	28%	68	32%	42	20%	210
Scotland	51	25%	99	48%	58	28%	N.A.	N.A.	208
Austria	43	25%	22	13%	61	35%	47	27%	173
Sweden	16	10%	33	21%	77	50%	28	18%	154

Source: Adapted from CEGEA (2) (2011). Note: Amounts in millions of Euros.

Table 3: UEFA's Country Ranking (1960-2011)[11]

	Portugal	England	Germany	Spain	Italy	France	Netherlands	Belgium
Highest Position	4	1	1	1	1	2	2	3
Lowest Position	22	> 32	10	12	12	23	19	20
Average	8	4	4	4	3	9	8	10
Position in terms of Average	6th	4th	3rd	2nd	1st	7th	5th	8th

Source: http://kassiesa.home.xs4all.nl/bert/uefa/data/#info (accessed December 3, 2011)

[10] For a complete overview of the number of spectators per competition, the number of members of *Liga ZON Sagres'* clubs in 2011, the minimum and maximum prices of tickets for professional matches, and a comparison of season tickets prices in Portugal and England, please, refer to Appendix II - page 30.

[11] Notes: (1) The ranking for each year is only available until the 32nd place. Thus, in 1990, for average computation purposes, was assumed England was placed in the 32nd position; (2) Until 1992, Germany refers to the Federal Republic of Germany (West Germany); (3) The last row was defined using three decimal places.

The higher value of broadcasting revenues in England, reflects the relatively even distributed centrally negotiated broadcasting income that splits revenues based on three criteria: an equal share, a performance related share, and a share related to the number of matches broadcasted live.[12] In countries such as Spain and Portugal, these contracts are negotiated individually with the owners of the broadcasting rights which, most of the times, means lower revenues and higher disparities between the top and bottom clubs (Deloitte, 2011). A reason for this, is the fact that, in some countries, the collective selling of broadcasting rights is seen by the law as a way to create a cartel.[13]

In Portugal, the revenue structure of football clubs also differs according to their dimension and on-field performance. As can be seen in Table 4, the main difference between the top and bottom five placed clubs is the fact that the last ones depend more on broadcasting revenues.

Table 4: Revenue Structure of the Top and Bottom 5 placed Clubs in *Liga ZON Sagres* 2009/2010

	Top 5	Bottom 5
On-field Performance	22%	15%
Memberships	7%	3%
Advertising	15%	16%
Merchandising	1%	0%
Broadcasting	14%	**37%**
Capital Gains (mainly players transfers)	**26%**	16%
Other Sources	15%	13%

Source: CEGEA (1) and (2) (2011).

It is also important to notice that the so-called Big Three (*SL Benfica, FC Porto* and *Sporting CP*) usually generate the major part of the revenues (70% of the total revenues in 2009/2010) and attract most of the spectators (62% of *Liga ZON Sagres'* spectators in 2009/2010) (CEGEA (1), 2011).[8]

Thus, taking into account all the previously mentioned aspects, the Portuguese

[12] http://www.futebolfinance.com/as-receitas-tv-dos-clubes-da-premier-league-em-201011 (accessed September 10, 2011)

[13] For a discussion of the economics of sport broadcasting, please, refer to Szymanski (2006).

professional football market relies on the following points:

a) The market has grown, in average, 7% per year in the last decade and its spectators represent about 27% of the Portuguese population (including repeated attendance);

b) The professionalization and competitiveness of the market is increasing;

c) There is a need to increase stadium occupation rates attending to clubs' significant number of members and overcome a risky financing model;

d) Portugal presents a different revenue structure from other European countries (important players exporter) and has to revitalize some of the revenue streams.

These points reflect the need to explore other sources of revenues by diversifying the services provided to members and fans, to boost some revenue streams such as broadcasting, which is still relatively insignificant comparing to other European countries, and to continue exploring already developed streams such as players transfers. Moreover, it is important that football clubs explore other customer segments and markets to further extend their reach.[14]

5 - Key Success Factors in the Football Market[15]

Regarding the Key Success Factors of the Football Market, I have identified the following ones after consulting the material referred in the bibliography:

- Players' value: The best teams have the best players who tend to earn higher wages. In fact, according to Garcia-del-Barrio and Szymanski (2009), there is a positive relationship between players' wages and team performance. Therefore, having valuable players is crucial to achieve success. This reflects, and is linked with, the ability to

[14] E.g. 41.000 spectators, composed only by women and children, at a Fenerbahçe's match on September 20, 2011. http://www.guardian.co.uk/football/blog/2011/sep/21/women-children-men-fenerbahce-ban (accessed December 20, 2011). "Reds launch Chinese store": http://www.manutd.com/en/News-And-Features/Club-News/2011/Nov/manchester-united-online-store-launched-in-mandarin-chinese.aspx (accessed December 20, 2011).

[15] To know about the Main Key Drivers of the Football Market, please, refer to Appendix III - page 39.

attract and retain the best players which represents one of the main key drivers of this market. E.g. Market value of *FC Barcelona*'s squad: 606 million Euros.[16]

- Dimension of the customer base and services offered to members: This point is highly connected to the demography and characteristics of the area where the club is located, which act as key drivers. A larger number of fans and members enables the club to generate higher revenues and leverage them in the future by offering them different services. E.g. *SL Benfica* generated about 9.5 million Euros in membership fees in 2010/2011 and offers services such as *Benfica TV*.[17]

- Conditions, comfort and safety of the facilities: These features are vital to retain and attract new members and fans and leverage clubs' matchday and membership revenues. It is also linked to the safety concern which is nowadays one of the main key drivers.[18]

- Interaction with fans/members and participation in the society: Nowadays, fans and members see their football club as an entity that can, and should, provide them more than simply watching a football match. Thus, they expect different services and advantages linked to their member card.[19] Moreover, people are attributing more value to the integration of their club in the society through the creation of foundations and/or participation in social responsibility initiatives (e.g. *Fundação Benfica*).

- Different revenue sources: This point is connected to *UEFA*'s Financial Fair-Play rules and the models of financing and broadcasting rights negotiation, which act as key drivers. Clubs should have different sources of revenues in order to limit their dependency from broadcasting and/or players transfers revenues, for instance.[20]

- Outcome of the competitions/On-field success: This is the most important factor and

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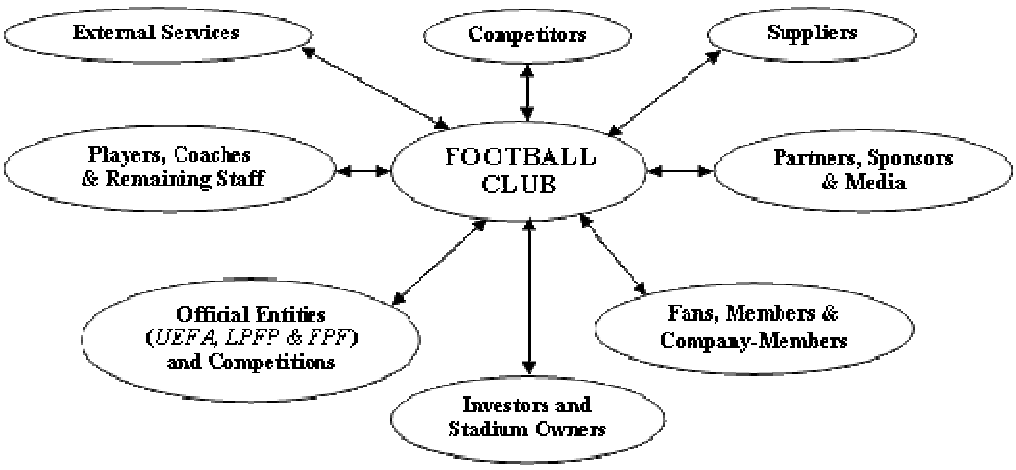
[16] http://www.transfermarkt.de/en/fc-barcelona/startseite/verein_131.html (accessed December 20, 2011).
[17] *Sport Lisboa e Benfica - Futebol, SAD*'s 2010/2011 Annual Report & Accounts.
[18] Please, refer to the surveys' results in Appendix IX - page 72.
[19] E.g. Advantages of SC Braga's member card: http://www.scbraga.pt/socios.php?tipo=cartao (accessed October 20, 2011).
[20] Please, refer to *SC Braga*'s and *SL Benfica*'s revenue streams in Table 6 - page 18.

driver in order to achieve success in the football market. On-field success raises revenues (e.g. prizes from *UEFA Champions League*[21]), attracts new members and fans, and provides the possibility of investing and improving club's conditions and increase even more its revenues (this sequence is called virtuous circle: Lindon et al. 2009).

- Brand image and awareness: The brand image of a football club is also important for establishing a significant customer-base and internationalizing itself. Clubs such as *Manchester United FC*, with a large customer-base and a strong brand image, are able to internationalize their brand in a more quick and easier way.[22]

6 - Industry Mapping. PEST Analysis & Porter's Five Forces Analysis

Figure 1: Football Industry Mapping[23]



Football clubs have to deal with several entities that create diverse revenues and costs and demand different approaches, constituting a complex market.[24] It is important to refer that there are also relationships between entities that do not involve the Club, such

[21] In *UEFA Champions League* 2010/11, clubs earned 7.2 million Euros only for their participation in the group stage plus 800.000 Euros per each victory in this stage. The winners, *FC Barcelona*, earned a total of 51 million Euros. (UEFA, 2011).

[22] "Reds launch Chinese store": http://www.manutd.com/en/News-And-Features/Club-News/2011/Nov/manchester-united-online-store-launched-in-mandarin-chinese.aspx (accessed December 20, 2011).

[23] Based on the analyzed football clubs' Business Model Canvas (BMC). To read more about this topic, please, refer to Soderman et al. (2010).

[24] This is related with the growing demanded transparency, already referred in the Section 4 of this Work Project (page 5), which led to the increasing adoption of the *Sociedade Anónima Desportiva (SAD)* model.

as between the Portuguese Union of Professional Football Players and its members.

Table 5: PEST Analysis

POLITICAL	ECONOMICAL
- Lower investment by the Government in sports in 2012; - More aggressive tax policy in order to meet International Monetary Fund's demands; - The UEFA's Financial Fair-Play Rules aims to promote financial control and will be implemented until the season 2013/2014; - Regulations from LPFP establishing minimum and maximum ticket prices; - Broadcasting rights are negotiated individually unlike countries such as England; - Tighter control by the fiscal entities over the financial disclosed information presented by football clubs.	- The Football Market has grown, in average, about 7% per year in the last decade ICEGEA (1), 2011); - Increase of the Value-Added Tax associated to sports shows from 6% to 23% (Government of Portugal); - General adoption of the *Sociedade Anónima Desportiva (SAD)* model; - Increasing interest rates and difficulty in obtaining credit from banks; - Advanced economic development of the BRIC countries (Brazil, Russia, India and China); - Expected recession in 2011 and 2012 in Portugal with a contraction in private and public consumption, in investment and in domestic demand, and an increase of exports and a decrease of imports. Expected inflation rate in Portugal in 2011 of 3,5% and 2,4% in 2012. Expected unemployment rate of 12,5% in 2011 and 13,4% in 2012 (Source: Bank of Portugal, Eurostat and Government of Portugal); - Many SMEs in a financial distress situation.
SOCIAL	**TECHNOLOGICAL**
- Growing concern about community's social welfare and safety; - Corporate Social Responsibility trend; - Demographic changes: aging, ethnic differences; - 16% of the Portuguese population is less than 15 years old and 33% is more than 50 years old (censos 2001, INE); - Between 2001 and 2011 the Portuguese population has grown 1,9% (censos 2011 - preliminary results, INE); - Fans go to the stadiums with friends and family; - Low occupation rates of the stadiums; - Emotional tie between fans and clubs.	- Spread access to information and Internet; - Increasing acceptance and participation in online social networks; - Social networks are being widely adopted by football clubs as a new marketing tool in order to communicate with their fans and attract members.

As the PEST analysis shows, there are opportunities in the Football market to explore, namely due to the increasing development of some foreign countries and new marketing tools. However, in the next years, Portuguese football clubs will face some financial difficulties imposed by the current national and European economic scenario, mainly with an increase in taxes and tighter financial control, that clubs, including the ones analyzed in this Work Project, intend to overcome by diversifying their range of services and revenue sources and attracting new members.[25] These challenges, along with the increasing professionalization of football clubs, lead to an increasing competitiveness in the market which is important to analyze with the **Porter's 5 Forces**.

<u>Power of Suppliers (Low to Medium):</u> Here are included all the entities that are part of the External Services and Supplies cost stream of a football club, such as medical

[25] These actions can be observed in the BMC of the football clubs (Table 6) - pages 18 and 19.

expenses, sports equipment, transfer of image rights and accommodation. Since for each one of them there are many suppliers offering the same service, and the cost of switching from one to another is low, one can conclude that the supplier power is low. However, brands such as *Adidas* and *Nike*, due to their dimension, tend to have a significant power.

<u>Power of Costumers (Medium):</u> Regarding this point, the football market is a very specific case. The number of customers in the market includes fans and members of a certain football club which varies according to its dimension. Thus, although the switching cost for an individual fan/member is very high (usually no one decides to switch from one club to another), his/her importance to the club is increasingly high in the opposite proportion of its dimension. However, if we consider the entire fan/member base, its power will be much higher since several revenues depend on it.

<u>Competitive Rivalry (High)</u>: Competitive rivalry in the football market is very high since the main service offered by the incumbents is equal and they compete at a business and on-field level. Thus, the competitiveness in this market is very strong.

<u>Threat of Substitutes (Medium):</u> Regarding this point, football faces many possible substitutes. Nowadays, a football match is seen as a show and considered as an alternative when people have the opportunity to enjoy some leisure time. Thus, it faces the threat of being substituted by other sports and shows. However, usually a football supporter is committed to that show and continues to watch it. It is important to stress that the prices are very important in order to avoid this threat, since if a price to watch a football match is considered as high by a family, they might decide to go to the cinema or to a fun park instead, for instance. Therefore, the threat of substitutes is medium.

<u>Threat of New Entrants (Low):</u> In the football market, it is very difficult to enter and

rapidly gain brand awareness since, even with large initial investments in the team and/or the facilities, a club has to start competing in amateur divisions and, most important, attract members and fans. Regarding this aspect, history, achievements and location are very important factors since in most of the cases success comes from the heritage of the club. Thus, the threat of new entrants is low.

After analyzing the Porter's Five Forces one can conclude that the football market is a profitable business that faces many challenges related with the threat of possible substitutes and the level of competitiveness that exists in it.

7 - Comparative Analysis of the analyzed Football Clubs' Business Model Canvas[26]

Regarding this section, I developed it in three parts. Firstly, the BMC of each football club was depicted. Secondly, their BMC, and clubs in general, were assessed through a SWOT and TOWS analysis. Finally, another SWOT analysis was performed regarding each block of their BMC. In Table 6 (pages 18 and 19), one can find clubs' BMC in order to allow a comparison between them regarding each block. This information was used in the development of the recommendations presented below, as well as in Appendix XI, and was discussed with and approved by the clubs.

As can be observed in Table 6, there are similarities among their BMC's blocks mainly in terms of Key Partnerships (several categories of partners, sponsors and suppliers), Key Activities (participation in competitions, attract new members, etc.), Key Resources (sports facilities, players, coaches & staff), Customer Segments (members, partners, fans, etc.) and Channels (social networks, newspaper, website, etc.). However,

[26] For an individual analysis of the clubs' BMC, and a SWOT and TOWS analysis, please, refer to Appendix VII - page 48.

there are differences in terms of Value Proposition (services offered and value proposition statement), Customer Relationships (Customer Relationship Management approach) and Revenue/Cost Structure (weight of the different streams) that are important to analyze in this Work Project and consider in the development of the suggestions and recommendations presented in Table 8 (pages 21 and 22).

8 - Main Results & Conclusions of the Surveys "Interaction between Football Clubs and their Fans/Members" and "Schedule of Football Matches (Stadium) & Importance of Social Networks in the Interaction between Football Clubs and their Fans/Members"[27]

In order to gather insights for the improvement of the BMC's *Customer Interface* blocks (Customer Relationships, Customer Segments and Channels) and to understand the preferences of fans and members, a survey was conducted assessing the interaction between football clubs and their fans and members. Another survey was conducted to assess fans' opinion about the most suitable hour and day to attend a football match and the importance of social networks with regard to the interaction they maintain with their favorite football club. The sampling technique used is called *Snowball Sampling*. The total sample of each survey is 631 and 314 respondents, respectively.

The main results and output of the first survey are presented in Table 7 (page 20). They are segmented in terms of gender, age group, membership and general results, and the main conclusions (green rectangle on the right side of the table) are connected with the topics presented in the recommendations section. The main vectors analyzed were: Fan Profile, Interaction with the Club, Customer Needs, and Clubs' Assessment from the

[27] To know more about the surveys' results and methodology, please, refer to Appendix VIII (page 63) and Appendix IX (page 72).

Customer's Perspective.

Regarding the second survey, most of the male respondents selected 4 p.m. (39,6%) as the best hour to attend a football match, while female respondents chose 8 p.m. (38,2%). From Monday to Friday, the majority of the respondents prefer to attend a football match at 8 p.m. (about 83% from Monday to Thursday and 53,2% for Friday) while on the weekends they prefer at 4 p.m. (36,8% for Saturday and 50,4% for Sunday).

9 - Suggestions & Recommendations for *Portuguese Football Club - Futebol, SAD*[28]

Baring in mind the previous market analysis, the results of both surveys and the clubs' BMC, I developed a set of suggestions and recommendations divided into nine areas for a general *Portuguese Football Club - Futebol, SAD*, presented in Table 8 (pages 21 and 22). This section is presented in table format with the objective of providing a better visualization of the relationship "operating area(s) vs. idea(s) vs. goal(s)". The nine areas are: Restructuring of Portuguese Football *(RPF)*, Partnerships & Sponsorships/New Services *(PS/NS)*, New Customer Segments & Retaining the Current Ones *(NCSRCO)*, Customer Relationship Management *(CRM)*, Interaction with Fans and Members *(IFM)*, Facilities Utilization/Stadium Occupation Rates *(FU/SOR)*, Financial Aspects *(FA)*, Participation in Society/Social Concerns *(PS/SC)*, and Internationalization/Search for New Revenues in Emerging Markets *(I/SNREM)*. The points presented depend on, among other factors, the dimension of the football club and its members base, and some suggestions fall into more than one area which justified the use of acronyms.

[28] For a more detailed explanation and a set of suggestions and recommendations applied to each one of the analyzed football clubs, please, refer to Appendix XI - page 89.

Table 6: Comparative analysis of *SC Beira-Mar - Futebol, SAD*'s, *SL Benfica - Futebol, SAD*'s and *SC Braga - Futebol, SAD*'s BMC

BMC Blocks	Sport Clube Beira-Mar	Sport Lisboa e Benfica	Sporting Clube de Braga
KEY PARTNERSHIPS	- Categories: • Official Sponsors; • Official Partners; • Premium Sponsors; • Gold Partners; • Silver Partners.	- Portugal Telecom (Benfica Telecom); - Top Atlântico (Benfica Viagens); - HPP Saúde (Benfica Saúde); - Categories: • Main Sponsor; • Official Sponsor; • Technical Sponsor; • Caixa Futebol Campus Sponsor; • Stand Naming Rights Sponsors; • Official Partners; • Official Suppliers; • Official Wear Sponsors; • Other Partners.	- Categories: • Official Sponsors; • Official Bank; • Official Partners; • Official Suppliers; • Stadium Naming Rights Sponsor; • Other Partners associated to the SC Braga's member card.
KEY ACTIVITIES	- Participation in the official LPFP and FPF competitions; - Promote the brand; - Establish partnerships and attract sponsorships; - Interaction with members, company-members and sponsors/partners; - Retain and attract new members.	- Participation in the official UEFA, LPFP and FPF competitions; - Promote the brand; - Establish partnerships and attract sponsorships; - Interaction with members, company-members and partners/sponsors; - Retain and attract new members.	- Participation in the official UEFA, LPFP and FPF competitions; - Promote the brand; - Establish partnerships and attract sponsorships; - Interaction with members, company-members and sponsors/partners; - Retain and attract new members.
KEY RESOURCES	- Sport facilities; - Players, coaches and remaining club's staff.	- Sport facilities (stadium and academy); - Benfica TV facilities; - Companies of the Benfica Group; - Players and remaining club's staff.	- Sport facilities; - Players and remaining club's staff.
COST STRUCTURE	2008/2009 vs. 2009/2010 - Operating Costs: - Wages (73% vs. 59%); - Supplies and External Services (23% vs. 27%); - Amortizations (2% vs. 8%); - Extraordinary Expenses - Players (1% vs. 4%); - Other (1% vs. 2%).	2009/2010 vs. 2010/2011 (Operating Costs - SAD): - Wages (39% vs. 38%); - Costs and amortizations with players (27% vs. 26%); - Supplies and External Services (21% vs. 20%); - Other (13% vs. 16%).	2009/2010 vs. 2010/2011 (Operating Costs - SAD): - Wages (57% vs. 63%); - Supplies and External Services (30% vs. 20%); - Costs and amortizations with players contracts (10% vs. 13%); - Other (3% vs. 4%).
REVENUE STREAMS	2008/2009 vs. 2009/2010 - Operating Revenues: - Extraordinary Revenues - Players (52% vs. 9%); - Goods and Services sold (43% vs. 82%); - Other (5% vs. 9%).	2009/2010 vs. 2010/2011 (Operating Revenues - SAD): - Players Transfers (24% vs. 31%); - Matchday tickets, seat rights, season tickets and season seats (20% vs. 12%); - Advertising and Sponsorships (17% vs. 12%); - Memberships (10% vs. 8%); - Broadcasting (10% vs. 7%); - Prizes from competitions (4% vs. 13%); - Corporate (4% vs. 7%); - Merchandising (3% vs. 3%); - Other (8% vs. 7%).	2009/2010 vs. 2010/2011 (Operating Revenues - SAD): - Prizes from competitions (61% vs. 1%); - Advertising and Sponsorships (15% vs. 18%); - Broadcasting (10% vs. 22%); - Players Transfers (6% vs. 52%); - Other (8% vs. 8%).

VALUE PROPOSITION	- Promote the sport activity and provide the experience of watching in loco a football match of the most representative club in the Aveiro region. <u>Products and Services:</u> - Cabin seats; - Season seats; - Visits to the stadium; - Merchandising.	- Provide a totally enriching experience and all the modern and innovative services needed by its members in order to involve them and represent them all over the world, differentiating the club's revenue sources; <u>Products and Services:</u> - Benfica Corporate Club; - Benfica Foundation; - Visits to the stadium; - Benfica Health Clinic (Benfica Health); - Benfica Health Club (concession); - Benfica's Museum; - Benfica Insurance; - Benfica Megastore; - "Mística" magazine and "O Benfica" newspaper; - Benfica's Bingo; - Benfica Credit Card; - Mobile Ticketing; - Seasons seats (Red Pass).	- Provide an organization that meets or exceeds the needs and expectations of members, supporters and visitors in general; Develop a partnership with suppliers and sponsors; Strengthen relationships maintained with institutional entities involved; Promoting a work environment that enhances motivation and involvement of all employees. <u>Products and Services:</u> - SC Braga Insurance; - Repsol card - SC Braga; - Corporate Seats (Platina, Ouro and Prata cabins programs and Tribune program); - Kids birthday parties; - Rent of the stadium for events (shows, seminars, company parties, etc.); - Visits to the stadium; - SC Braga newspaper; - SC Braga Montepio card; - Merchandising (online and at the service centers); - Season seats.
CUSTOMER RELATIONSHIPS	- Members feedback by e-mail; - Close relationship with company-members.	- Benfica Corporate Club; - Close relationship with their members and company-members; - Benfica Club Houses.	- Close relationship with their members and company-members (including studies about the impact of their advertising in the stadium); - Surveys assessing customers' satisfaction regarding their global assistance and service centers.
CUSTOMER SEGMENTS	- Companies (cabin seats and corporate seats); - Partners and Sponsors; - General Fans; - Regular members (segmented by stand, gender and age group); - Children (Fans and Potential players).	- Companies (Benfica Corporate Club): Platinum members, Gold members, Silver members and Executive Seats; - Partners and Sponsors; - General Fans; - Regular members (season tickets segmented by gender and age group and membership fees segmented by age group); - Children (Fans and Potential players).	- Companies (Corporate Seats and Cabins): Platina cabins program, Ouro cabins program, Prata cabins program, Tribuna cabin program; - Partners and Sponsors; - General Fans; - Regular members (segmented by stand, gender and age group); - Children (Fans and Potential future players).
CHANNELS	- Loja Amarela (at Estádio Municipal de Aveiro); - Loja Five Zone (at Estádio Mário Duarte); - Club's website; - Newsletters; - Facebook and Twitter; - Through partners and sponsors; - Ads in certain places of Aveiro; - Campaigns in schools; - Local newspapers and radio stations.	- "Mística" magazine and "O Benfica" newspaper; - Benfica TV; - Club's website; - Newsletters; - Through partners and sponsors; - Benfica Club Houses; - Benfica Megastore; - Media; - Facebook; - Campaigns in schools.	- SC Braga newspaper; - Club's website; - Facebook; - Newsletters; - Through partners and sponsors; - Service centers; - Ads in certain places of Braga (e.g. Braga Shopping); - Local newspapers and radio stations; - Campaigns in schools.

Table 7: Summary of the Results and Conclusions of the Survey "Interaction between Football Clubs and their Fans/Members"

MAIN RESULTS & CONCLUSIONS	General Results	Male	Female	< 15 years old	15-30 years old	31-50 years old	> 50 years old	Members	Non-Members	OUTPUT	
Fan Category	Casuals (19,5%) Regulars (19,3%)	Fanatics (24%) Regulars (19,9%)	Casuals (28,2%) Regulars (18,3%)	Fanatics (53,3%)	Regulars (19,6%) Fanatics (19,1%)	Casuals (22,8%) Committed Casuals (18,9%)	Casuals (22,7%) Regulars (22,7%)	Fanatics (35,7%)	Casuals (26,1%)	Male, Higher age, Members = more commitment	CONCLUSIONS vs. OPERATING AREA OF THE RECOMMENDATIONS SECTION: 1-Need for new value added services = Partnerships & Sponsorships / New Services / New Customer Segments 2-A more effective integration in the society = Participation in Society & Social Concerns 3-Need for new and enriching entertainment experiences = Interaction with Fans and Members 4-Few games watched at the stadium (low occupation rates) = Facilities Utilization
Stadium vs. T.V. Preference	Stadium (63,5%)	Stadium (64,7%)	Stadium (61,4%)	Stadium (71,4%)	Stadium (68,7%)	Stadium (56,3%)	T.V. (53,7%)	Stadium (87,2%)	T.V. (53%)	Stadium except > 50 years old and Non-Members	
Why "Stadium"?	Stadium's Atmosphere (88,6%)	Stadium's Atmosphere (90,2%)	Stadium's Atmosphere (84,1%)	Stadium's Atmosphere (81,8%)	Stadium's Atmosphere (90,7%)	Stadium's Atmosphere (87,3%)	Stadium's Atmosphere (71%)	Stadium's Atmosphere (91,1%)	Stadium's Atmosphere (86%)	Stadium's Atmosphere	
Why "T.V."?	Comfort (57,5%)	Comfort (57%)	Comfort (57,5%)	Comfort (60%)	Comfort (52,9%)	Comfort (61,8%)	Comfort (63,9%)	Comfort (69,6%)	Comfort (55,7%)	Comfort	
N. Games at the Stadium/Season	1-5 games (49%)	1-2 games (27,2%)	None (46,1%)	3-5 games (40%)	1-2 games (32,4%)	None (33,8%)	None (39,7%)	> 10 (43,7%)	None (41,1%)	Male, Higher age, Members = more games	
Safe & Comfortable at the Stadium?	Yes (93,8%)	Yes (95,3%)	Yes (90,6%)	Yes (100%)	Yes (95,3%)	Yes (91,2%)	Yes (88,1%)	Yes (97,8%)	Yes (91,8%)	Yes	
Ways to Interact with the Club	Email Newsletter, Club T.V. Channel, Newspaper/Magazine	Email Newsletter, Club T.V. Channel, Newspaper/Magazine	Email Newsletter, Club T.V. Channel, Newspaper/Magazine	SMS, "Call a Director", Club T.V. Channel, Newspaper/Magazine	Email Newsletter, Club T.V. Channel, Newspaper/Magazine	Email Newsletter, Club T.V. Channel, SMS	Email Newsletter, Club T.V. Channel, "Exchange emails with a club's Director"	Email Newsletter, Club T.V. Channel, Newspaper/Magazine	Email Newsletter, Club T.V. Channel, Newspaper/Magazine	Email Newsletter, Club T.V. Channel, Newspaper/Magazine > 50 years old: "Exchange emails with a Club's Director	
Activities fans would want to be offered	Health Club, "Player for one day", Free Transportation to some of the away games, Other Shows at the Stadium	"Player for one day", Free Transportation to some of the away matches, Health Club, Other Shows at the Stadium	Health Club, Other Shows at the Stadium, Summer Camps, Foundation	Summer Camps, Free Transportation to some of the away matches, "Player for one day"	Free Transportation, Health Club, "Player for one day", Other Shows at the Stadium	Other Shows at the Stadium, Health Clinic, Foundation	Other Shows at the Stadium, Health Club, Foundation	Health Club, "Player for one day", Free Transportation to some of the away games, Other Shows at the Stadium	Health Club, "Player for one day", Free Transportation to some of the away games, Other Shows at the Stadium	Meaningful differences between genders and age groups	
Three Main Favorite Club's Strengths	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters	History and Achievements, Conditions/Comfort of the Stadium, Bet on Other Sports	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters	History and Achievements, Safety, Bet on Youngsters, Matches Organization	History and Achievements, Conditions/Comfort of the Stadium, Bet on Other Sports	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters, Bet on the Other Sports	History and Achievements, Conditions/Comfort of the Stadium, Bet on Youngsters	
Three Main Favorite Club's Weaknesses	Initiaves/Entertainment at Pre-Match and Halftime periods, Importance/Participation in Society, Bet on Youngsters (also Services provided to Members)	Bet on Youngsters, Initiatives/Entertainment at Pre-Match and Halftime periods, Importance/Participation in Society	Importance/Participation in Society, Initiatives/Entertainment at Pre-Match and Halftime Periods, Services provided to Members	Matches Organization, Bet on Other Sports, Importance/Participation in Society	Bet on Youngsters, Initiatives/Entertainment at Pre-Match and Halftime periods, Importance/Participation in Society	Importance/Participation in Society, Initiatives/Entertainment at Pre-Match and Halftime Periods, Services provided to Members	Bet on Youngsters, Initiatives/Entertainment at Pre-Match and Halftime Periods, Services provided to Members	Initiaves/Entertainment at Pre-Match and Halftime periods, Bet on Youngsters, Services provided to Members	Importance/Participation in Society, Initiatives/Entertainment at Pre-Match and Halftime Periods, Bet on Youngsters	Initiaves/Entertainment at Pre-Match and Halftime periods, Importance/Participation in Society, Bet on Youngsters (also Services provided to Members). Members, Female and > 31 years old respondents pointed out the Services provided to Members.	

Table 8: Suggestions & Recommendations for *Portuguese Football Club - Futebol, SAD*

Operating Area	PORTUGUESE FOOTBALL CLUB - General Application Suggestions/Recommendations	Comments/Observations
RPF	Continue exploring Portuguese clubs' different revenue structure and their competitive advantage in developing talented players by promoting long-term investments in youth players and infrastructures. Having a young and talented team, at an initial phase, when the scope of a club is local, is very important to attract the local community, sponsors and increase the number of members. However, clubs should explore other sources of revenues by diversifying the services provided to members and fans and, more important, non-on-pitch related revenues since this is the key of a club's financial stability and the main driver of a club's success (attendances, memberships, broadcasting, and other revenue streams, depend on this point).	Revenue sources such as matchday tickets, non-match day events and broadcasting rights should be reviewed (see "The Portuguese Football Market" and "Key Success Factors in the Football Market" sections). One of the main weaknesses pointed out by the respondents regarding their favorite football club was the Bet on Yougnsters (surveys' results - Appendix IX)
RPF	*Portuguese Football Club*, together with *LPFP,* should assess the possibility of adopting a collective negotiation model of the broadcasting rights, and the creation of playoffs, with the goal of generating higher revenues and increase the number of spectators.	In the Dutch League, *Eredivisie*, there are no intermediaries. They have their own T.V. channel for the broadcast of their live games. Moreover, they created playoffs after the regular season which resulted in higher attendances and interest. (Hamil and Chadwick, 2010).
RPF / FU/SOR	A more suitable games schedule in order to attract fans who do not live near the stadium and customer segments such as children and women, and to decrease the high costs with electricity consumption.	In my survey, the most chosen options regarding the most suitable hour to watch a football match at the stadium, in the respondents opinion, were 4 p.m. for Saturdays and Sundays, and 8 p.m. for the remaining days of the week. (surveys' results - Appendix IX)
PS/NS / PS/SC	Develop non-match events (e.g. seminars, live concerts), activities such as "Player for one day" and services related with transportation to some of the away games, and an Health Club in order to retain younger members and attract new ones. Evaluate the possibility of creating a Foundation to reach upper age groups, non-members and less committed fans and better integrate the club in the community.	The activities that most of the respondents would like to be offered by their favorite football club were mainly the Health Club, "Player for one day", Free Transportation to some of the away matches and Other Shows at the Stadium. The lower age groups would prefer activities such as "Player for one day" and Free Transportation to some of the away games whereas the upper age groups would prefer activities like Other Shows at the Stadium, Health Club and Foundation. Non-members give more importance to Other Shows at the Stadium and the Health Club than members (surveys' results - Appendix IX).
PS/NS / I/SNREM	Considering the expansion of football markets such as the East Asia and North America ones, Portuguese Football Club should consider launching a sporting management consultancy service as a new line of business providing education for sporting management to those clubs' executives.	However, supporting this new service should be a strong brand image and good managerial practices and experience. (Hamil and Chadwick, 2010).
PS/NS / NCSRCO	Family/Group tickets and all-inclusive tickets: One ticket for a group of up to 8 people at a more beneficial price than buying 8 individual tickets.	Keeping the family worship alive, retaining current members and attracting new ones and giving the opportunity be seated next to friends and family. (surveys' results - Appendix IX)
NCSRCO / IFM	Campaign "Talk with a Portuguese Football Club's Director": weekly one-hour session at the club's website or in a social network, in which members can ask questions to a club's director and receive feedback.	The main difference between age groups in terms of ways to interact and be contacted by their favorite club, is the fact that the respondents who are more than 50 years old would prefer to interact with the club by exchanging emails with a club's director (surveys' results - Appendix IX)
NCSRCO / IFM	Initiatives for women and children's customer segments: 1-In a given match of the season, would be provided free access to the game to women and their children in order to achieve the highest attendance of these segments ("Ladies Game"/"Children Game"); 2-Organize birthday parties (fun park, a snack and a football match inside the stadium)	Attracting new fans and members.

NCSRCO / IFM	Activities for schools and universities: 1-Creation of the Portuguese Football Club's mascot (a new one every two years, for instance) by students aged between 6 and 9 years old; 2-University award rewarding works developed by students in the fields of management, new technologies and sporting education with the possibility of being applied to Portuguese Football Club; 3-Organized visits to the sport facilities for students to attend Q&A seminars with coaches, players and directors, and training recreations (explaining tactical moves, physical activity exercices, etc.).	Attracting new members and stimulating their loyalty and interacting with local communities. Also related with the sport facilities utilization.
CRM	Improve the follow-up of members satisfaction about the services offered, store and club's facilities. Assessment of the satisfaction of existing club houses' customers about the available merchandise, services provided, ticket purchase system, food products available and customer follow-up	Tools to be used: surveys, questionnaries performed before the matches, social networks. This point is very important in order to address safety, comfort and services-related issues. Parameteres to be assessed: quality of customer service of each club's business (Travel services, Insurance services, etc.), comfort and safety of the stadium (seats, visibility, legroom, time and difficulty in getting to the seat, etc.), merchandise products' availability and range, effectiveness of the tickets sale system (club houses and online - effective, easy to handle), and others.
IFM	Development of regular email newsletters sent to fans and members and assess the financial feasibility of creating Portuguese Football Club's T.V. channel (online tools such as Youtube can also be used).	Email newsletters, a TV channel, a Magazine/Newspaper by postal mail and social networks are the most suitable ways to interact with fans (survey results - Appendix IX)
IFM	Set of initiatives/activities such as: New features offered at the Club's Website (fans' videos about the club using YouTube, voting for the best goal of the month, polls, auctions for players' items, photos posted by fans present at the stadium in a given match), Bluetooth Marketing, "You choose the songs!", Pre-match choreography, Activities for the halftime period (fans taking photos, football quizzes, bringing fans to the field), the "Guess Who Seat", "Cine P.F.C.", "Charity Cup", Kindergarten/Fun Park (please refer to Appendix XI for a detailed explanation of these activities applied to the analyzed clubs).	Energizing the interaction between the club and its fans and members and providing enriching non-match experiences in order to attract new fans and potential members.
FU/SOR	Development of a points system that rewards members who go more often to the stadium by providing them discounts which do not interfere with season tickets. Different alternatives can be used, such as the following one: Providing a discount on the next ticket purchase computed based on three loyalty criteria (e.g. Number of games watched at the stadium in the previous season; Amount of money spent in the last season in match tickets; Membership years).	This system aims to increase the occupation rates and is appropriate for members who do not have the opportunity to watch all the games at the stadium and, consequently, do not buy a season ticket. It should not overlap the benefits associated to season tickets. Each option should be evaluated in terms of revenues generation. Monitored by the club member's card.
FU/SOR / PS/SC	Include solar panels in the stadium's coverage allowing the decrease of electricity costs and receiving an EMAS - Eco Management and Audit Scheme - label from *FIFA*.	Also related with social responsibility. Assess the related costs and infrastructure's availability.
FA	Evaluate the possibility of selling the naming rights of the stadium and its stands as a regular new source of revenue.	However, Portuguese Football Club should consider the negative impact that selling the naming rights of its stadium might have when the stadium's name is well-known.
I/SNREM	Partnerships with foreign clubs to establish itself in other markets (co-branding)	This is also related with the sporting management consultancy service that Portuguese Football Club might create in order to provide support to football clubs in emerging markets and at the same time establish itself in these markets.
I/SNREM / IFM	Offer the possibility of reading Portuguese Football Club's website in the English, Spanish, French and Chinese languages.	Increasing contact with international followers.

10 - Conclusions

In recent years, there has been an increasing professionalization of the Portuguese football sector through the creation of *Sociedades Anónimas Desportivas (SAD)* related with a stronger demand for transparency and sustainability (to be facilitated through an easier access to investment sources). These entities represent a transition from a carefree management style to professional companies that compete at a business and on-field level, and need to be concerned with the long-term and their profitability.

Portuguese football clubs face several challenges related with their main characteristics. Firstly, although they have a significant members base, they also present low stadium occupation rates and values per spectator. This issue is related with a general inappropriate stadium capacity, inability to bring customers to the stadium and the price setting. Secondly, Portugal presents a significant ability to develop and export players as a strength that should continue to be explored. Thirdly, on-pitch revenues are considered as an important part of their revenue structure. Thus, the dependence on these revenue streams (players transfers and on-field performance), is, most of the times, taken to the extreme since the other streams present a lower importance, which represents a risky strategy. Finally, the current model of financing is also a reason for concern since it will be more difficult to obtain loans and credits from banks and suppliers due to the current economic scenario.

Therefore, there is the need to reformulate the current revenue structure of the Portuguese clubs in order to be more consistent and balanced. They need to focus on boosting the revenue sources that are currently undervalued such as broadcasting, sponsorships and merchandising.

Moreover, clubs need to use their sports facilities for other purposes, create better conditions and offer new value-added services and activities, in order to leverage their capabilities and customer base. It is important that fans do not see their favorite club simply as a one-service provider only giving them the opportunity to watch a football match once every two weeks. If the team is not performing well, clubs have to show to their customers they still can come to the stadium and participate in an enjoyable experience with their friends and/or family.

In addition, the primary purpose of football clubs should not be forgotten since their participation in society, through local initiatives and/or their own foundation, is vital to embrace the community and reach another customer segments.

Thus, regarding the main revenue streams of football clubs, the following guidelines can be settled:

- Broadcasting Rights: Assess the best model of negotiation (possibly the collective selling model that is being adopted by the main European championships).
- Matchday Revenues, Memberships and Merchandising: Reformulate the approach used to reach clubs' members, fans and new markets. Be more dynamic interacting with several customer segments and offering them different services and opportunities to come to the stadium, as shown and proposed in this Work Project.
- Sponsorships & Advertising: Approach new international markets and companies in order to attract investment and avoid the internal constraints that will arise.
- On-field Performance Revenues & Players Transfers: Decrease the dependence on these streams by boosting/reformulating the other ones and maintain the current competitive advantage in developing players.

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APPENDICES

"BUSINESS MODELS IN THE PORTUGUESE FOOTBALL CLUBS"

Nuno Filipe Rodrigues Santana Bolas

Number 688

A Project carried out on the Entrepreneurial Innovative Ventures Field Lab, under the supervision of:

Professor Filipe Pamplona de Castro Soeiro

January 06, 2012

<u>Index of the Appendices</u>

Appendix I: Additional Information about the Business Model Canvas (BMC)

Mainly since 1998, many definitions of business model were proposed (Fielt, 2011, Osterwalder, 2004). One of the few that gathered more consensus was the definition presented by Osterwalder & Pigneur (2010) that considered business models as describing the rationale of how an organization creates, delivers and captures value. In addition, Osterwalder (2004) identifies five main areas of contribution of the business models regarding a firm's business logic, namely, understanding and sharing, analyzing, managing, prospecting and patenting it.

Many frameworks were developed to analyze and present business models. In his whitepaper, Fielt (2011) presents seven different frameworks that are considered to be the most popular and well published ones. Baring in mind that the intention of this Work Project is to analyze the business models presented by the Portuguese football clubs, I assessed the suitability for this task of each one of those seven models.

Thus, the Four-Box Business Model is more appropriate for companies targeting uncontested markets and fail to fit current organizations, not including, unlike the Business Model Canvas, a separate customer box. Moreover, this model does not distinguish between key partnerships and key resources and does not provide a visual template which has become one of the strongest advantages of the BMC by allowing an important easiness on communicating and designing a business model (Fielt, 2011; Osterwalder & Pigneur, 2010).

Other models that are currently being used, such as the STOF Model and the Entrepreneur's Business Model, also appear as unsuitable for this Work Project since either they are more appropriate for start-up organizations or for technology/e-businesses (Fielt, 2011).

Osterwalder (2004) also presented the BMC's nine blocks grouped into four categories: Customer Interface (Customer Segments, Customer Relationships and Channels), Product (Value Proposition), Infrastructure Management (Key Partnerships, Key Resources and Key Activities), and Financial Aspects (Revenue Streams and Cost Structure). He also showed how his model grouped the other insights and models presented by other authors until that time (Fielt, 2011. Osterwalder, 2004).

To support their approach, Osterwalder & Pigneur (2010) developed a template to facilitate the visualization and design of a business model called the Business Model Canvas and used in this Work Project (Fielt, 2011. Osterwalder & Pigneur, 2010).

Figure I: The Business Model Canvas (BMC)

<table>
<tr><td rowspan="2" colspan="2">Key Partnerships</td><td colspan="2">Key Activities</td><td rowspan="2" colspan="2">Value Proposition</td><td colspan="2">Customer Relationships</td><td rowspan="2" colspan="2">Customer Segments</td></tr>
<tr><td colspan="2">Key Resources</td><td colspan="2">Channels</td></tr>
<tr><td colspan="5">Cost Structure</td><td colspan="5">Revenue Streams</td></tr>
</table>

Source: Adapted from Osterwalder & Pigneur (2010)

The left part of the BMC refers to the efficiency of the firm while the right one refers to its value (Osterwalder & Pigneur, 2010).

Appendix II: Additional Information about the Portuguese Football Market

Football has certain characteristics that differs it from other shows and that managers have to take into consideration when developing a business model. First of all, there is an uncertainty about the final outcome of the competitions and games. Secondly, there is a need for competition and the customer is at the same time part of the service by supporting the team during the game (Lindon et al., 2009).

Nowadays, football clubs present many and diverse customer segments. The main categories are companies (cabins and business seats), members with higher purchasing power (same seat for the entire season), members with lower purchasing power, and non-members or general public. Moreover, clubs can try to establish long-term relationships with other segments such as local municipalities, other clubs, and media. In terms of gathering new customers, the football market is very unique in the sense that there are only two options: transform non-regular spectators into regular spectators and/or members, and attract new members/fans since childhood. Another unique characteristic of the football market is the stronger emotional response from customers than in other industries (Lindon et al., 2009).

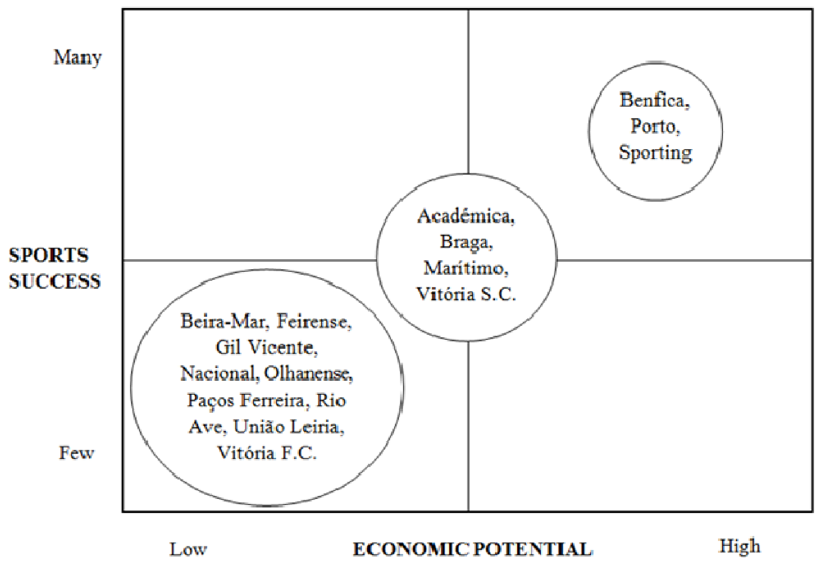
The brand is also an important aspect of this business including intangible (experiences provided to the fans, sense of belonging to the club) and tangible features (merchandising and team's results) (Richelieu & Desbordes, 2009).

As Martí et al. (2010) referred, there are some inefficiencies in the football market that we need to be aware of. First of all, there is an overlap between regulators and competitors, i.e., *FIFA* (Fédération Internationale de Football Association) and *UEFA* (Union of European Football Associations) act as the International and European regulators, respectively, but also compete with national teams and clubs for attracting sponsorships and spectators. This also happens with *LPFP (Liga Portuguesa de Futebol Profissional)* and *FPF (Federação Portuguesa de Futebol)* that have their own sponsors. Secondly, employees (players) are usually richer than their employers (clubs) which leads to unprofitability and high inflation of wages. Finally, the new clubs' owners (usually very wealthy businessmen or companies from Asia or North America), tend to make huge irrational investments (led by emotion and eagerness to stand out) which tend to force their competitors to do the same in order to keep or improve their position (Martí et al., 2010).

The Portuguese professional football is composed by two leagues, *Liga ZON Sagres* and *Liga Orangina*, each one of them comprising 16 clubs performing a total of 32. The lower divisions are composed by semi-professional and amateur clubs.

Concerning *Liga ZON Sagres*, and based on the analysis presented by Cherubini and Santini (2010), we can observe three tiers in this football league according to clubs' sports success and economic potential (Figure II). Thus, we have "The Big Three" (*SL Benfica, FC Porto* and *Sporting CP*), "the Followers" (4 clubs) and "the Back Stage" (remaining 9 clubs).

Figure II: Strategic Groups in *Liga ZON Sagres* 2011/2012 according to Sports Success and Economic Potential



Based on Cherubini and Santini (2010).

Another characteristic of the Portuguese professional football is the strong presence of clubs from the North region and coast side of Portugal (10 clubs located above the

District of Lisbon participate in *Liga ZON Sagres* 2011/2012) (Figure III).

Figure III: Geographical Distribution of *Liga ZON Sagres* 2011/2012's Clubs

Regarding the adoption of the *Sociedade Anónima Desportiva* model, the football clubs included in *Liga ZON Sagres* in the 2011/2012 season following this model are: *Sport Clube Beira-Mar, Sport Lisboa e Benfica, Sporting Clube de Braga, Club Sport Marítimo, Futebol Clube do Porto, Sporting Clube de Portugal, União Desportiva de Leiria, Vitória Futebol Clube* (these clubs represent 50% of the total clubs present in the referred competition).

The total number of spectators of the Portuguese professional football leagues has been decreasing in the last seasons. However, this situation can be explained by the performance of the top clubs and the composition of both *Liga ZON Sagres* and *Liga*

Orangina. For instance, the higher number of spectators in *Liga ZON Sagres* matches in the 2009/2010 and 2007/2008 seasons was due to the stronger performance of *SL Benfica* and *FC Porto*, winners of the Portuguese league in those seasons, respectively. Moreover, the higher number of spectators in 2008/2009 in *Liga Orangina* was mainly due to the presence, on that year, of clubs like *Boavista FC*, *SC Olhanense* and *Gil Vicente FC* that usually have a significant supporters base and matchday attendance.[29]

Table I: Data about the Total Attendance of the Portuguese Professional Football Leagues

Total Number of Spectators / Season	2010-2011	2009-2010	2008-2009	2007-2008
Liga ZON Sagres	2.419.683	2.616.301	2.493.653	2.690.791
Liga Orangina	296.440	221.038	344.902	332.034
TOTAL	2.716.123	2.837.339	2.838.555	3.022.825

Total Average Number of Spectators in the Last 4 Seasons
2.853.711

Source: Liga Portuguesa de Futebol Profissional (www.lpfp.pt). Computations made by the author.

Table II: Average Stadium Occupation Rate and Average Attendance per Game in the last four seasons in *Liga ZON Sagres and Liga Orangina*

	Liga ZON Sagres		Liga Orangina	
Season	Occupation Rates	Average Attendance per Game	Occupation Rates	Average Attendance per Game
2007/2008	38%	11.212	22%	1.383
2008/2009	41%	10.390	21%	1.437
2009/2010	39%	10.901	18%	921
2010/2011	38%	10.082	26%	1.235

Source: Liga Portuguesa de Futebol Profissional (www.lpfp.pt). Computations made by the author.

Table III: GDP per capita and Values per Spectator[30]

Country	GDP Per Capita Purchasing Power Parity 2010	% of Portugal's GDP	Value per Spectator (Table 1)	% of Portugal's Value per Spectator	Spectators/Population (Table 1)
Portugal	16.200 €	-	23 €	-	25%
Belgium	32.600 €	50%	17 €	135%	32%
France	29.800 €	54%	18 €	128%	12%
Germany	30.300 €	53%	30 €	77%	16%
Italy	25.700 €	63%	23 €	100%	15%
Netherlands	35.400 €	46%	18 €	128%	36%
Spain	22.800 €	71%	42 €	55%	23%
United Kingdom	27.300 €	59%	50 €	46%	25%

Source: Eurostat; Table 1 - page 7.

Table III allows a comparison of the Value per Spectator between countries in terms of GDP per capita and Spectators/Population ratio. Therefore, Portugal, for instance, in order to achieve United Kingdom's 25% Spectators/Population ratio, presents a lower

[29] For instance, *Gil Vicente FC* had, in 2011, 4.100 members (Source: Club) and an average matchday attendance in the 2010/2011 season of 4.075 spectators, which is about three times the average attendance of that competition in the referred season (1.235 spectators) (www.lpfp.pt).
[30] The value per spectator of the United Kingdom is the one presented by England in Table 1 - page 7.

Value per Spectator (46% of the UK's one) than in terms of GDP per capita (59% of the UK's one). However, if we look at the case of Netherlands, the opposite happens, i.e., Portugal, although presenting a lower GDP per capita, has a higher Value per Spectator (128% of the Netherlands' one) and is achieving a lower Spectators/Population ratio than this country (25% vs. 36%).

Thus, this indicates the need to review the prices charged by the Portuguese football clubs to a level adjusted to the country's GDP per capita and that will still be able to increase ticket sales. Moreover, as previously stated in this Work Project, Portuguese football clubs should deal with this issue by the occupation rates side, i.e., by bringing more fans to the stadium and embracing them in different activities and services, since a raise in prices is not advised.

Table IV: Approximate Number of Members of the Clubs competing in *Liga ZON Sagres* 2010/2011[31]

	Approximate Number of Members (2011)
S.L. Benfica	220.000
F.C. Porto	110.000
Sporting C.P.	93.000
S.C. Braga	28.000
Vitória S.C.	25.000
A. Académica C.	21.000
Vitória F.C.	21.000
C.S. Marítimo	10.000
C.D. Nacional	6.300
S.C. Olhanense	6.000
S.C. Beira-Mar	3.700
Rio Ave F.C.	3.000
Portimonense S.C.	2.800
A. Naval 1º de Maio	2.800
F.C. Paços de Ferreira	2.600
União D. de Leiria	2.500
TOTAL	**557.700**

Source: Clubs; www.futebolfinance.com.

[31] Notes: (1) The number of members of *Club Sport Marítimo* and *Associação Académica de Coimbra* refers to the year of 2009 due to their unwillingness to disclose this information. (2) The numbers presented include members without a regularized situation; (3) The clubs were contacted between the 7th of October and the 23rd of November, 2011.

Table V: Maximum and Minimum Prices for tickets according to the clubs' stadium category

Category/Quality Level of the Stadium		Minimum Price	Maximum Price
Liga ZON Sagres	Level 1 Stadium	5 €	65 €
	Level 2 Stadium		45 €
	Level 3 Stadium		30 €
Liga Orangina	Level 1 Stadium	2 €	20 €
	Level 2 Stadium		15 €
	Level 3 Stadium		10 €

Source: LPFP (2011).

Liga ZON Sagres' value per spectator in 2009/2010 (23 Euros) almost corresponds to the maximum price allowed to be charge for a *Liga Orangina*'s match (20 Euros).

Table VI: Prices of the Season Tickets of *Barclays Premier League*'s and *Liga ZON Sagres*' Clubs in 2011/2012[32]

Prices of Season Tickets	Minimum	Maximum	Average	Average per Game (19 Games)
Arsenal	1.109,15 €	2.267,29 €	1.688,22 €	88,85 €
Tottenham Hotspurs	804,75 €	1.457,88 €	1.131,31 €	59,54 €
Chelsea	693,95 €	1.457,88 €	1.075,91 €	56,63 €
Queens Park Rangers	640,30 €	1.165,13 €	902,72 €	47,51 €
Liverpool	845,57 €	935,37 €	890,47 €	46,87 €
Manchester United	620,47 €	1.107,99 €	864,23 €	45,49 €
Swansea City	775,59 €	775,59 €	775,59 €	40,82 €
Newcastle United	402,37 €	1.008,85 €	705,61 €	37,14 €
Everton	620,47 €	746,43 €	683,45 €	35,97 €
Stoke City	553,99 €	775,59 €	664,79 €	34,99 €
Manchester City	571,49 €	699,78 €	635,63 €	33,45 €
Wolverhampton	551,66 €	662,46 €	607,06 €	31,95 €
Aston Villa	472,35 €	676,45 €	574,40 €	30,23 €
West Bromwich	481,68 €	662,46 €	572,07 €	30,11 €
Sunderland	466,52 €	612,31 €	539,41 €	28,39 €
Bolton Wanderers	372,05 €	484,01 €	428,03 €	22,53 €
Fulham	313,73 €	512,01 €	412,87 €	21,73 €
Norwich City	408,21 €	408,21 €	408,21 €	21,48 €
Wigan Athletic	344,06 €	402,37 €	373,22 €	19,64 €
Blackburn Rovers	262,42 €	465,35 €	363,89 €	19,15 €
AVERAGE	**565,54 €**	**864,17 €**	**714,85 €**	**37,62 €**
AVERAGE PER GAME	**29,77 €**	**45,48 €**		

[32] Notes: (1) The information was obtained between the 24th and 25th of November, 2011; (2) *União D. de Leiria* did not have, at that moment, any season ticket for sale; (3) The Portuguese minimum average per game price represents 24% of the England's one (computations made by the author); (4) The Portuguese maximum average per game price represents 26% of the England's one (computations made by the author); (5) The United Kingdom's Gross Domestic Product per capita at Purchasing Power Parity in 2010 represented 59% of the Portugal's one (Eurostat); (6) Exchange Rate November 2011: 1 GBP = 1,1663 Euros (Banco de Portugal); (7) The prices of *Everton*, *Norwich City*, *Stoke City*, *Swansea City*, *West Bromwich* and *Wolverhampton* were computed by extrapolation of half-season tickets and single-match tickets prices.

Prices of Season Tickets	Minimum	Maximum	Average	Average per Game (15 Games)
Rio Ave F.C.	216,00 €	216,00 €	216,00 €	14,40 €
Sporting C.P.	117,00 €	306,00 €	211,50 €	14,10 €
S.C. Beira-Mar	210,00 €	210,00 €	210,00 €	14,00 €
C.D. Feirense	200,00 €	200,00 €	200,00 €	13,33 €
S.L. Benfica	95,00 €	257,00 €	176,00 €	11,73 €
C.S. Marítimo	175,00 €	175,00 €	175,00 €	11,67 €
F.C. Paços de Ferreira	150,00 €	150,00 €	150,00 €	10,00 €
C.D. Nacional	60,00 €	240,00 €	150,00 €	10,00 €
F.C. Porto	110,00 €	175,00 €	142,50 €	9,50 €
A. Académica C.	100,00 €	140,00 €	120,00 €	8,00 €
Gil Vicente F.C.	30,00 €	170,00 €	100,00 €	6,67 €
S.C. Braga	35,00 €	160,00 €	97,50 €	6,50 €
Vitória S.C.	15,00 €	180,00 €	97,50 €	6,50 €
S.C. Olhanense	40,00 €	80,00 €	60,00 €	4,00 €
Vitória F.C.	50,00 €	50,00 €	50,00 €	3,33 €
União D. de Leiria	NA	NA	NA	NA
AVERAGE	**106,87 €**	**180,60 €**	**143,73 €**	**9,58 €**
AVERAGE PER GAME	**7,12 €**	**12,04 €**		

Source: Clubs; Eurostat; Banco de Portugal.

As table VI shows, there is a high disparity between the prices charged by the Portuguese and the English football clubs.

Table VII: Number of Members vs. Stadium's Capacity of *Liga ZON Sagres* 2010/2011's Clubs[33]

2010/2011	Stadium's Capacity (SC)	Number of Members (NM)	NM/SC	Occupation Rate
S.L. Benfica	65.000	220.000	338%	59%
F.C. Porto	50.948	110.000	216%	73%
Sporting C.P.	50.466	93.000	184%	50%
S.C. Braga	30.154	28.000	93%	48%
A. Académica C.	30.000	21.000	70%	15%
S.C. Beira-Mar	30.000	3.700	12%	13%
União D. de Leiria	30.000	2.500	8%	10%
Vitória S.C.	29.000	25.000	86%	47%
Vitória F.C.	18.694	21.000	112%	25%
Rio Ave F.C.	10.660	3.000	28%	22%
A. Naval 1º de Maio	10.000	2.800	28%	17%
C.S. Marítimo	6.918	10.000	145%	78%
Portimonense S.C.	6.204	2.800	45%	33%
S.C. Olhanense	5.856	6.000	102%	27%
F.C. Paços de Ferreira	5.255	2.600	49%	45%
C.D. Nacional	5.000	6.300	126%	40%
Total	**384.155**	**557.700**	**145%**	
% of the Population 2011	**3,64%**	**5,28%**		

Source: www.abola.pt; www.ine.pt. www.lpfp.pt. Computations made by the author.

[33] Notes: (1) The number of members of *Club Sport Marítimo* and *Associação Académica de Coimbra* refers to the year of 2009 due to their unwillingness to disclose this information. (2) The numbers presented include members without a regularized situation; (3) The clubs were contacted between the 7th of October and the 23rd of November, 2011; (4) Average Stadium's Capacity = 24.010; (5) Average Number of Members = 34.856; (6) Average Ratio between the Number of Members and Stadium's Capacity = 103%; (7) Average Stadium's Capacity without the Big Three (*SL Benfica*, *FC Porto* and *Sporting CP*) = 16.749; (8) Average Number of Members without the Big Three = 10.362; (9) Average Ratio between the Number of Members and Stadium's Capacity = 70%; (10) Ratio between the Total Number of Members without the Big Three and the Total Stadiums' capacity without the Big Three = 62%.

Another important issue in the Portuguese professional football is the capacity of the clubs' stadiums which is, in many cases, too high and ambitious. This situation is even more clear if we do not consider the Big Three (*SL Benfica, FC Porto* and *Sporting CP*). Therefore, as Table VII and its footnote shows, if we take into account the total number of members and the total stadiums' capacity, the ratio between them is 145%. However, if we do not consider the Big Three, this ratio decreases to 62% (an 83% decrease). Furthermore, it is also important to notice that the average number of members decreases from 34.856 to 10.362 when we do not consider the Big Three.

Moreover, the Portuguese *Liga ZON Sagres* 2010/2011 stadiums' capacity represented 3,64% of the total population whereas in England, for instance, the total stadiums' capacity of *Barclays Premier League* in 2010/2011 represented only 1,46% of the total local population having, in addition, presented the same ratio (25%) between the total number of spectators and the total population as Portugal (Table 1). [34] Thus, these facts indicate a too ambitious strategy regarding stadiums' capacity that increases the difficulty of presenting high stadium occupation rates.

A final insight should be given regarding the transactions between Portuguese public/regulatory bodies and professional football clubs. Between 1996 and 2010, about 16% of the total amount distributed to Portuguese sports federations was attributed to *FPF* which corresponds, in average, to 6 million Euros.[35] Moreover, *LPFP*, in 2009/2010, granted some of its revenue streams to the clubs participating in *Liga Sagres* (former *Liga ZON Sagres*) and *Liga Vitalis* (former *Liga Orangina*) in a total of about 6,4 million Euros. They were: *Adidas* official match balls (378.000 Euros),

[34] Computations made by the author. Source: Barclays Premier League; UK National Statistics.

[35] *Gabinete do Secretário de Estado do Desporto e Juventude* - Government of Portugal.

reimbursements for trips of *Liga Vitalis*'s clubs to Madeira and Azores (48.000 Euros), tickets bought to clubs (580.000 Euros), marketing campaign *Entra em Campo* involving five clubs from *Liga Sagres* (170.000 Euros), system of financial incentives for the renovation and modernization of infrastructures and improvement of safety conditions (1,3 million Euros), granting of rights in video games (288.000 Euros), prizes from *Taça da Liga* (3,5 million Euros), and stewards for *Liga Vitalis*' matches (102.000 Euros).[36]

Appendix III - Main Key Drivers of the Football Market

There are several factors intrinsic related to football that can have either a positive or a negative impact on the clubs' performance and success of its management.

First of all, the location of the club and the demography of that area can limit the scope and potential of the club. For instance, in an area with a fewer number of inhabitants, like Portugal, the growth potential is much smaller than in a country like Spain due to the relative size of the market. This situation limits the different revenue streams, namely, at a broadcasting, tickets and sponsorships level. Moreover, the purchasing power of the population also affects the growth potential of a football club in terms of matchday and membership revenues.

The history and achievements of the club also have implications in its fan base and growth potential due to the preference by fans to be associated to a winner club.[37]

Another important point that is directly related to the broadcasting revenue stream, is the model of negotiation adopted by the clubs and football federations when selling the broadcasting rights. In some European countries, the entity responsible for regulating

[36] *LPFP*'s 2009/2010 Annual Report & Accounts
[37] Please, refer to the surveys' results in Appendix IX - page 72.

football and its competitions, negotiates with broadcasters on behalf of the clubs. On the other hand, in other countries, clubs negotiate individually with those companies which leads to a more unequal distribution of those revenues and is intrinsic related with clubs' power of negotiation (Deloitte, 2011).

Nowadays, the model of financing of the Portuguese football clubs also has an important effect on how they will make decisions, in the sense that the ability to obtain credit from banks will be even more difficult (CEGEA (1), 2011; Deloitte, 2011).

The "Financial Fair-Play" concept is another key driver and was approved by *UEFA* in September 2009. It is based on the rule that clubs cannot spend more than they generate and aims to stop the inflationary effect of salaries and transfers fees. It also aims to instill more financial discipline in clubs, promote long-term investments in youth players and infrastructures, promote competition between revenues and instill clubs to deal with their large amounts of liabilities. The European football clubs will have until the 2013/2014 season to reorganize their accounts in order to meet *UEFA*'s demands.[38]

Another important point, as mentioned before, is the fact that Portuguese clubs do not have the ability to retain and attract the best players and offer them higher salaries, being less competitive than other European championships. This results from the inability to generate as much revenues as those countries do (Deloitte, 2011).

Other aspect is the safety concern. Some events regarding violence between organized groups of supporters that usually occur, damages the image of sport and drive away many people from the clubs' stadiums.[39]

A final remark is the fact that, in 2012, in Portugal, the Value Added Tax Rate (VAT)

[38] UEFA. 2010. www.uefa.com/uefa/footballfirst/protectingthegame/financialfairplay/index.html (accessed September 15, 2011).

[39] Correio da Manhã. 2011. http://www.cmjornal.xl.pt/detalhe/noticias/ultima-hora/oito-detidos-nos-confrontos-junto-ao-estadio-da-luz (accessed December 20, 2011).

associated to tickets for sport events will increase to 23% (it was 6%).[40] This raise represents a new constraint to the Portuguese football clubs in terms of price setting. Due to the price ceiling imposed by *LPFP* for each professional league (LPFP, 2011), and, simultaneously, due to the inability of clubs to raise prices, as explained before, they will have to support this tax raise which will decrease their matchday revenues.

Appendix IV: Value Chain Analysis

Regarding the value chain analysis, in order to provide an example of a Portuguese football club, I used the case of *Sport Lisboa e Benfica - Futebol, SAD* having analyzed and organized its operating revenues and costs in 2010/2011 into five activities:[41]

Table VIII: Value Creation of the "Participation in Official Competitions and Daily Operations" Activity

Participation in official competitions and daily operations			
Revenues		**Costs**	
Broadcasts	8.409.542 €	**Specialized services**	3.664.702 €
Prizes from competitions	2.018.812 €	**Travel and accomodation**	1.967.596 €
Prizes from UEFA	13.966.056 €	**Subcontracts**	1.355.497 €
Other revenues	519.023 €	**Sport equipment**	1.298.953 €
Total	**24.913.433 €**	**Security and Surveillance**	1.216.605 €
Weight on total revenues	**22%**	**Elecricity**	941.258 €
		Maintenance and Repair	914.317 €
		Rents	635.455 €
		Cleaning, hygiene and comfort	517.677 €
		Medical Expenses	459.467 €
		Communications	394.793 €
		Insurance	372.885 €
		Water	335.760 €
		Wages	14.114.533 €
		Other costs	1.643.086 €
		Total	**29.832.584 €**
		Weight on total costs	**44%**
-4.919.151 €			
-10%			

[40] A Bola. 2011. http://www.abola.pt/nnh/ver.aspx?id=292931&rss=1 (accessed October 14, 2011).
[41] Note: I distributed the total wages cost by three activities and used the data from *Sport Lisboa e Benfica - Futebol SAD*'s 2010/2011 Annual Report & Accounts

Table IX: Value Creation of the "Partnerships and Sponsorships" Activity

Partnerships and Sponsorships			
Revenues		**Costs**	
Advertisement and Sponsorships	14.206.550 €	**Commissions**	763.818 €
Commissions	2.569.800 €	**Benfica brand license**	750.000 €
Royalties	545.833 €	**Total**	**1.513.818 €**
Total	**17.322.183 €**	**Weight on total costs**	**2%**
Weight on total revenues	**15%**		
15.808.365 €			
33%			

Table X: Value Creation of the "Attracting New Members and Retaining the Current Ones" Activity

Attracting new members and retaining the current ones			
Revenues		**Costs**	
Membership fees	9.507.654 €	**Catering services**	1.743.846 €
Corporate	8.513.137 €	**Representation costs**	356.019 €
Matchday Tickets	6.711.033 €	**Wages**	14.114.533 €
Reserved Seats	3.789.284 €	**Total**	**16.214.398 €**
Season Tickets	2.480.256 €	**Weight on total costs**	**24%**
Títulos Centenarium* and *Títulos Fundador	1.610.312 €		
Total	**32.611.676 €**		
Weight on total revenues	**28%**		
16.397.278 €			
34%			

Table XI: Value Creation of the "Promoting the Brand" Activity

Promoting the brand			
Revenues		**Costs**	
Cachets	2.225.000 €	**Image rights**	1.240.988 €
Total	**2.225.000 €**	**Advertisement**	437.981 €
Weight on total revenues	**2%**	**Cachets**	360.000 €
		Wages	14.114.533 €
		Total	**16.153.502 €**
		Weight on total costs	**24%**
-13.928.502 €			
-29%			

Table XII: Value Creation of the "Developing Players" Activity

Developing players			
Revenues		**Costs**	
Loans of players	684.720 €	**Costs from players**	2.188.105 €
Revenues from players transfers	37.671.626 €	**Fees (coaches, scouts, etc.)**	1.290.797 €
Total	**38.356.346 €**	**Loans of players**	260.000 €
Weight on total revenues	**33%**	**Total**	**3.738.902 €**
		Weight on total costs	**6%**
34.617.444 €			
72%			

Table XIII: Total Revenues, Costs and Return

TOTAL REVENUES	115.428.638 €	100%
TOTAL COSTS	67.453.205 €	58%
TOTAL RETURN	**47.975.433 €**	**42%**

Table XIV: Contribution of each activity to the Operating Margin and the Total Revenues

Activity	Contribution to the Margin	Weight on Total Revenues	Margin
Partnerships and Sponsorships	33%	14%	**42%**
Participation in official competitions and daily operations	-10%	-4%	
Attracting new members and retaining the current ones	34%	14%	
Promoting the brand	-29%	-12%	
Developing players	72%	30%	
TOTAL (%)	**100%**	**42%**	

Appendix V: Background of the analyzed Professional Football Clubs[42]

Sport Clube Beira-Mar[43]

Sport Clube Beira-Mar was founded in 1922 and is the most representative club from the *Aveiro* region. Its *Sociedade Anónima Desportiva* was created in 2011.

The main value of *Sport Clube Beira-Mar* is the "promotion of the physical and sport activity indispensable for the complete psychophysical, civic and social development of the modern individual".

Mission: *Sport Clube Beira-Mar* is an Institution of Public Utility and has as its mission promote and disseminate the sport, cultural and recreational activity in the community in which is located, providing to all its athletes a quality civic and sport education, further promoting the solidification of the emotional ties with the club.

Vision: *Sport Clube Beira-Mar* aims to be seen as the reference sport institution in the *Aveiro* region to stimulate in young people the desire to be part of our family, not only because of the excellence of the existing facilities, but also due to the high quality pattern of the monitored principles in the several promoted sports and activities.

[42] This section was evaluated and approved by the analyzed football clubs.
[43] Meetings with the club; www.beira-mar.pt; http://desporto.publico.pt/noticia.aspx?id=1506735 (accessed December 10, 2011)

Values: Ethics, Respect, Ambition, Solidarity, Competence.

SC Beira-Mar has a members base of about 3.700 members (2011) and its achievements have been: 3 Second Division National Championships, 1 Third Division National Championship, 1 Portuguese Cup, 1 *Ribeiro dos Reis* Cup, and 2 *Liga de Honra* Championships.

Sport Lisboa e Benfica[44]

Founded in 1904, *Sport Lisboa e Benfica* holds the Guinness World Record as the "Greatest Football Club in the World" (the football club with the highest number of members). Recently, Benfica was considered the 28th Most Valuable European Football Club Brand in 2011 with a brand value of £ 36 Million (Brand Finance European Football Brands, 2011). Its *Sociedade Anónima Desportiva* was created in the year 2000 and is currently present in the Portuguese stock market.

Mission: *Sport Lisboa e Benfica* aims to promote and disseminate professional sports and recreational activities in Portugal and abroad, providing to all its athletes and members quality facilities and experiences enabling them to be winners in all the activities in which they are inserted, and strengthening the ties between them and the club, and representing them all over the world. *(proposed by the author in collaboration with the club)*

Vision: In the next decades, *Sport Lisboa e Benfica* intends to be the most successful sport organization in Portugal and one of the Top-10 of the world, in football and in the other sports, and both in a competitive and financial perspective. *(proposed by the*

[44] Meetings with the club: www.ecaeurope.com; *Sport Lisboa e Benfica*'s Annual Report 2010/2011; *Sport Lisboa e Benfica - Futebol, SAD*'s Annual Report 2009/2010; http://pt.wikipedia.org/wiki/Sport_Lisboa_e_Benfica (accessed October 6, 2011); www.slbenfica.pt; www.superbrands.com/pt/pdfs/vol5_case_studies/slbenfica.pdf (accessed October 5, 2011).

author in collaboration with the club)

Values: *Portugalidade* and tolerance; unity and community spirit; generosity and associative attachment; mystique and energy; democracy and respect; eclecticism and sportsmanship; tenacity and defense of values (Superbrands, 2009).

SL Benfica has a large members base of about 220.000 members (2011) and its main achievements have been: 32 Portuguese Championships, 24 Portuguese Cups, 4 Portuguese Supercups, 3 Portuguese League Cups, 2 European Champion Clubs' Cup, and 1 Latin Cup.

Sporting Clube de Braga[45]

Sporting Clube de Braga was founded in 1921 and is the most representative club in the *Braga* region. Its *Sociedade Anónima Desportiva* was created in 1998 (CEGEA (2), 2011).

Recently, the club has presented high performances finishing *Liga ZON Sagres* in the second place in 2009/2010 and reaching the final of *UEFA Europa League* in 2010/2011. This growth has also been accompanied by a significant financial consolidation taking advantage of its recent successful on-field results. In this context, *SC Braga* received an award from the European Clubs Association (ECA) for the "Best Sporting Progress 2011".

Mission: *Sporting Clube de Braga's* mission relies in four goals: provide an organization that meets or exceeds the needs and expectations of members, supporters and visitors in general; develop a partnership with suppliers and sponsors; strengthen relationships maintained with institutional entities involved; and promote a work

[45] Meetings with the club; www.ecaeurope.com; www.scbraga.pt; http://pt.wikipedia.org/wiki/Sporting_Clube_de_Braga (accessed October 19, 2011).

environment that enhances motivation and involvement of all employees.

Vision: *Sporting Clube de Braga* aims to be the most successful sporting organization in the *Braga* region and in Portugal. The Club, also aims to be a regular presence in European competitions and be part of the European group of excellence of sporting organizations, both at a sporting and managerial level, providing state of the art conditions for its fans and employees. *(proposed by the author)*

Values: Warrior Spirit, Uniqueness, Unity and Community Spirit, Ambition, Respect, and Competence. *(proposed by the author)*

SC Braga has a members base of about 28.000 members (2011) and its achievements have been: 1 *UEFA Intertoto Cup*, 1 Portuguese Cup, 1 *Federação Portuguesa de Futebol* Cup, and 2 Second Division National Championships.

Appendix VI: Questions for the Clubs' Managers[46]

Customer Segments

1 – Do you divide your customers (members and fans) into segments?

2 – Which ones are more valuable for you?

Value Proposition

1 – How do you define the value that you propose yourselves to deliver to your customers?

2 – What products and services are you offering to each customer segment?

Channels

1 – How are you reaching your customers? In which way and using which resources?

2 – Which ones work best?

[46] Some of the questions are based on Osterwalder & Pigneur (2010).

3 – How do you raise awareness about your club?

4 – How do you help customers evaluate your value proposition?

Customer Relationships

1 – What type of relationship does each of your customer segments expect you to establish and maintain with them?

2 – Which ones have you established?

Revenue Streams

1 – How much does each revenue stream contribute to the total revenues?

2 – Prices of the different tickets and historical data about game attendance.

3 – Number of business seats.

Cost Structure

1 – What are the most important costs inherent in your business model?

2 – Which key resources are most expensive?

3 – Which key activities are most expensive?

4 – Fixed and variable costs.

Key Resources

1 – What key resources do your value propositions require?

Key Activities

1 – What key activities do your value propositions require?

Key Partnerships

1 – Who are your key partners?

2 – Which key resources are you acquiring from partners?

3 – Which key activities do your partners perform?

Others

1 – In terms of social responsibility do you develop actions, for instance, with the aim of integrating youngsters from the city where your club is located?

2 – What are the main differences and changes in the sector that have taken place in the last 5 to 10 years?

3 – How many non-coach related employees do you have? And what is the total number of employees?

4 – Do you have partner clubs (co-branding)?

5 – Organizational structure of the club.

6 – Current number of members.

Appendix VII: General Assessment of the Clubs and their BMC using SWOT Analysis; TOWS Analysis based on the General Assessment of the Clubs and their BMC; Assessment of the Clubs' BMC Blocks using SWOT Analysis

Table XV: SL Benfica - Futebol, SAD's Infrastructure Management Blocks

<table>
<tr><td rowspan="2">KEY PARTNERSHIPS
- Portugal Telecom (Benfica Telecom);
- Top Atlântico (Benfica Viagens);
- HPP Saúde (Benfica Saúde);

- Categories:
• Main Sponsor;
• Official Sponsor;
• Technical Sponsor;
• Caixa Futebol Campus Sponsor;
• Stand Naming Rights Sponsors;
• Official Partners;
• Official Suppliers;
• Official Wear Sponsors;
• Other Partners.</td><td>KEY ACTIVITIES
- Participation in the official UEFA, LPFP and FPF competitions;
- Promote the brand;
- Establish partnerships and attract sponsorships;
- Interaction with members, company-members and partners/sponsors;
- Retain and attract new members.</td></tr>
<tr><td>KEY RESOURCES
- Sport facilities (stadium and academy);
- Benfica TV facilities;
- Companies of the Benfica Group;
- Players and remaining club's staff.</td></tr>
</table>

Table XVI: SL Benfica - Futebol, SAD's Value Proposition Block

VALUE PROPOSITION
- Provide a totally enriching experience and all the modern and innovative services needed by its members in order to involve them and represent them all over the world, differentiating the club's revenue sources;

Products and Services: - Benfica Corporate Club; - Benfica Foundation; - Visits to the stadium; - Benfica Health Clinic (Benfica Health); - Benfica Health Club (concession); - Benfica's Museum; - Benfica Insurance; - Benfica Megastore; - "Mística" magazine and "O Benfica" newspaper; - Benfica's Bingo; - Benfica Credit Card; - Mobile Ticketing; - Seasons seats (Red Pass).

Table XVII: SL Benfica - Futebol, SAD's Customer Interface Blocks

CUSTOMER RELATIONSHIPS - Benfica Corporate Club; - Close relationship with their members and company-members; - Benfica Club Houses.	**CUSTOMER SEGMENTS** - Companies (Benfica Corporate Club): Platinum members, Gold members, Silver members and Executive Seats; - Partners and Sponsors; - General Fans; - Regular members (season tickets segmented by gender and age group and membership fees segmented by age group); - Children (Fans and Potential Athletes).
CHANNELS - "Mística" magazine and "O Benfica" newspaper; - Benfica TV; - Club's website; - Newsletters; - Through partners; - Benfica Club Houses; - Benfica Megastore; - Media; - Facebook; - Campaigns in schools.	

Table XVIII: SL Benfica - Futebol, SAD's Revenue Streams and Cost Structure Blocks

COST STRUCTURE 2009/2010 vs. 2010/2011 (SAD's Operating Costs): - Wages (39% vs. 38%); - Costs and amortizations with players (27% vs. 26%); - Supplies and External Services (21% vs. 20%); - Other (13% vs. 16%).	**REVENUE STREAMS** 2009/2010 vs. 2010/2011 (SAD's Operating Revenues): - Players Transfers (24% vs. 31%); - Matchday tickets, seat rights, season tickets and season seats (20% vs. 12%); - Advertising and Sponsorships (17% vs. 12%); - Memberships (10% vs. 8%); - Broadcasting (10% vs. 7%); - Prizes from competitions (4% vs. 13%); - Corporate (4% vs. 7%); - Merchandising (3% vs. 3%); - Other (8% vs. 7%).

Table XIX: SL Benfica - Futebol, SAD's General SWOT Analysis

STRENGTHS 1- Several categories of sponsors allowing different companies to be associated with the club and the opportunity to offer its members valuable services performed by quality and well-known companies (Portugal Telecom, HPP Saúde, etc.); 2- Participation in UEFA's competitions allowing high brand awareness and exposure; 3- A large set of services offered to its members providing different sources of revenues; 4- Many channels of communication allowing the club to communicate with each segment constantly and differently; 5- Many points of sale and interaction (club houses); 6- Large scope in terms of customer segments; 7- Costs relatively evenly distributed by each cost item and different sources of revenues; 8- International scope and high brand awareness; 9- Large fan/member-base (football club in the world with most members - Guiness World Record 2006); 10- History and achievements; 11- Representativeness of the brand as one of the most important of Portugal; 12- Integration in the community through its Foundation; 13- Comfort and conditions of its stadium.	**WEAKNESSES** 1- A heavy structure is needed in order to support all the offered activities and services and reach all the customer segments; 2- Weight of the costs with wages (almost 40% in 2009/2010); 3- Medium dependence on players transfers revenue stream; 4- Low revenues from broadcasting comparing to other European clubs that also have a large members-base; 5- Significant reliance on liabilities.
OPPORTUNITIES 1- Opportunity and need to balance its financial accounts due to the Financial Fair-Play rules; 2- Opportunity to negotiate individually its broadcasting rights in 2013 expecting to largely increase this revenue stream; 3- Sell of the stadium's naming rights; 4- Export and settle *Sport Lisboa e Benfica*'s brand image in countries with high development rates such as China, India, Brazil and Angola focusing not only in regular fans and members but also in new company-members and partners/sponsors/investors; 5- Involvement and communication with fans and members through online platforms; 6- Reach other customer segments due to increasing demographic changes; 7- Opportunity of differentiation through participation in social causes and offering safety conditions; 8- Establish partnerships with different companies enlarging even more the type of services offered; 9- Increasing number of the senior population already committed to the club.	**THREATS** 1- European and Portuguese expected economic scenario at least in 2011, 2012 and 2013; 2- Many companies in financial distress (once potential partners); 3- Increasing interest rates and difficulty in obtaining credit from banks; 4- Lower investment in sports by the Portuguese Government; 5- Increase of the Value-Added Tax associated to sports shows from 6% to 23% and the existence of limit prices for tickets and low stadium occupation rates; 6- Higher taxes and tighter control of financials by UEFA and the Portuguese Government; 7- Violence episodes occurred in the last seasons; 8- Decreasing weight of the youth Portuguese population representing a constraint for attracting new members and fans with the age when usually people commit to a certain football club; 9- Spread access to the internet allowing sometimes fans to watch football matches on their personal computers illegally, which might affect broadcasting revenues; 10- High dependence on on-pitch performance in order to boost several revenue items.

Table XX: SL Benfica - Futebol, SAD's TOWS Analysis based on the General SWOT Analysis

STRENGTHS/OPPORTUNITIES - O1: S7, (S2, S5, S8, S9 - to boost revenues); - O2: S2, S4, S5, S8, S9, S11; - O3: S2, S4, S8, S9, S10, S11, S13; - O4: S1, S2, S4, S6, S8, S9, S10, S11; - O5: S1, S3, S4, S6, S8, S9, S10, S11; - O6: S1, S3, S4, S5, S8, S11, S12; - O7: S12, S11, S8, S5, S4; - O8: S1, S2, S4, S5, S6, S8, S9, S11, S12; - O9: S9, S6, S4, S3.	**WEAKNESSES/OPPORTUNITIES** - W1: O1, O2, O3, O4, O6; - W2: O1; - W3: O2, O3, O4, O6, O8; - W4: O2, O4; - W5: O1.
STRENGTHS/THREATS - T1: S2, S1, S3, S6, S7, S8, S9, S11; - T2: S1, S2, S4, S6, S8, S9, S11; - T3: S7, S8, S9, S11; - T4: S2, S3, S6, S8, S9, S11; - T5: S2, S6, S9, S8, S13; - T6: S2, S7, S8, S9, S11; - T7: S8, S12, S13; - T8: S2, S3, S4, S6, S8, S9, S10, S11; - T9: S5, S6; - T10: S1, S3, S7, S9, S12.	**WEAKNESSES/THREATS** Taking advantage of opportunities and strengths to transform weaknesses into strengths and minimize the power of threats. Balance the accounts: W1, W2, W5, T1, T2, T3, T4, T5, T6. The remaining weaknesses and threats are confronted with individually adapted strengths and opportunities.

Table XXI: SWOT Analysis of SL Benfica - Futebol, SAD's BMC Blocks

STRENGTHS Value Proposition: - The VP is well aligned with the needs of the consumers; - The VP has strong network effects; - There are significant synergies between the main service and other products/services; - The customers are satisfied. Revenue Streams and Cost Structure: - The RS are diversified; - Some RS benefit from large margins; - Some of the RS are frequent and more or less constant; - The RS are sustainable; - It charges what the customers are willing to pay; - The cost structure is well adapted to the type business model; - It benefits from power of negotiation and economies of scale. Infrastructure Management: - The resources needs are predictable; - It has the right amount of resources in the right moment; - The balance between internal and external activities is appropriate; - It works with partners when suitable and has good relationships with them. Customer Interface: - Large customer-base; - The customers are well segmented;	**WEAKNESSES** Value Proposition: ------ Revenue Streams and Cost Structure: - Some of the revenues and costs are variable and unpredictable, and highly dependent on on-pitch performance (players transfers, matchday revenues, prizes from competitions, etc.); - Some costs happen before receiving the corresponding revenues. Infrastructure Management: - Key Resources and Activities are easy to replicate by competitors; - The efficiency of the Key Activities depend on on-pitch success. Customer Interface: - The abandon rates are higher when on-pitch success is lower; - The level of satisfaction of the regular members is not properly assessed.

- It is continuously attracting new members; - The abandon rates (members do not pay membership fees) are low; - Channels are efficient and reach many customers; - Channels are strongly integrated; - Channels are well adapted to the customer segments; - Strong relationships with its customers; - The type of relationships is well adapted to each customer segment; - Strong brand.	
OPPORTUNITIES Value Proposition: - Extension of the services offered to its members; Revenue Streams and Cost Structure: - Increase members' willingness to pay by adding new services to the club's offer; - Opportunity to increase the broadcasting revenues stream; - Sell of the stadium's naming rights; - Explore new sources of revenues from countries with recent high development rates; - Reach new customer segments; - Optimization of the external services and supplies through long-term contracts. Infrastructure Management: - Integrated exploitation of the academy and the stadium optimizing its usage during periods without competitions; - Opportunities of cross-selling with new partners (baskets of goods in Christmas, for instance); Customer Interface: - Focus on unexplored or less explored segments (women, spouses, unemployed, parents and children, grandparents and grandchildren, widows); - Improve the follow-up of members satisfaction about the services offered; - Create new channels by establishing new partnerships.	**THREATS** Value Proposition: - There are available substitute services and they can offer better prices and sometimes value; Revenue Streams and Cost Structure: - There are variable and unpredictable costs and revenues; - Margins are being threatened by tax increases; - Possible decrease in tickets and season seats revenues. Infrastructure Management - Possibility of not being able to participate in UEFA competitions in a given season; - Possibility of not being able to attract and retain as much as partners as before due to the current economic scenario; - Some of the sponsors also have sponsorship contracts with direct competitors. Customer Interface: - Although the market has grown 7% per year in the last decade, the number of spectators is somehow stagnated; - Need to diversify the sources of revenues by offering new services; - Threat of losing members due to the current economic scenario.

Table XXII: SC Beira-Mar - Futebol, SAD's Infrastructure Management Blocks

KEY PARTNERSHIPS	KEY ACTIVITIES
- Categories: • Official Sponsors; • Official Partners; • Premium Sponsors; • Gold Partners; • Silver Partners.	- Participation in the official *LPFP* and *FPF* competitions; - Promote the brand; - Establish partnerships and attract sponsorships; - Interaction with members, company-members and sponsors/partners; - Retain and attract new members.
	KEY RESOURCES - Sport facilities; - Players, coaches and remaining club's staff.

Table XXIII: SC Beira-Mar - Futebol, SAD's Value Proposition Block

VALUE PROPOSITION - Promote the sport activity and provide the experience of watching *in loco* a football match of the most representative club in the *Aveiro* region. Products and Services: - Cabin seats; - Season seats; - Visits to the stadium; - Merchandising.

Table XXIV: SC Beira-Mar - Futebol, SAD's Customer Interface Blocks

CUSTOMER RELATIONSHIPS - Members feedback by e-mail; - Close relationship with company-members.	**CUSTOMER SEGMENTS** - Company-members (cabin seats and corporate seats); - Partners and Sponsors; - General Fans; - Regular members (segmented by stand, gender and age group); - Children (Fans and Potential future athletes).
CHANNELS - *Loja Amarela* (at Estádio Municipal de Aveiro); - *Loja Five Zone* (at Estádio Mário Duarte); - Club's website; - Newsletters; - Facebook and Twitter; - Through partners and sponsors; - Ads in certain places of *Aveiro*; - Campaigns in schools; - Local newspapers and radio stations.	

Table XXV: SC Beira-Mar - Futebol, SAD's Revenue Streams and Cost Structure Blocks

COST STRUCTURE 2009/2010 vs. 2008/2009 - Operating Costs: - Wages (73% vs. 59%); - Supplies and External Services (23% vs. 27%); - Amortizations (2% vs. 8%); - Extraordinary Expenses - Players (1% vs. 4%); - Other (1% vs. 2%).	**REVENUE STREAMS** 2009/2010 vs. 2008/2009 - Operating Revenues: - Extraordinary Revenues - Players (52% vs. 9%); - Goods and Services sold (43% vs. 82%); - Other (5% vs. 9%).

Table XXVI: SC Beira-Mar - Futebol, SAD's General SWOT Analysis

STRENGTHS 1- Several categories of sponsors allowing different companies to be associated with the club and the opportunity to offer its members valuable services; 2- Many channels of communication allowing the club to communicate with each segment constantly and differently; 3- Large scope in terms of customer segments; 4- Close relationship with company-members; 5- Increasing professionalization through the	**WEAKNESSES** 1- Few services offered to its members; 2- The value proposition has a limited scope; 3- Weight of the costs with wages (about 70% in 2009/2010); 4- High dependence on the players transfers revenue stream; 5- Significant reliance on liabilities; 6- Few points of sale (2 stores) and interaction between members; 7- Limited assessment of the regular members

recent adoption of the *Sociedade Anónima Desportiva (SAD)* model; 6- Representativeness by the brand of the Aveiro region and its close connection to the city; 7- Comfort and conditions of its stadium.	satisfaction.
OPPORTUNITIES 1- Opportunity and need to balance its financial accounts due to the Financial Fair-Play rules; 2- Opportunity to export *Sport Clube Beira-Mar*'s brand image abroad due to its recent acquisition (80%) by Mr. Majid Pishyar (owner of Servette Football Club from Switzerland); 3- Sell the naming rights of the stadium and of its stands; 4- Involvement and communication with fans and members through online platforms; 5- Reach other customer segments due to increasing demographic changes; 6- Opportunity of differentiation through participation in social causes and offering safety conditions; 7- Establish partnerships with different companies enlarging the type of services offered; 8- Increasing number of the senior population already committed to the club.	**THREATS** 1- European and Portuguese expected economic scenario at least in 2011, 2012 and 2013; 2- Many companies in financial distress (once potential partners); 3- Increasing interest rates and difficulty in obtaining credit from banks; 4- Lower investment in sports by the Portuguese Government; 5- Increase of the Value-Added Tax associated to sports shows from 6% to 23% and the existence of limit prices for tickets and low stadium occupation rates; 6- Higher taxes and tighter control of financials by the Portuguese Government; 7- Increasing violence episodes in the Portuguese stadiums; 8- Decreasing weight of the youth Portuguese population representing a constraint for attracting new members and fans with the age when usually people commit to a certain football club; 9- Spread access to the internet allowing sometimes fans to watch football matches on their personal computers illegally, which might affect broadcasting revenues; 10- High dependence on on-pitch performance in order to boost several revenue streams.

Table XXVII: SC Beira-Mar - Futebol, SAD's TOWS Analysis based on the General SWOT Analysis

STRENGTHS/OPPORTUNITIES - O1: S5; - O2: S1, S2, S3, S5; - O3: S2, S5, S6, S7; - O4: S1, S2, S3; - O5: S1, S2, S3, S6, S7; - O6: S2, S6; - O7: S1, S2, S3, S4, S6; - O8: S2, S3, S7.	**WEAKNESSES/OPPORTUNITIES** - W1: O4, O5, O7; - W2: O6, O7; - W3: O1; - W4: O1, O2, O3, O5, O7; - W5: O1, O2; - W6: O2, O7, O8; - W7: O6, O8.
STRENGTHS/THREATS - T1: S1, S3, S5, S6; - T2: S1, S2, S3, S4, S6; - T3: S3, S5, S6; - T4: S3, S5, S6; - T5: S2, S3, S6, S7; - T6: S3, S5, S6; - T7: S5, S7; - T8: S1, S2, S3, S6; - T9: S2, S3, S7;	**WEAKNESSES/THREATS** Taking advantage of opportunities and strengths to transform weaknesses into strengths and minimize the power of threats. Balance the accounts: W3, W4, W5, T1, T2, T3, T4, T5, T6. Spreading the type of services offered and points of interaction between members: W1, W2, W6,

- T10: S1, S3, S5, S6.	W7, T8, T9, T10 The remaining threats are confronted with individually adapted strengths and opportunities.

Table XXVIII: SWOT Analysis of SC Beira-Mar - Futebol, SAD's BMC Blocks

STRENGTHS Value Proposition: - The VP does not reveal a strong network effect, however, it is accomplished through the key partnerships; - There are synergies between the main service and other products/services; - The customers are satisfied. Revenue Streams and Cost Structure: - The RS are diversified; - Some of the RS are frequent; - The RS are sustainable; - It charges what the customers are willing to pay. -Infrastructure Management: - The resources needs are predictable; - It has the right amount of resources in the right moment; - The balance between internal and external activities is appropriate; - It works with partners when suitable and has good relationships with them. Customer Interface: - Close relationship and identification with the region of Aveiro; - The customers are well segmented; - It aims to continuously attracting new members; - The abandon rates (members do not pay membership fees) are medium; - Channels are efficient and reach many customers; - Channels are strongly integrated; - Channels are well adapted to the customer segments; - Strong relationships with its company-members; - The type of relationship is well adapted to each customer segment.	**WEAKNESSES** Value Proposition: - The VP is not entirely aligned with the current identified needs of a football club fan and member; - The VP does not reveal a strong network effect. Revenue Streams and Cost Structure: - Some of the revenues and costs are variable and unpredictable, and highly dependent on on-pitch performance (players transfers, matchday revenues, external services, etc.); - The margins are not as strong as in other clubs; - Some costs happen before receiving the corresponding revenues; - High weight of wages on total operating costs. Infrastructure Management: - Key Resources and Activities are easy to replicate by competitors; - The efficiency of the Key Activities depend on on-pitch success. Customer Interface: - The abandon rates are higher when on-pitch success is lower; - The level of satisfaction of the regular members is not properly assessed.
OPPORTUNITIES Value Proposition: - Extension of the services offered to its members; - Increase the scope and involvement of the value proposition. Revenue Streams and Cost Structure: - Increase members' willingness to pay by adding new services to the club's offer; - Increase the broadcasting revenues stream; - Sell the naming rights of the stadium and of its stands; - Explore new sources of revenues from other countries due to the recent acquisition of 80% of the *SAD* by Mr. Majid Pishyar and the increasing	**THREATS** Value Proposition: - There are available substitute services and they can offer better prices and sometimes value. Revenue Streams and Cost Structure: - There are variable and unpredictable costs and revenues; - High dependence on Players Transfers and other extraordinary revenues; - Margins are being threatened by tax increases; - Possible decrease in tickets and season seats revenues. Infrastructure Management - Possibility of not being able to attract and retain

number of football fans in countries with high rates of development; - Reach new customer segments; - Optimization of the external services and supplies through long-term contracts; - Smooth the weight of wages in the cost structure. <u>Infrastructure Management:</u> - Optimization of the stadium's usage during periods without competitions; - Opportunities of cross-selling with new partners (baskets of goods in Christmas, for instance); - Offer of new services by establishing new partnerships and reaching new segments. <u>Customer Interface:</u> - Focus on unexplored or less explored segments (women, spouses, unemployed, parents and children, grandparents and grandchildren, widows, emigrants); - Improve the follow-up of members satisfaction about the services offered; - Create new channels by establishing new partnerships.	as much partners as before due to the current economic scenario; - High dependence on certain partners. <u>Customer Interface:</u> - Although the market has grown 7% per year in the last decade, the number of spectators is somehow stagnated; - Need to diversify the sources of revenues by offering new services; - Threat of losing members due to the current economic scenario.

Table XXIX: SC Braga - Futebol, SAD's Infrastructure Management Blocks

KEY PARTNERSHIPS - Categories: • Official Sponsors; • Official Bank; • Official Partners; • Official Suppliers; • Stadium Naming Rights Sponsor; • Other Partners associated to the SC Braga's member card.	**KEY ACTIVITIES** - Participation in the official *UEFA*, *LPFP* and *FPF* competitions; - Promote the brand; - Establish partnerships and attract sponsorships; - Interaction with members, company-members and sponsors/partners; - Retain and attract new members.
	KEY RESOURCES - Sport facilities; - Players and remaining club's staff.

Table XXX: SC Braga - Futebol, SAD's Value Proposition Block

VALUE PROPOSITION - Provide an organization that meets or exceeds the needs and expectations of members, supporters and visitors in general; Develop a partnership with suppliers and sponsors; Strengthen relationships maintained with institutional entities involved; Promoting a work environment that enhances motivation and involvement of all employees. Products and Services: - SC Braga Insurance; - Repsol card - SC Braga; - Corporate Seats (Platina, Ouro and Prata cabins programs and Tribune program); - Kids birthday parties; - Rent of the stadium for events (shows, seminars, company parties, etc.); - Visits to the stadium; - SC Braga newspaper; - SC Braga Montepio card;

- Merchandising (online and at the service centers); - Season seats.

Table XXXI: SC Braga - Futebol, SAD's Customer Interface Blocks

CUSTOMER RELATIONSHIPS	**CUSTOMER SEGMENTS**
- Close relationship with their members and company-members (including studies about the impact of their advertising in the stadium); - Surveys assessing customers' satisfaction regarding their global assistance and service centers.	- Companies (Corporate Seats and Cabins): Platina cabins program, Ouro cabins program, Prata cabins program, Tribuna cabin program; - Partners and Sponsors; - General Fans; - Regular members (segmented by stand, gender and age group); - Children (Fans and Potential future players).
CHANNELS - SC Braga newspaper; - Club's website; - Facebook; - Newsletters; - Through partners and sponsors; - Service centers; - Ads in certain places of Braga (e.g. Braga Shopping); - Local newspapers and radio stations; - Campaigns in schools.	

Table XXXII: SC Braga - Futebol, SAD's Revenue Streams and Cost Structure Blocks

COST STRUCTURE	**REVENUE STREAMS**
2010/2011 and 2009/2010 (Operating Costs - SAD): - Wages (57% vs. 63%); - Supplies and External Services (30% vs. 20%); - Costs and amortizations with players contracts (10% vs. 13%); - Other (3% vs. 4%).	2010/2011 and 2009/2010 (Operating Revenues - SAD): - Prizes from competitions (61% vs. 1%); - Advertising and Sponsorships (15% vs. 18%); - Broadcasting (10% vs. 22%); - Players Transfers (6% vs. 52%); - Other (8% vs. 8%).

Table XXXIII: SC Braga - Futebol, SAD's General SWOT Analysis

STRENGTHS	**WEAKNESSES**
1- Several categories of sponsors allowing different companies to be associated with the club and the opportunity to offer its members valuable services performed by quality and well-known companies (AXA, Montepio, etc.); 2- Participation in UEFA's competitions allowing the club to increase its brand awareness and exposure; 3- Several services offered to its members providing different sources of revenues; 4- Many channels of communication allowing the club to communicate with each segment constantly and differently; 5- Large scope in terms of customer segments; 6- Increasing growth/improvement of the club (ECA Award for "Best Sporting Progress 2011");	1- A heavy structure is needed in order to support all the offered activities and services and reach all the customer segments; 2- Weight of the costs with wages (about 60% in the last two seasons); 3- Medium dependence on players transfers and prizes revenue streams; 4- Low revenues from broadcasting comparing to other clubs in Portugal (Benfica and Sporting) even having reached *UEFA Europa League*'s final; 5- Significant reliance on liabilities; 6- Few points of sale (3 service centers) and interaction between members.

7- Recent financial consolidation; 8- Representativeness by the brand of the Braga region and its close connection to the city; 9- Value proposition involving all the customer segments; 10- Innovativeness and conditions of its stadium; 11- First football club in Portugal that has sold the naming rights of its stadium creating a new revenue stream.	
OPPORTUNITIES 1- Opportunity and need to balance its financial accounts due to the Financial Fair-Play rules; 2- Opportunity to export *Sporting Clube de Braga*'s brand image abroad due to its recent on-pitch performance focusing on the Portuguese emigrant community and in new company-members and partners/sponsors/investors; 3- Involvement and communication with fans and members through online platforms; 4- Reach other customer segments due to increasing demographic changes; 5- Opportunity of differentiation through participation in social causes and offering safety conditions; 6- Establish partnerships with different companies enlarging even more the type of services offered; 7- Increasing number of the senior population already committed to the club; 8- Sell of the naming rights of the stadium's stands.	**THREATS** 1- European and Portuguese expected economic scenario at least in 2011, 2012 and 2013; 2- Many companies in financial distress (once potential partners); 3- Increasing interest rates and difficulty in obtaining credit from banks; 4- Lower investment in sports by the Portuguese Government; 5- Increase of the Value-Added Tax associated to sports shows from 6% to 23% and the existence of limit prices for tickets and low stadium occupation rates; 6- Higher taxes and tighter control of financials by UEFA and the Portuguese Government; 7- Increasing violence episodes in the Portuguese stadiums; 8- Decreasing weight of the youth Portuguese population representing a constraint for attracting new members and fans with the age when usually people commit to a certain football club; 9- Spread access to the internet allowing sometimes fans to watch football matches on their personal computers illegally, which might affect broadcasting revenues; 10- High dependence on on-pitch performance in order to boost several revenue streams.

Table XXXIV: SC Braga - Futebol, SAD's TOWS Analysis based on the General SWOT Analysis

STRENGTHS/OPPORTUNITIES - O1: S2, S3, S5, S6, S7, S8, S9; - O2: S1, S2, S4, S5, S6, S8, S10; - O3: S2, S3, S4, S5, S6, S8, S9; - O4: S1, S3, S4, S5, S8, S9, S10; - O5: S4, S6, S8, S9, S10; - O6: S1, S2, S4, S5, S6, S8, S9; - O7: S3, S4, S5, S8, S9; - O8: S1, S2, S4, S5, S6, S8, S10.	**WEAKNESSES/OPPORTUNITIES** - W1: O1, O2, O4, O7, O8; - W2: O1; - W3: O1, O2, O4, O6, O7, O8; - W4: O2, O4, O7; - W5: O1, O2; - W6: O2, O3, O7.
STRENGTHS/THREATS - T1: S1, S2, S3, S5, S6, S7, S8, S11; - T2: S1, S2, S5, S6, S8, S9; - T3: S6, S7, S8, S11; - T4: S2, S3, S5, S7, S8, S11; - T5: S2, S3, S4, S5, S6, S8, S9, S10; - T6: S2, S3, S5, S6, S7, S8, S11; - T7: S2, S6, S9, S10;	**WEAKNESSES/THREATS** Taking advantage of opportunities and strengths to transform weaknesses into strengths and minimize the power of threats. Balance the accounts: W1, W2, W3, W5, T1, T2, T3, T4, T5, T6.

- T8: S2, S3, S4, S5, S6, S8, S9; - T9: S3, S4, S7, S10, S11; - T10: S2, S3, S5, S7, S8, S10, S11.	Increase the number of points of interaction between members: W6, T8, T9. The remaining weaknesses and threats are confronted with individually adapted strengths and opportunities.

Table XXXV: SWOT Analysis of SC Braga - Futebol, SAD's BMC Blocks

STRENGTHS Value Proposition: - The VP is well aligned with the needs of the consumers; - The VP has strong network effects; - There are significant synergies between the main service and other products/services; - The customers are satisfied. Revenue Streams and Cost Structure: - The RS are diversified; - Certain RS benefit from large margins; - Some of the RS are frequent and more or less constant; - The RS are sustainable; - It charges what the customers are willing to pay. -Infrastructure Management: - The resources needs are predictable; - It has the right amount of resources in the right moment; - The balance between internal and external activities is appropriate; - It works with partners when suitable and has good relationships with them. Customer Interface: - Close relationship and identification with the region of Braga; - The customers are well segmented; - It is continuously attracting new members; - The abandon rates (members do not pay membership fees) are low; - Channels are efficient and reach many customers; - Channels are strongly integrated; - Channels are well adapted to the customer segments; - Strong relationships with its customers; - The type of relationships is well adapted to each customer segment; - The strength of the brand is increasing.	**WEAKNESSES** Value Proposition: ------ Revenue Streams and Cost Structure: - Some of the revenues and costs are variable and unpredictable, and highly dependent on on-pitch performance (players transfers, matchday revenues, prizes from competitions, etc.); - Some costs happen before receiving the corresponding revenues; - High weight of wages on total operating costs. Infrastructure Management: - Key Resources and Activities are easy to replicate by competitors; - The efficiency of the Key Activities depend on on-pitch success. Customer Interface: - The abandon rates are higher when on-pitch success is lower.
OPPORTUNITIES Value Proposition: - Extension of the services offered to its members; Revenue Streams and Cost Structure: - Increase members' willingness to pay by adding new services to the club's offer; - Increase the broadcasting revenues stream; - Sell of the naming rights of the stadium's stands; - Explore new sources of revenues from countries	**THREATS** Value Proposition: - There are available substitute services and they can offer better prices and sometimes value. Revenue Streams and Cost Structure: - There are variable and unpredictable costs and revenues; - High dependence on Players Transfers and prizes from competitions;

with high development rates due to increasing brand awareness; - Reach new customer segments; - Optimization of the external services and supplies through long-term contracts. <u>Infrastructure Management:</u> - Optimization of the stadium's usage during periods without competitions; - Opportunities of cross-selling with new partners (baskets of goods in Christmas, for instance); - Offer of new services by establishing new partnerships and reaching new segments. <u>Customer Interface:</u> - Focus on unexplored or less explored segments (women, spouses, unemployed, parents and children, grandparents and grandchildren, widows, emigrants); - Improve the follow-up of members satisfaction about the services offered; - Create new channels by establishing new partnerships.	- Margins are being threatened by tax increases; - Possible decrease in tickets and season seats revenues. <u>Infrastructure Management</u> - Possibility of not being able to participate in UEFA competitions in a given season; - Possibility of not being able to attract and retain as much as partners as before due to the current economic scenario; - High dependence on certain partners. <u>Customer Interface:</u> - Although the market has grown 7% per year in the last decade, the number of spectators is somehow stagnated; - Need to diversify the sources of revenues by offering new services; - Threat of losing members due to the current economic scenario.

Table XXXVI: Football Academies' Infrastructure Management Blocks

KEY PARTNERSHIPS	**KEY ACTIVITIES**
- Local companies/stores in order to obtain the necessary financial inflow to run the football academy.	- Participation in tournaments and FPF competitions; - Attracting and retaining athletes; - Obtaining sponsorships and defining partnerships.
	KEY RESOURCES - Sport facilities; - Coaches, athletes and remaining club's staff.

Table XXXVII: Football Academies' Value Proposition Block

VALUE PROPOSITION
- Provide the best training conditions to its athletes offering them quality managers, coaches and sport facilities, and provide the best working conditions to its coaches and employees. *(proposed by the author)* Products/Services: - Transportation for its athletes; - Parties for interaction between athletes and their parents; - Living room for athletes' parents; - Discounts in partners' stores; - Summer camps.

Table XXXVIII: Football Academies' Customer Interface Blocks

<table>
<tr><td>CUSTOMER RELATIONSHIPS
- Close and personal relationship with each athlete and his parents;
- Close relationship with partners/sponsors (emotional attachment);
- Parents assess the academy in periodical meetings.</td><td rowspan="2">CUSTOMER SEGMENTS
- Athletes;

- Athletes' Parents;

- Partners/Sponsors;

- Members (usually are the athletes and their parents).</td></tr>
<tr><td>CHANNELS
- E-mail;
- Direct/Personal contact;
- Phone calls;
- SMS;
- Periodical meetings with parents;
- Website;
- Local media;
- Local primary schools.</td></tr>
</table>

Table XXXIX: Football Academies' Revenue Streams and Cost Structure Blocks

COST STRUCTURE	**REVENUE STREAMS**
- Raw materials and consumables (sports equipment, medicines, cleaning products and diesel); - Supplies and External Services (Electricity, water, communications, cable TV, insurance, vehicle repairs); - Youth Football related (games fees, applications, championships, snacks).	- Memberships/Athletes' registrations; - Sponsorships and subsidies/donations; - Rental of facilities.

Table XL: Football Academies' General SWOT Analysis

STRENGTHS	**WEAKNESSES**
1- Partnerships with local companies; 2- Many channels of communication allowing the club to communicate with each segment constantly and differently; 3- Close relationship with the athletes and their parents; 4- Increasing professionalization through the adoption of a structured organization of the academies; 5- Representativeness by the academy of a certain neighborhood/region and its close connection to the community; 6- Important services offered to its customers; 7- Evaluation of the academies' services by the athletes' parents.	1- The value proposition does not refer the desire for a positive impact on the community; 2- High dependence on subsidies from external entities; 3- Significant reliance on liabilities; 4- Usual limited geographical reach of the academies.
OPPORTUNITIES	**THREATS**
1- Sell the naming rights of the facilities; 2- Involvement and communication with fans and members through online platforms; 3- Reach other customer segments due to increasing demographic changes;	1- European and Portuguese expected economic scenario at least in 2011, 2012 and 2013; 2- Many companies in financial distress (once potential partners); 3- Increasing interest rates and difficulty in

4- Opportunity of differentiation through participation in social causes; 5- Establish partnerships with different companies enlarging the type of services offered; 6- Growing concern about the children's health through sport and eating habits; 7- Protocols with local schools.	obtaining credit from banks; 4- Lower investment in sports by the Portuguese Government; 5- Increase of the Value-Added Tax associated to sports shows from 6% to 23%; 6- Higher taxes and tighter control of financials by the Portuguese Government; 7- Decreasing weight of the youth Portuguese population; 8- Increasing sedentary lifestyle of children; 9- High dependence on subsidies from the government and private companies.

Table XLI: Football Academies' TOWS Analysis based on the General SWOT Analysis

STRENGTHS/OPPORTUNITIES - O1: S2, S4, S5; - O2: S2, S3, S5; - O3: S1, S2, S5, S6; - O4: S2, S3, S5, S7; - O5: S2, S4, S5; - O6: S2, S3, S5, S6, S7; - O7: S2, S3, S4, S5, S6.	**WEAKNESSES/OPPORTUNITIES** - W1: O4, O6, O7; - W2: O1, O3, O5, O6; - W3: O1, O6; - W4: O1, O2, O3, O6, O7.
STRENGTHS/THREATS - T1 to T6: S4, S5; - T7: S2, S4, S5, S6; - T8: S1, S2, S5; - T9: S1, S5.	**WEAKNESSES/THREATS** Taking advantage of opportunities and strengths to transform weaknesses into strengths and minimize the power of threats. Balance the accounts: W2, W3, T1, T2, T3, T4, T5, T6, T9. The remaining threats are confronted with individually adapted strengths and opportunities.

Table XLII: SWOT Analysis of Football Academies' BMC Blocks

STRENGTHS <u>Value Proposition:</u> - The VP is well aligned with the needs of the customers; - There are synergies between the main service and other services; - The customers are satisfied. <u>Revenue Streams and Cost Structure:</u> - The RS are diversified; - Some of the RS are frequent; - It charges what the customers are willing to pay. -<u>Infrastructure Management:</u> - The resources needs are predictable; - It has the right amount of resources in the right moment; - The balance between internal and external activities is appropriate; - It works with partners when suitable and has good relationships with them.	**WEAKNESSES** <u>Value Proposition:</u> - The VP does not reveal a strong network effect. <u>Revenue Streams and Cost Structure:</u> - Some of the revenues and costs are variable and unpredictable (donations, subsidies, external services, etc.); - The margins are not strong; - Some costs happen before receiving the corresponding revenues; - High dependence on subsidies. <u>Infrastructure Management:</u> - Key Resources and Activities are easy to replicate by competitors. <u>Customer Interface:</u> - Limited access to channels that might provide the possibility of attracting new members.

Customer Interface: - Close relationship and identification with the community; - The customers are well segmented; - It aims to continuously attracting new members; - Channels are efficient and reach many customers; - Channels are integrated; - Channels are well adapted to the customer segments; - The type of relationship is well adapted to each customer segment.	
OPPORTUNITIES Value Proposition: - Extension of the services offered to its members; - Increase the scope and involvement of the value proposition. Revenue Streams and Cost Structure: - Increase members' willingness to pay by adding new services to the club's offer; - Sell the naming rights of the sport facilities; - Reach new customer segments; - Optimization of the external services and supplies through long-term contracts; - Smooth the weight of subsidies by boosting other sources of revenues (e.g. sponsorships). Infrastructure Management: - Opportunities of cross-selling with new partners; - Offer of new services by establishing new partnerships and reaching new segments. Customer Interface: - Focus on unexplored or less explored segments (women, spouses, unemployed, etc.); - Create new channels by establishing new partnerships.	**THREATS** Value Proposition: - There are available substitute activities for children that might offer better prices and sometimes value. Revenue Streams and Cost Structure: - There are variable and unpredictable costs and revenues; - High dependence on subsidies and donations (the investment in sport by the Portuguese Government will decrease); - Margins are being threatened by tax increases. Infrastructure Management - High dependence on certain partners; - Inability to attract new sponsors and partners and possibility of losing the current ones due to the current economic scenario. Customer Interface: - Need to diversify the sources of revenues by offering new services; - Threat of losing members due to the current economic scenario.

Appendix VIII: Surveys

A - "Interaction between Football Clubs and their Fans/Members"

My name is Nuno Bolas and I am a student of the Masters in Management program at NOVA School of Business and Economics. This survey is part of a research that I am conducting for my final Work Project regarding the business models of Portuguese football clubs. This research intends to analyze the characteristics and differences among the existing business models and gather some conclusions to analyze the best practices and develop an innovative model to be applied in these organizations.

The relationship between clubs and their fans is an important part of their business models. Thus, in order to complete the analysis of those models, this survey intends to assess how football fans prefer to get in active contact with their favorite clubs and how they perceive their current customer relationship behavior.

1 – Gender

- Male
- Female

2 – Age

- < 15 years old
- 15-30 years old
- 31-50 years old
- > 50 years old

3 - Are you a fan of a football club?

- Yes
- No

4 - Are you a member of a football club?

- Yes
- No

5 – In which of the following categories do you consider yourself to be as a fan? (Source: Adamson et al., 2005)

- Carefree Casuals (they prefer entertainment over winning and are very little committed to the club)
- Casuals (they attribute the same importance to winning and entertainment and are very little committed to the club)
- Professional Wanderers (they prefer winning over entertainment and are very little

committed to the club)

- Glory Hunters (they attribute more importance to entertainment than Professional Wanderers but less than Casuals and are a little more committed to the club than the previous groups)
- Busy Supporters (they prefer entertainment over winning and are committed to the club)
- Regulars (they attribute the same importance to winning and entertainment and are committed to the club)
- Committed Casuals (they prefer winning over entertainment and are committed to the club)
- Fanatics (they attribute the same importance to winning and entertainment and are very committed to the club)
- I do not wish to answer.

6 – Do you prefer to go to the stadium or watch the games on the television?

- Stadium
- Television
- Not applicable

6a – If you have answered "Television" in the previous question why do you prefer it instead of going to the stadium?

- Lack of safety at the stadiums
- The visibility is better
- Replays and other features provided by the T.V. broadcast of the games
- It is more comfortable
- Other. Which?
- Not applicable

6b – If you have answered "Stadium" in the previous question why do you prefer it instead of watching the games on the television?

- Stadium atmosphere (including in the vicinity of the stadium before and after the game)
- Interaction with other fans/members
- Other. Which?
- Not applicable

7 – If you go to the stadium, usually, how many games of your club do you watch at its stadium per season?

- 0
- 1-2
- 3-5
- 6-10
- > 10

8 – Did you buy a season ticket to watch your favorite club's games at its stadium last season?

- Yes
- No

9 – Do you feel safe and comfortable at your favorite club's stadium? Please answer even if you have chosen "Television" on question 6.

- Yes
- No
- Not applicable

10 – With whom do you usually go to the stadium?

- Family

- Friends
- Organized supporters group
- Alone
- Not applicable

11 – Do you buy merchandise from your favorite club?

- More than one time per season
- Once per season
- Every two years
- Other. Which?
- I do not buy it

12 - Do you consider your favorite club's ticket sale system along with the seats choice appropriate and easy to handle? If not, why?

- Yes
- No. Why?
- Not applicable

13 – Do you frequently check the results, statistics and news related to the performance of your favorite football club?

- Every day
- A few days per week
- Once a week
- Other. Which?
- Not applicable

14 - How would you prefer to be contacted by/interact with your favorite club?

- Email newsletter

- Newspaper/Magazine sent by postal mail
- SMS
- "Call a Director" (opportunity to speak by phone for a few minutes with a Director of the club)
- Club TV Channel (debate shows with the club's directors and players as guests)
- Exchange emails with a Director (fans can send an email and a Director will give them an answer during the next 72 hours)
- Other(s). Which one(s)?
- Not applicable

15 - Which of the following activities would you like to be offered by your favorite club? (In this question, please consider that your favorite club does not offer any of these activities)

- Summer camps
- Health Club
- Health Clinic
- Foundation
- Free transportation to some of the away games
- Kids Club
- Business Club to promote a circuit among business seats holders
- Merchandise design (opportunity to design an item of the club's merchandise)
- "Player for one day"
- Other shows such as live concerts and seminars at the stadium
- Other(s). Which one(s)?
- Not applicable

16 – Please state <u>three</u> main <u>strengths</u> of your favorite football club regarding management and contact with its fans.

- Organization of the matches
- Interaction with the members (newsletters, reminders about the next match's tickets, etc.)
- Initiatives/Entertainment before and at halftime
- Conditions/comfort of the stadium
- Safety
- Club's history and achievements
- Bet on youngsters
- Bet on the other sports
- Representative of your region
- Services provided to the members
- Importance/Participation in society (undertaken challenges and initiatives from other entities)
- Other(s). Which one(s)?
- Not applicable

17 – Please state <u>three</u> main <u>weaknesses</u> of your favorite football club regarding management and contact with its fans.

- Organization of the matches
- Interaction with the members (newsletters, reminders about the next match's tickets, etc.)
- Initiatives/Entertainment before and at halftime
- Conditions/comfort of the stadium

- Safety
- Club’s history and achievements
- Bet on youngsters
- Bet on the other sports
- Representative of your region
- Services provided to the members
- Importance/Participation in society (undertaken challenges and initiatives from other entities)
- Other(s). Which one(s)?
- Not applicable

<u>B - Schedule of Football Matches (Stadium) & Importance of Social Networks in the Interaction between Football Clubs and their Fans/Members</u>

As part of my master's work project ("Business Models in the Portuguese Football Clubs"), I would like to put some additional questions. These questions are for fans and members of football clubs. It will not take you more than two minutes. Thank you very much for your help!

1 – At what day of the week would you prefer to watch, at the stadium, a football match of Liga ZON Sagres (Portuguese Football First Division)?

- Monday
- Tuesday
- Wednesday
- Thursday
- Friday

- Saturday
- Sunday
- I do not enjoy watching games at the stadium.

2 – At what time would you prefer to watch, at the stadium, a football match of Liga ZON Sagres (Portuguese Football First Division)?

- 10 a.m.
- 11 a.m.
- 12 p.m.
- 1 p.m.
- 2 p.m.
- 3 p.m.
- 4 p.m.
- 5 p.m.
- 6 p.m.
- 7 p.m.
- 8 p.m.
- 9 p.m.
- 10 p.m.
- Other
- I do not enjoy watching games at the stadium.

3 - How do you rate the importance of social networks, like Facebook and Twitter, with regard to contact/interaction that you maintain with your favorite club (news, game reviews, etc.)?

- 1 (Not meaningful)

- 2
- 3
- 4
- 5 (Very important).

4 - Gender

- Male
- Female

5 – Age

- < 15 years old
- 15-30 years old
- 31-50 years old
- > 50 years old

Appendix IX - Surveys' Report: "Interaction between Football Clubs and their Fans/Members" and "Schedule of Football Matches (Stadium) & Importance of Social Networks in Interaction between Football Clubs and their Fans/Members"

A - "Interaction between Football Clubs and their Fans/Members"

In order to gather some insights for the improvement of the *Customer Interface* blocks (Customer Relationships, Customer Segments, Channels) and to understand the preferences of today's fans and members, a market study was conducted between October 20th and November 17th, 2011, assessing the interaction between football clubs and their fans and members. The survey was performed using *Google Docs' Forms*.

The Target Population for this study was the total resident population in Portugal and the Sampling Frame was "Fans and Members of Portuguese Football clubs".

The sampling technique that was used is called *Snowball Sampling*. In this technique, an initial group of respondents is selected and after answering the survey are asked to identify others that belong to the target population. The main strength of this technique is the fact that it can estimate rare characteristics while its main weakness is its time-consuming characteristic (Birks & Malhotra, 2007). The total sample of this survey is 631 respondents.

The age groups used in this survey were defined in the following way in collaboration with the clubs:

- < 15 years old: children who go to the stadium with adults;

- 15-30 years old: single people, mainly students, whose trip to the stadium does not depend on others, although they have financial constraints;

- 31-50 years old: "family worship";

- > 50 years old: mainly people with more financial power, some of them already retired, who go on their own or with friends of the same age group and do not take their children with them as much as before.

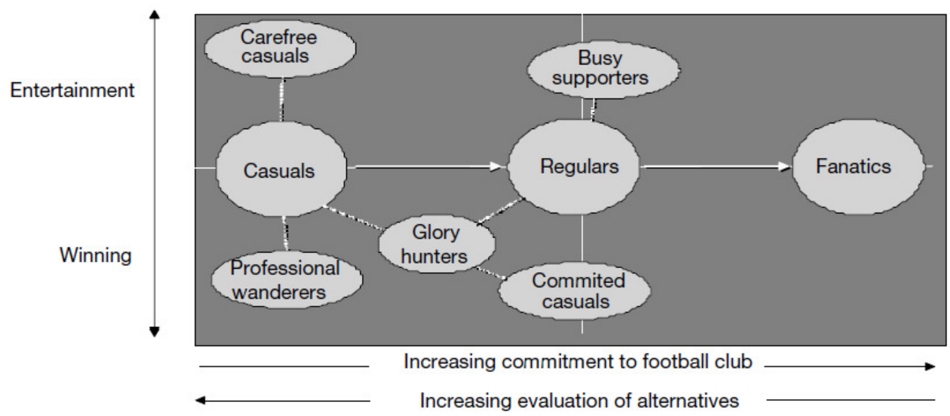
Moreover, the fan categories used in this study were depicted by Adamson et al. (2005) in their article relating fans' commitment to the club with their preference for entertainment and/or winning. They are:

- <u>Carefree Casuals</u>: they prefer entertainment over winning and are very little committed to the club;
- <u>Casuals</u>: they attribute the same importance to winning and entertainment and are very little committed to the club;
- <u>Professional Wanderers</u>: they prefer winning over entertainment and are very little committed to the club;

- Glory Hunters: they attribute more importance to entertainment than Professional Wanderers but less than Casuals and are a little more committed to the club than the previous groups;
- Busy Supporters: they prefer entertainment over winning and are committed to the club;
- Regulars: they attribute the same importance to winning and entertainment and are committed to the club;
- Committed Casuals: they prefer winning over entertainment and are committed to the club;
- Fanatics: they attribute the same importance to winning and entertainment and are very committed to the club.

The graphical representation presented in the referred article is the following:

Figure IV: Fan Categories



Source: Adamson et al. (2005)

a) General Results

The total sample of this survey was 631 respondents. 63% of them belong to the male gender and 65% are aged between 15 and 30 years old. Of the total respondents, 29% are currently members of a football club.

Table XLIII: Percentage of Respondents per Age Group

2 - Age	
< 15 years old	2,4%
15-30 years old	65,0%
31-50 years old	21,1%
> 50 years old	11,6%

The more selected fan categories were *Casuals* and *Regulars* (19,5% and 19,3%, respectively). Moreover, 40% of the respondents said that they check the results, statistics and news related to the performance of their favorite football club every day.

Table XLIV: Percentage of Respondents per Fan Category

5 - In which of the following categories do you consider yourself to be as a fan?	
Carefree Casuals	6,5%
Casuals	19,5%
Professional Wanderers	13,3%
Glory Hunters	3,2%
Busy Supporters	4,3%
Regulars	19,3%
Committed Casuals	16,7%
Fanatics	17,2%

In terms of their preference between going to the stadium or watching the games on the television, 64% stated that they prefer the first option. This preference is mainly due to the stadiums' atmosphere, including in the vicinity of the stadium before and after the game (89%). On the other hand, the ones that prefer watching the games on the television, stated that their preference is mainly due to the higher comfort (58%), having only 18,7% of them referred the lack of safety at the stadiums as a reason for this preference.

When asked to refer how many games of their favorite football club they usually watch at the stadium per season, 30% pointed out they usually do not go to any game per season while 49% go to between 1 and 5 games per season. The majority of the respondents go to the stadium with their family (53%) and friends (76%) and feel safe and comfortable at their favorite club's stadium (94%). Moreover, only 25% bought a season ticket of their favorite football club last year and 96% considers their ticket sale system appropriate and easy to handle.

Regarding merchandising, only 17,1% buy these products one or more times per season while 50% do not buy them at all.

When asked to manifest their preference for different ways to interact and be contacted by their favorite club, respondents pointed out three main ones: Email Newsletter (58,1%), Club TV Channel with debate shows with the club's directors and players as guests (26,4%) and Magazine/Newspaper sent by postal mail (22%).

Table XLV: Respondents' Preferences regarding ways of interact and be contacted by their favorite football club

14 - How would you prefer to be contacted by/interact with your favorite club?	
Email Newsletter	58,1%
Magazine/Newspaper sent by postal mail	22,0%
SMS	15,6%
"Call a Director"	6,8%
Club TV Channel	26,4%
Exchange Emails with a Director	15,6%
Other(s)	3,3%

Then they were asked to choose which activities they would like to be offered by their favorite club. The main chosen ones were: Health Club (35,4%), "Player for one day" (34,6%), Free Transportation to some of the away games (34,4%), Other Shows such as live concerts and seminars at the Stadium (31%) and Foundation (24,1%).

Table XLVI: Respondents' Preferences regarding activities their favorite club might offer

15 - Which of the following activities would you like to be offered by your favorite club?	
Summer camps	21,1%
Health Club	35,4%
Health Clinic	18,5%
Foundation	24,1%
Free transportation to some of the away games	34,4%
Kids Club	7,4%
Business Club	15,3%
Merchandise design	12,1%
"Player for one day"	34,6%
Other shows (live concerts, seminars, etc.)	31,0%
Other(s)	0,6%

Finally they were asked to refer which are, in their opinion, the three main strengths and weaknesses of their favorite football club regarding management and contact with its fans. In terms of strengths the three main chosen ones were: Club's History and Achievements (67,5%), Conditions/Comfort of the Stadium (44,9%) and Bet on Youngsters (39,4%). 38,7% of the respondents also referred Bet on the Other Sports. In terms of weaknesses, the main chosen ones were: Initiatives/Entertainment before and at halftime (42,4%), Importance/Participation in society (undertaken challenges and initiatives from other entities) (39,1%) and Bet on Youngsters (35,8%). 31,1% of the respondents also referred the Services provided to the Members.

Table XLVII: Respondents' Opinion about the Three Main Strengths & Weaknesses of their favorite football club regarding management and contact with its fans

16&17-Please state THREE main strengths/weaknesses of your favorite football club regarding management and contact with its fans		
	Strengths	Weaknesses
Organization of the Matches	24,1%	10,0%
Interaction with members	17,9%	21,1%
Initiatives/Entertainment before and at halftime	10,0%	42,4%
Stadium's Conditions/comfort	44,9%	9,8%
Safety	18,2%	17,1%
Club's history and achievements	67,5%	8,4%
Bet on youngsters	39,4%	35,8%
Bet on the other sports	38,7%	21,3%
Representative of your region	13,1%	24,9%
Services provided to members	6,4%	31,1%
Importance/Participation in society	16,9%	39,1%
Other(s)	1,4%	6,7%

b) Main Results by Gender

Regarding the main results by gender, one can see some differences. 39,3% of the male respondents are members of a football while this number decreases to 11,2% if we consider female respondents. Moreover, men are mainly Regulars, Committed Casuals and Fanatics (more committed fan categories) while female respondents are mainly Carefree Casuals, Casuals and Professional Wanderers (less committed fan categories).

Furthermore, male respondents usually go to the stadium more frequently. However, there is a higher percentage of female respondents stating they usually go to the stadium with family instead of friends, while the opposite happens in the male respondents' case. Regarding the ways to interact and be contacted by their favorite club, there are not significant differences comparing to the general results. The only difference that can be seen is the greater acceptance by men of a Club's TV Channel.

In terms of activities that the respondents would like to be offered by their favorite club, male respondents stated they would prefer "Player for one day" (39,1%), Free Transportation to some of the away games (38,8%), Health Club (27,8%) and Other Shows such as live concerts and seminars at the Stadium (25,9%). On the other hand, female respondents stated mainly the Health Club (49,2%), Other Shows such as live concerts and seminars at the Stadium (40,1%), Summer Camps (27,7%) and Foundation/"Player for one day"/Free Transportation to some of the away games at the same level (26,6%).

Table XLVIII: Respondents' Preferences regarding activities their favorite club might offer * Gender

Which of the following activities would you like to be offered by your favorite club? vs. Gender			
	Male	**Female**	**Var**
Summer camps	17,5%	27,7%	-10,2%
Health Club	27,8%	49,2%	-21,4%
Health Clinic	14,7%	25,4%	-10,7%
Foundation	22,8%	26,6%	-3,8%
Free transportation to some of the away games	38,8%	26,6%	12,2%
Kids Club	4,1%	13,6%	-9,5%
Business Club	17,8%	10,7%	7,1%
Merchandise design	11,6%	13,0%	-1,4%
"Player for one day"	39,1%	26,6%	12,5%
Other shows such as live concerts and seminars at the stadium	25,9%	40,1%	-14,2%
Other(s)	0,9%	0,0%	0,9%

Regarding the three main strengths of their favorite football club regarding management and contact with its fans and members, male respondents pointed out Club's History and

Achievements (71,2%), Conditions/Comfort of the Stadium (50,4%) and Bet on the Other Sports (39,7%), while female respondents referred Club's History and Achievements (61,2%), Bet on Youngsters (41,3%) and Bet on the Other Sports (36,9%).

Finally, when asked to refer the three main weaknesses of their favorite football club regarding management and interaction with its fans and members, male respondents stated Bet on Youngsters (43,9%), Initiatives/Entertainment before the game and at halftime (43,6%) and Importance/Participation in society (34,8%). Moreover, 30,7% of them also referred the Services provided to members as a weakness. On the other hand, female respondents pointed out the Importance/Participation in society (47,4%), Initiatives/Entertainment before the game and at halftime (40,3%) and the Services provided to members (31,8%) as the main weaknesses. Moreover, 26,6% of them also referred safety and representativeness of the region as two of the main weaknesses.

c) Main Results by Age Group

When analyzing the results by age group, one can see that the respondents belonging to the upper age groups tend to choose fan categories less committed to the club. Thus, about 50% of the respondents with more than 31 years old are spread over the last four categories (Busy Supporters, Regulars, Committed Casuals and Fanatics), the respondents with ages between 15 and 30 years old are spread over the last three categories (Regulars, Committed Casuals and Fanatics) and, finally, 53,3% of the respondents with less than 15 years old included themselves in the Fanatics category.

Moreover, respondents belonging to the upper age groups showed a stronger preference for watching the games on the television (53,7% against 31,3% in the 15-30 age group, for instance) having chosen, more than the younger age groups, comfort (63,9%) and lack of safety at the stadiums (27,6%) as reasons for this preference. Therefore, when asked how many games of their favorite football club do they usually watch at the stadium per season, the main option chosen by respondents with ages between 15 and 30, for instance, was 1 to 2 games (32,4%), and in the case of respondents with 31 to 50 years old and more than 50 years old was none (33,8% and 39,7%, respectively).

Table XLIX: Usual Number of Games Watched at the Stadium per Season * Age Group

Usual number of games watched at the stadium per season vs. Age Group				
	< 15	**15-30**	**31-50**	**> 50**
0	13,3%	28,0%	33,8%	39,7%
1-2	26,7%	32,4%	27,8%	19,2%
3-5	40,0%	19,9%	18,8%	16,4%
6-10	6,7%	7,6%	6,8%	5,5%
> 10	13,3%	12,9%	12,8%	19,2%

Another important aspect, is the fact that the percentage of respondents that do not feel safe and comfortable at their favorite club's stadium increases with age. Thus, 11,9% of the respondents with more than 50 years old referred that while this number was only 4,7% in the case of the respondents with ages between 15 and 30 years old. The upper age groups are also the ones that less buy merchandising from their club.

When asked to refer their preference regarding ways to interact and be contacted by their favorite club, respondents with less than 15 years old stated mainly the following ones: Club TV Channel (40%), SMS (33,3%), Magazine/Newspaper sent by postal mail (33,3%) and "Call a Director" (33,3%). On the other hand, respondents with ages 15 and 30 years old stated mainly the following ones: Email Newsletter (56,2%), Club TV Channel (27,4%) and SMS (25,6%). Moreover, the Email Newsletter (67,9%), Club TV Channel (24,5%) and SMS (16%), were the main ways chosen by the respondents belonging to the 31-50 years old age group. Finally, the respondents with more than 50 years old chose mainly the Email Newsletter (59,6%), Club TV Channel (21,1%) and

Exchange Emails with a Director (17,5%).

In terms of activities that the respondents would like to be offered by their favorite football club, the ones with less than 15 years old chose mainly "Player for one day" (76,9%), Free Transportation to some of the away games (38,5%) and Summer Camps (30,5%). Moreover, the respondents belonging to the 15-30 years old age group chose mainly Free Transportation to some of the away games (42,3%), Health Club (40,6%), "Player for one day" (40,3%) and Other Shows such as live concerts and seminars at the stadium (33,3%). Furthermore, the Other Shows at the stadium (25,8%), the Health Clinic (24,7%), a Foundation (23,7%), the Health Club (22,7%) and Summer Camps (22,7%), were the main activities chosen by the respondents with ages between 31 and 50 years old. At last, the respondents with more than 50 years old stated mainly the Other Shows at the stadium (33,3%), the Health Club (31%) and a Foundation (28,6%).

Table L: Respondents' Preferences regarding activities their favorite club might offer * Age Group

Which of the following activities would you like to be offered by your favorite club? Vs. Age Group				
	< 15	15-30	31-50	> 50
Summer Camps	30,8%	21,7%	22,7%	9,5%
Health Club	7,7%	40,6%	22,7%	31,0%
Health Clinic	7,7%	18,3%	24,7%	9,5%
Foundation	0,0%	24,6%	23,7%	28,6%
Free transportation to some of the away games	38,5%	42,3%	16,5%	9,5%
Kids Club	7,7%	7,0%	11,5%	2,4%
Business Club	0,0%	17,4%	12,4%	9,5%
Merchandise design	23,1%	13,3%	10,3%	2,4%
"Player for one day"	76,9%	40,3%	21,6%	4,8%
Other shows such as live concerts and seminars at the stadium	0,0%	33,3%	25,8%	33,3%
Other	0,0%	0,6%	1,0%	0,0%

Regarding the three main strengths and weaknesses of their favorite football club, there are not significant differences between age groups (Club's History and Achievements, Conditions/Comfort of the Stadium and Bet on Youngsters were the most chosen strengths while Initiatives/Entertainment before the game and at halftime, Importance/Participation in society and Services provided to the members and Bet on

Youngsters, at the same level, were the main chosen weaknesses).

d) Main Results by Member/Non-Member

First of all, it is important to notice that, while members are mainly Regulars (22%), Committed Casuals (23,1%) and Fanatics (35,7%), non-members tend to be mainly Carefree Casuals (8,1%), Casuals (26,1%) and Professional Wanderers (17%).

Another important point, is the fact that 87,2% of the respondents who are members of a football club, prefer watching the games of their favorite football club at the stadium instead of watching them on the television, whereas this number decreases to 53,1% in the case of non-members. The main reasons pointed out by both groups of respondents to prefer watching the games on T.V. were the higher comfort (69,6% and 55,7%, respectively) and the replays and other features provided by the TV broadcast (26,1% and 40,6%, respectively). However, the non-members also refer the better visibility (35,4%) and the high prices of the tickets to present this preference.

Moreover, 43,7% of the respondents who are members of a football club usually watch more than 10 games per season at the stadium whereas 41,1% of the non-members do not watch any game at the stadium.

Table LI: Usual Number of Games Watched at the Stadium per Season * Membership

Number of games watched at the stadium vs. Member/Non-Member			
	Member	Non-Member	Var
0	3,8%	41,1%	-37,3%
1-2	13,1%	36,6%	-23,5%
3-5	25,1%	16,7%	8,4%
6-10	14,2%	4,2%	10,0%
> 10	43,7%	1,3%	42,4%

It is also important to stress that 46,4% of the respondents who are members bought a season ticket last year while only 16,7% of the non-members have also bought it. Furthermore, more than 50% of the members buy club's merchandising at least every two years and 60% of the non-members do not buy it.

Regarding the ways to interact and be contacted by their favorite football club, both members and non-members chose Email Newsletters, Club TV Channel and Magazine/Newspaper sent by postal mail as their preferred ones. However, it is important to refer that 23% of the members chose the option "Exchange Emails with a Director" and 25,9% the option "SMS".

In terms of activities that respondents would like to be offered, members chose mainly the following ones: Free transportation to some of the away games (44,7%), "Player for one day" (43,5%), Other Shows such as live concerts and seminars at the Stadium (29,2%) and Health Club (27,3%). On the other hand, non-members chose mainly the Health Club (39,3%), Other Shows at the Stadium (31,8%), "Player for one day" (30,4%) and Free transportation to some of the away games (29,5%).

Table LII: Respondents' Preferences regarding activities their favorite club might offer * Membership

Which of the following activities would you like to be offered by your favorite club? vs. Member/Non-Member			
	Member	Non-Member	Var
Summer camps	18,0%	22,6%	-4,6%
Health Club	27,3%	39,3%	-12,0%
Health Clinic	18,0%	18,8%	-0,8%
Foundation	21,1%	25,6%	-4,5%
Free transportation to some of the away games	44,7%	29,5%	15,2%
Kids Club	5,6%	8,3%	-2,7%
Business Club	17,4%	14,3%	3,1%
Merchandise design	9,3%	13,4%	-4,1%
"Player for one day"	43,5%	30,4%	13,1%
Other shows such as live concerts and seminars at the Stadium	29,2%	31,8%	-2,6%
Other(s)	0,6%	0,6%	0,0%

Regarding the three main strengths of their favorite football club in terms of management and interaction with its fans and members, there are not significant differences between members and non-members (Club's History and Achievements, Conditions/Comfort of the Stadium and Bet on Youngsters were the most chosen strengths).

When respondents were asked to point out the three main weaknesses of their favorite football club regarding the same aspects, members referred mainly the Initiatives/Entertainment before the game and at halftime (56,8%), the Bet on Youngsters (40,3%) and the Services provided to the members (30,9%). Moreover, 30,2% of them also pointed out the Importance/Participation in society as a main weakness. Non-members stated mainly the Importance/Participation in society (43,1%), the Initiatives/Entertainment before the game and at halftime (36%) and the Bet on Youngsters (33,8%). Furthermore, 31,2% of them also pointed out the Services provided to the members as a weakness.

e) Main Results by Fan Category

When analyzing the preference for watching the games at the stadium or on the television between fan categories, we can see that the preference for going to the stadium increases gradually over the different categories (90,1% in the Fanatics category and 33,3% in the Carefree Casuals one, for instance). The main reason for all the fan categories to prefer watching the games on television is comfort. However, comparing each category regarding each reason, safety, visibility and comfort are far more important for the fan categories less committed to the club.

Therefore, one also can see a higher number of trips to the stadium, percentage of respondents who bought a season ticket last year, and frequency of club's merchandise purchase when we go from the less to the more committed fan categories.

Regarding the ways to interact and be contacted by their favorite football club, there are no significant differences between fan categories. The Email Newsletters, Club TV

Channel and Magazine/Newspaper sent by postal mail were the most chosen ones.

In terms of activities that respondents would like to be offered by their favorite football club, we can observe a wide acceptance of the Health Club by all the fan categories. However, while the less committed fans (Carefree Casuals, Casuals and Professional Wanderers) show a higher preference for activities such as the Foundation, the Health Clinic, Summer Camps and Other Shows at the Stadium along with the Health Club, the more committed fans (Regulars, Committed Casuals and Fanatics) prefer mainly the Free Transportation to some of the away games, "Player for one day" along with the Health Club and also Other Shows at the Stadium.

Table LIII: Respondents' Preferences regarding activities their favorite club might offer * Fan Category

Which of the following activities would you like to be offered by your favorite club? vs. Fan Category								
	Carefree Casuals	Casuals	Professional Wanderers	Glory Hunters	Busy Supporters	Regulars	Committed Casuals	Fanatics
Summer camps	23,1%	26,7%	16,9%	42,9%	40,9%	18,2%	18,4%	15,7%
Health Club	46,2%	37,8%	35,6%	28,6%	50,0%	45,5%	31,0%	22,5%
Health Clinic	23,1%	15,6%	25,4%	21,4%	31,8%	26,3%	14,9%	7,9%
Foundation	46,2%	21,1%	25,4%	50,0%	4,5%	34,3%	21,8%	12,4%
Free transportation to some of the away games	15,4%	24,4%	25,4%	42,9%	31,8%	37,4%	35,6%	53,9%
Kids Club	11,5%	6,7%	8,5%	21,4%	9,1%	9,1%	5,7%	4,5%
Business Club	15,4%	11,1%	11,9%	21,4%	9,1%	15,2%	24,1%	14,6%
Merchandise design	15,4%	15,6%	11,9%	14,3%	0,0%	11,1%	10,3%	11,2%
"Player for one day"	30,8%	22,2%	18,6%	50,0%	31,8%	34,3%	43,7%	51,7%
Other shows at the Stadium	42,3%	33,3%	28,8%	35,7%	31,8%	36,4%	29,9%	19,1%
Other	0,0%	0,0%	1,7%	0,0%	0,0%	1,7%	0,0%	1,1%

Regarding the three main strengths and weaknesses of their favorite football club, there are no significant differences between fan categories (Club's History and Achievements, Conditions/Comfort of the Stadium and Bet on Youngsters were the most chosen strengths while Initiatives/Entertainment before the game and at halftime, Importance/Participation in society and Services provided to the members and Bet on Youngsters, at the same level, were the main chosen weaknesses).

f) Main Results by Stadium/Television Preference

From the respondents who stated to prefer watching the games of their favorite football club on the television, 59,3% do not usually go to any game per season and 30% of them only watch 1 or 2 games per season at the stadium. On the other hand, 59% of the respondents who prefer watching the games at the stadium, usually go to 1 to 5 games per season.

Another important point, is the fact that 15% of the respondents who prefer watching the games on the television do not feel safe and comfort at their favorite club's stadium whereas this number decreases to 3,7% when we only consider the respondents who prefer to go to the stadium. This last group of respondents also buys clubs' merchandising products more frequently than the first one.

Finally, there are no differences between the answers of these two groups of respondents regarding ways of interact and be contacted by their favorite football club, activities they would like to be offered by it and the three main strengths and weaknesses of their favorite football club in terms of management and interaction with its fans and members.

g) Main Conclusions

A summary of the main conclusions and results can be found in the Table 7 (page 20) of this Work Project.

B - Schedule of Football Matches (Stadium) & Importance of Social Networks in the Interaction between Football Clubs and their Fans/Members

I also conducted a second survey in order to gather some insights for the recommendations section regarding the day and hour that respondents think is most suitable to attend a football match. The survey was conducted between November 28th and December 8th, 2011. The survey was, once again, performed using *Google Docs' Forms*.

The Target Population, the Sampling Frame and the Sampling Technique were the same as in the previous survey: "the total resident population in Portugal", "fans and members of Portuguese football clubs, and *Snowball Sampling*, respectively. The total sample of this survey is 314 respondents.

a) General Results

The respondents who participated in this survey were mainly from the male gender (71,7%) and from the 15-30 years old age group (65,3%).

Table LIV: Percentage of Respondents per Age Group

Age	
< 15 years old	4,5%
15-30 years old	65,3%
31-50 years old	17,8%
> 50 years old	12,4%

When asked to refer which are the most suitable days and hours to attend a football match at the stadium, the options more often chosen by the respondents were Saturday (65%) and 4 p.m. (32,8%). Furthermore, the majority of them attributed a "4" (31,8%), from 1 (nothing important) to 5 (very important) to the importance of social networks with regard to contact/interaction they maintain with their favorite football club.

b) Crosstabs

Regarding the crosstabs that one can perform with the survey's questions, there were no meaningful aspects except the following ones:

- Most of the male respondents selected 4 p.m. (39,6%) as the best hour to attend a football match at the stadium, while female respondents mainly chose 8 p.m. (38,2%);
- From Monday to Friday, the majority of the respondents said they prefer to attend a football match at the stadium at 8 p,m. (about 83% of the cases from Monday to Thursday and 53,2% for Friday) while on the weekends they prefer at 4 p.m. (36,8% for Saturday and 50,4% for Sunday).
- 42,9% of the respondents with less than 15 years old rated the importance of social networks with a "5", respondents aged between 15 and 30 years old with a "4" (36,1%), and respondents with more than 30 years old with a "3" (39,3% of the ones with 31 to 50 years old and 30,8% of the ones with more than 50 years old).

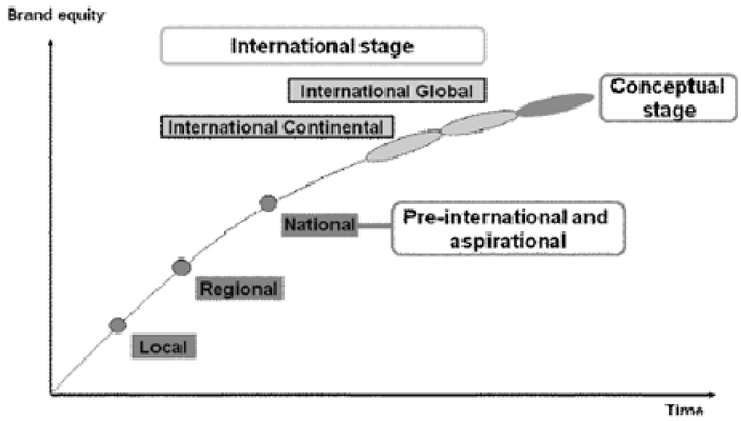
c) Summary

Table LV: Summary of the Results

Category	Day	Hour	Importance of Social Networks (1-5)
Male	Saturday (68%)	4 p.m. (39,6%)	4 (28,4%)
Female	Saturday (57,3%)	8 p.m. (38,2%)	4 (40,4%)
< 15 years old	Saturday (78,6%)	8 p,m. (50%)	5 (42,9%)
15-30 years old	Saturday (62,4%)	4 p.m. (35,1%)	4 (36,1%)
31-50 years old	Saturday (64,3%)	4 p.m. (30,4%)	3 (39,3%)
> 50 years old	Saturday (74,4%)	4 p.m. (33,3%)	3 (30,8%)
Monday to Friday	-	8 p,m. (53,2% to 85,7%)	-
Saturday	-	4 p.m. (36,8%)	-
Sunday	-	4 p.m. (50,4%)	-

Appendix X - Complementary Figures

Figure V: The nationalization process of a sports team brand



Source: Richelieu et al., 2008.

Appendix XI - Specific Suggestions & Recommendations for each analyzed Football Club

In Tables LVI, LVII, LVIII and LIX, some specific suggestions and recommendations are proposed to *Sport Clube Beira-Mar - Futebol, SAD*, *Sport Lisboa e Benfica - Futebol, SAD*, *Sporting Clube de Braga - Futebol, SAD* and to the Football Academies in general, that should be complemented by the ones already presented in this Work Project for *Portuguese Football Club - Futebol, SAD*. These recommendations were developed taking into account the entire analysis performed to each one of those football clubs as well as to the Portuguese football market. It is also important to refer that they were discussed with and approved by the referred football clubs.

Table LVI: Suggestions & Recommendations for *Sport Clube Beira-Mar - Futebol, SAD*

SPORT CLUBE BEIRA-MAR - FUTEBOL, SAD		
Operating Area	**Suggestions/Recommendations**	**Comments/Observations**
Restructuring of Portuguese Football	SC Beira-Mar and its members should evaluate the possibility of stimulating the creation of a Supporters Trust Group, as the existing ones in the United Kingdom, since many members feel they are not heard by their favorite club's management. These groups would allow members to organize themselves and be represented, through a certain stake, in the Sociedade Anónima Desportiva (SAD) and elect the Board of Directors.	When analyzing the results of the survey that I conducted, I noticed that many people complained they have not been heard by their favorite club's management. Thus, a Supporters Trust Group, as it exists in the United Kingdom (a non-for-profit organization that invests in the club), would contribute to solve this issue. In Portugal, this would work in the case of SADs but not in the case of Clubs since members already elect the club's board. (See survey results in appendices and Hamil & Chadwick, 2010).
Restructuring of Portuguese Football	Creation of a Portuguese Charity Cup (to be evaluated by SC Beira-Mar alongside with *LPFP* and the other clubs) to be held during the pre-season with the duration of one day. Fans would choose 4 teams which would participate in this one-day tournament by voting on them online or by phone. All the revenues generated from voting, matchday tickets and others would revert to a social cause	This type of tournament existed in South Africa under the name of Telkom Charity Cup. It should be avoided the participation of the same teams every year (inviting foreign teams might be a solution to overcome the small size of the Portuguese market, dominated by three teams).
Partnerships & Sponsorships / New Services / Participation in Society & Social Concerns	Stimulate the organization of non-match events (e.g. seminars, live concerts), activities such as "Player for one day" (one member would be able to participate in a practice with the club's professional football team or be sitted in the bench in a given match) and services related with transportation to some of the away games and an Health Club to retain younger members and attract new ones. Evaluate the possibility of creating a Foundation to reach upper age groups, non-members and less committed fans and better integrate the club in the community.	When condering the creation of new services, SC Beira-Mar must assess the alternative of a concession agreement. The activities that most of the respondents would like to be offered by their favorite football club were mainly the Health Club, "Player for one day", Free Transportation to some of the away matches and Other Shows at the Stadium. The lower age groups would prefer activities such as "Player for one day" and Free Transportation to some of the away games whereas the upper age groups would prefer activities like Other Shows at the Stadium, Health Club and Foundation. Non-members give more importance to Other Shows at the Stadium and the Health Club than members (survey results - see appendices).
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Provide pre-match and interval enriching entertainment establishing partnerships with companies to that effect.	One of the three main weaknesses referred by the respondents regarding the main weaknesses of their favorite football club was the Initiatives/Entertainment before the game and at halftime (survey results - see appendices)
Partnerships & Sponsorships / New Services	All-inclusive tickets: match ticket + transportation (CP, other transportation companies or discount at a gas station) + food products. Partnership with CP and/or other transportation companies in order to create "Passe SC Beira-Mar" aiming to offer discounts on matchdays to the fans who wish to go to the stadium	SC Beira-Mar should try to increase the chances of its members and fans coming to the stadium since, many times, people tend to stay at home because they have to add the transportation and food costs to the price of the ticket.
Partnerships & Sponsorships / New Services	Opportunity to negotiate several partnerships enlarging the offer to the members according to the products/services offered by the potential sponsors/partners. Many companies can be targetted allowing the club to present offers from different industries and minimize the impact of the economic crisis. This would also allow the creation of new channels of communication to interact with customers	Car Sponsor, Motorcycle Sponsor, I.T. Partner, Media Partner, Catering Partner, Renewable Energy Partner, Design Partner, Financial Services Partner, Insurance Broker Partner, Telecommunications Partner, Health Partner, etc. Almost one third of the respondents pointed out the "Services provided to the members" as one of the main weaknesses of their favorite football club (survey results - see appendices)
Partnerships & Sponsorships / New Services	"SC Beira-Mar University": Physical activity and sportingcmanagement courses.	Partnerships with national universities (e.g. *Universidade de Aveiro*) offering degrees in sport and management. Practical component at the club's facilities.
Partnerships & Sponsorships / New Services	Creation of a SC Beira-Mar's kindergarten, or fun park, where parents can leave their children while they are watching the game	This initiative would allow to attract the women's customer segment since children would be in a safe and funny place. (See survey results - appendices).
Partnerships & Sponsorships / New Services	Offer of a car wash service while fans watch the game at the stadium	Service linked to the most expensive tickets
Partnerships & Sponsorships / New Services	Themed restaurant and dinners (e.g. Christmas dinner) aiming to bring people to the stadium in non-match days and energize the existing service.	Partnerships with themed restaurants of *Aveiro* being each one of them in charge of the club's restaurant for one month

Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Creation of a Match Sponsor Category including: a guided tour of the stadium, photographs with former/current club's players; business seats, catering, car parking, ball of the game signed by the players, presence in the center of the field with visible advertising tools during the pre-match period and halftime.	It should be well managed with the current sponsors by giving them priority in acquiring this package. An auction system could be used for each game (in the most important games the initial price would be higher, of course). (Exploring "MEO Go!"'s initiative (See www.marketeer.pt/2011/11/25/fcp-slb-e-scp-com-meo-go-nas-camisolas/)
Partnerships & Sponsorships / New Services	Advergaming: partnerships with video game producers in order to offer customized versions for SC Beira-Mar's fans (some simpler games could even be available at the club's website)	E.g. Partnership with EA Sports (possible I.T. Partner) in order to include special features related with the club's virtual team,
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Creation of the Most Valuable Player of the Match/Month Award in collaboration with a sponsor.	The fans would be able to vote on the MVP at the SC Beira-Mar's website
Partnerships & Sponsorships / New Services / New Customer Segments & Retaining current ones	SC Beira-Mar - Promotion and Organization of Events: Creating a subsidiary company (a joint venture with a company from this sector is an alternative), or a specific department, responsible for promoting and developing events such as business seminars, business foruns for job offers, live concerts, Q&A seminars and training recreations (explaining tactical moves, physical activity exercices, etc.) for schools (with players, coaches and directors), and others.	Increase the utilization of SC Beira-Mar's sporting facilities and attract new customer segments (children, women, retired, unemployed, etc.).
Partnerships & Sponsorships / New Services / Internationalization and Search for New Revenues in Emerging Markets	Partnerships with local hotels and travel agencies in order to provide a package for tourists that would include, in addition to visiting Aveiro, watching a SC Beira-Mar's match	Reaching foreign and Portuguese fans who do not live in Portugal.
New Customer Segments & Retaining current ones	Creation of the SC Beira-Mar Disabled Supporters Association.	This would allow reaching this customer segment and organize specific pre-match and match activities such as pre-match tours to the stadium, tours from a given point of the Aveiro to the stadium, sporting events they would be able to participate in, and tours from other Portuguese cities.
New Customer Segments & Retaining current ones	Development of three membership categories (Digital, International and Free I.T.). 1-Digital: priority and a given discount in the acquisition of tickets for the SC Beira-Mar's matches, permanent access to the SC Beira-Mar TV channel (proposed below) via their personal computer, access to matches highlights, news and exclusive interviews. 2-International Membership category: priority and a certain discount in the acquisition of tickets for all the SC Beira-Mar's events, access to the SC Beira-Mar TV channel through their personal computer, access to matches highlights, news and exclusive interviews, discounts on the travel to Aveiro (taking advantage of the partnership with a travel agency). 3-Free I.T. Membership: this would allow fans to customize all the SC Beira-Mar's news feeds and website when they log-in providing quick access to interviews, information about tickets' prices and availability, screensavers and other I.T. features, opportunity to vote on the Most Valuable Player of the Match/Month and chance to win tickets for a SC Beira-Mar's match, a stadium tour or watch a professional team's practice.	This would allow reaching and attracting fans who usually do not go to the stadium, attracting fans from all over the world, enlarging the scope of the club and attracting new members by raising the need to enrol in a non-free upper membership category.
New Customer Segments & Retaining current ones	Change the membership fees since the current ones are based on a segmentation by member category and equal ticket prices for all of them. The opposite thinking should be applied (segmentation in terms of ticket prices) due to the need to treat all members equally and discriminate them only in terms of the quality and comfort of the seat they want to choose for a given match.	Efficiency of membership fees.

New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	Initiatives for the SC Beira-Mar's Business Club: 1-Regular debate event between SC Beira-Mar's sponsors and members of the business club, preceded by a dinner, to discuss current national/international issues (each sponsor would be represented by 2-4 managers); 2-Creation of a sponsor official magazine with advertising and articles written by them sent to SC Beira-Mar's members, available at the club's website and delivered at home games; 3-Creation of a companies football (or all-sports) competition between sponsors and members of the business club; 4-Creation of a golf tournament for sponsors and members' of the business club executives in order to promote networking and healthy competition among them	This would allow to attract new company-members and increase the exposure of the club and its partners/sponsors. The creation of an official business club is implicit.
Interaction with Fans and Members (Activities/Initiatives) / New Services	New features to make SC Beira-Mar's website more fun, suitable and close to fans and members: 1-Fans' videos about the club incorporated by Youtube; 2-Announcements of prizes and promotions winners; 3-Fans' comments about SC Beira-Mar's players acquisitions and sales (Fanzone forum); 4-Voting for the best goal of the month and most valuable player of the match/month; 5-Download of digital content (screensavers, pictures, etc.); 6-Polls; 7-Auctions for team's merchandise and players' items which revenues would revert to social causes; 8-Stadium's Virtual Tour (opportunity to see the stadium in 3-D at every point of it including the inside of executive cabins and the most expensive seats; 9-Opportunity for the fans who watched the most recent game at the stadium to send, and see posted, their own photos and videos of the match	SC Beira-Mar's website should be the first one fans consult when it comes to check the news and be updated about their favorite football club, avoiding checking other websites, such as unofficial newspapers, which might negatively influence fans with news of, sometimes, dubious veraAveiro. Moreover, it should be a place of interaction between fans and the club, moderated by the last, funny and constantly updated.
Interaction with Fans and Members (Activities/Initiatives)	Places to promote interaction between fans and members (club houses or club bars/cafes), generate discussion and merchandise sales, and provide them access to Pay TV	If the creation of a club's house is considered too ambitious, partnerships with local cafes or bars can be settled, becoming that given bar or cafe linked to SC Beira-Mar and decorated accordingly
Interaction with Fans and Members (Activities/Initiatives)	Bluetooth marketing: opportunity given to the fans present at the stadium to download digital content while they watch the game (this would include partners and sponsors' advertising)	New tool to increase interaction between the club and its fans and potentially increase sponsorship revenues. It has been applied in some Brazilian clubs. (Source: Futebol Finance)
Interaction with Fans and Members (Activities/Initiatives)	"You choose the music!": When buying a ticket for a given match, fans have the opportunity to vote on 2 or 3 songs from two different categories, SC Beira-Mar's official songs and International Tops' songs, for the pre-match and halftime periods. "DJ Beira-Mar": raffle to select one member from the ones who bought a ticket for a certain match, to whom would be given the opportunity to choose the songs for the pre-match and halftime periods from the previously stated categories.	Giving to the fans the opportunity to create the environment they like the most.
Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	Stimulate the creation of a local group of young people (possibly from local schools or universities), distinct from the well-known organized fan groups, who would meet before each home match and brainstorm with club's management a new way to support their club in each match.	Create the opportunity to reach young customer segments and allow them to be creative and integrated in the club. Partnership with universities and schools of Aveiro.
Interaction with Fans and Members (Activities/Initiatives)	Initiatives to take place during the halftime: 1-A group of fans would be allowed to enter in the field and take pictures of the stadium/fans on the stands (photography award); 2-Invited singers; 3-Football quizzes; 4-Mini-games with fans (4 vs. 4 mini-match, taking a penalty kick, testing aim and technique, etc.); 5-Draw of club's merchandise and stadium's tours.	A major part of the respondents pointed out the Initiatives/Entertainment at halftime and before the match as one of the main weaknesses of their favorite football club (survey results - see appendices)
Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	"SC Beira-Mar Music": platform (Youtube or club's website) where fans could find the SC Beira-Mar's official songs and could post videos performing their own songs related to the club), There would be a regular selection phase and announcement of the new official SC Beira-Mar's song created by a given fan/member.	Interaction with other customer segments (e.g. women)
Interaction with Fans and Members (Activities/Initiatives)	Increase the utilization of the SMS through campaign messages such as "There is a seat at SC Beira-Mar's stadium calling for you…Are you going to meet him and support your SC Beira-Mar in the next match on day X, at X hours?", The SMS would include the ticket's prices.	This would be useful since in Facebook, for instance, sometimes club's posts do not appear on time unless every fan goes almost daily to the club's profile. This message would be sent to members by SMS and posted on social networks.

Interaction with Fans and Members (Activities/Initiatives) / New Services	Taking advantage of new technologies and trends, evaluate the possibility of creating alongside with the owner of the broadcasting rights, a new service to the club's members present at the stadium providing them access to the broadcast while they watch the game live. It aims allowing them to see on their mobile phones and tablets what is happening on the other side of the field avoiding visibility concerns and disgusts that might harm their satisfaction for being at the stadium.	A research should be developed in order to assess the feasibility of this action. It should be negotiated with the broadcasting rights owner. This initiative aims to combine the benefits of watching a game at the stadium and on the television.
Interaction with Fans and Members (Activities/Initiatives)	"The Guess Who Seat": Random seat in a different color from the other ones, where in every home match a notable person linked to the club would watch the game, close to the SC Beira-Mar's members	Raising interaction with the club and a surprise effect for fans who go to the stadium
Interaction with Fans and Members (Activities/Initiatives)	Roadshow organized by SC Beira-Mar to be held in the main cities which would include a competition where people with ages between 6 and 16 years old, divided by age groups, would be evaluated according to some parameters (speed, accuracy, aim, technique, strength, goalkeeping) and afterwards the winners would be selected at a city and national level. A participation fee would be charged and there would be established specific sponsorships.	Interaction with younger customer segments and their parents, and different communities
Facilities Utilization & Stadium Occupation Rates	Development of a points system that rewards members who go more often to the stadium by providing them discounts which do not interfere with season tickets. Different approaches can be followed: 1-Discount in the next ticket purchase according to the number of matches the member watched at the stadium in the previous season (different ranges); 2-Provide the ones who usually go to all the home matches, two or three free tickets for the Portuguese Cup and/or the Portuguese League Cup, allowing them to bring friends to the stadium; 3-After a certain number of consecutive matches watched at the stadium by the member, he/she would have a 100% discount on the ticket for the next match (linked to the previous season); 4-Discount computation based on certain loyalty criteria (e.g. Number of games watched at the stadium in the previous season; Amount of money spent in the last season in match tickets; Membership years).	This system aims to increase the occupation rates and is appropriate for members who do not have the opportunity to watch all the games at the stadium and, consequently, do not buy a season ticket. It should not overlap the benefits associated to season tickets. Each option should be evaluated in terms of revenues generation. Monitored by the club member's card.
Facilities Utilization & Stadium Occupation Rates	Provide discounts in merchandising to members who go to the stadium more often (a given percentage per number of games). E.g. 10% discount (up to 100 Euros) after 3 games.	Increase merchandising sales and stadium occupation.
Facilities Utilization & Stadium Occupation Rates / New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	"Cine SCBeira-Mar": For one night, or during a few days, in July or August, when there are not any club-level football competitions, there would be a film festival on SC Beira-Mar's field providing the opportunity to its members and fans to have a different perspective of the stadium and a different interaction with their club.	Increase the utilization of the stadium and reach several and different customer segments. Potential to be a summer tradition of the club.
Facilities Utilization & Stadium Occupation Rates	Opportunity to see the Portuguese national team's matches during European Cup and World Cup competitions in the stadium's big screens	Only applied in stadiums where there is this possibility. Increase the utilization of the stadium and reach several and different customer segments. Potential to increase sponsorships revenues due to the increase of the exposure period.

Financial Aspects	Evaluate the possibility of selling the naming rights of the stadium and its stands as a regular new source of revenue.	However, SC Beira-Mar should consider the negative impact that selling the naming rights of its stadium might have when the stadium's name is well-known. Different negotiation models and duration of contrats can be adopted (some clubs adopted a raffle model within their sponsors and partners network) (Source: Futebol Finance).
Financial Aspects	Optimization of the external services and supplies through long-term contracts and the development of a Procurement department.	Improve efficiency and providing a more positive and healthy financial image of SC Beira-Mar. Other sources of investment are being explored all around the world such as: investment funds (usually originate a conflict of interests between clubs and funds - sporting performance vs. economical performance), investments from foreign millionaires (usually from undeveloped football markets) and Supporters Trust Groups (who take over the club).
Financial Aspects	Setting key performance indicators at a sporting and financial level and present them in SC Beira-Mar's annual report and accounts (team performance indicators, EBITDA margin excluding profit on players transactions, weight of wages in total costs, matchday income, media income, commercial income, CRM fan feedback, etc.).	
Participation in Society & Social Concerns	"SC Beira-Mar Charity Cup": Tournament to be held on July or August, with the duration of one day, composed by four matches of four different sports offered by the club (selected by the fans through a voting system) in which would participate athletes from the different sports in mixed teams (including from the professional football team) having the possibility to watch, for instance, a basketball match between mixed teams composed by football, badminton and basketball athletes and even a match between the indoor football team and the professional football team. All the revenues related with voting, sponsorships and tickets would revert to social causes. The matches would be broadcasted by SC Beira-Mar TV. From an internationalization perspective, SC Beira-Mar Charity Cup could also invite foreign clubs to participate in this event or even develop it in another country.	Moreover, other activities such as kart racing, could be organized in order to strengthen ties between players and raise money for social causes. One of the three main weaknesses referred by the respondents regarding the main weaknesses of their favorite football club was the Importance/Participation in society (undertaken challenges and initiatives from other entities) (almost one third of the respondents also pointed out the Services provided to the Members as a weakness) (survey results - see appendices). Participating in social projects in foreign countries can be a way to achieve internationalization and increase brand awareness and loyalty (Hamil and Chadwick, 2010).
Internationalization and Search for New Revenues in Emerging Markets	Network marketing: contact, for instance, local Chinese and Indian communities, who might. since their arrival to Portugal have become a SC Beira-Mar's fan, and offer them the possibility to be representatives of the club in order to increase brand awareness in their home countries.	Close monitorization is needed. Marketng tools and plan provided by SC Beira-Mar. It also can be used in markets where the Portuguese population is high.
Internationalization and Search for New Revenues in Emerging Markets	Development of some SC Beira-Mar's merchandise in order to penetrate in Asian markets such as India, China and Indonesia: energy drinks, cars and motorcycles, motorcycle helmets.	Markets such as the Chinese are highly populated, love football and have an increasing purchasing power (Desbordes, 2007). SC Beira-Mar should also focus on markets where the Portuguese community is signficant.
Internationalization and Search for New Revenues in Emerging Markets / Interaction with Fans and Members (Activities/Initiatives)	Creation of SC Beira-Mar's football academies abroad (joint ventures with local clubs are a possibility) in order to attract new members and followers and detect new talents in emerging countries such as India, Indonesia and China.	Increasing brand awareness, loyalty, new sources of revenue, attracting international memberships and detecting talent.
Internationalization and Search for New Revenues in Emerging Markets	Other strategies used by foreign football clubs to enter in the Asian market that SC Beira-Mar can follow: tours, attracting Chinese companies as sponsors since many European leagues are broadcasted in Chinese T.V. channels (e.g. Everton Football Club), acquisition of Asian players, managerial support to Asian clubs, acquisition of Asian clubs (co-branding).	Hamil and Chadwick (2010)

Table LVII: Suggestions & Recommendations for *Sport Lisboa e Benfica - Futebol, SAD*

SPORT LISBOA E BENFICA - FUTEBOL, SAD		
Operating Area	**Suggestions/Recommendations**	**Comments/Observations**
Restructuring of Portuguese Football	SL Benfica and its members should evaluate the possibility of stimulating the creation of a Supporters Trust Group, as the existing ones in the United Kingdom, since many members feel they are not heard by their favorite club's management. These groups would allow members to organize themselves and be represented, through a certain stake, in the *Sociedade Anónima Desportiva* (SAD) and elect the Board of Directors.	When analyzing the results of the survey that I conducted, I noticed that many people complained they have not been heard by their favorite club's management. Thus, a Supporters Trust Group, as it exists in the United Kingdom (a non-for-profit organization that invests in the club), would contribute to solve this issue. In Portugal, this would work in the case of SADs but not in the case of Clubs since members already elect the club's board. (See survey results in appendices and Hamil & Chadwick, 2010).
Restructuring of Portuguese Football	Creation of a Portuguese Charity Cup (to be evaluated by SL Benfica alongside with *LPFP* and the other clubs) to be held during the pre-season with the duration of one day. Fans would choose 4 teams which would participate in this one-day tournament by voting on them online or by phone. All the revenues generated from voting, matchday tickets and others would revert to a social cause	This type of tournament existed in South Africa under the name of Telkom Charity Cup. It should be avoided the participation of the same teams every year (inviting foreign teams might be a solution to overcome the small size of the Portuguese market, dominated by three teams).
Partnerships & Sponsorships / New Services	Stimulate the organization of non-match events (e.g. seminars, live concerts), activities such as "Player for one day" (one member would be able to participate in a practice with the club's professional football team or be sitted in the bench in a given match) and services related with transportation to some of the away games to retain younger members and attract new ones. Continue developing non-match events and increase awareness about Fundação Benfica's initiatives to reach upper age groups, non-members and less committed fans.	The activities that most of the respondents would like to be offered by their favorite football club were mainly the Health Club, "Player for one day", Free Transportation to some of the away matches and Other Shows at the Stadium. The lower age groups would prefer activities such as "Player for one day" and Free Transportation to some of the away games whereas the upper age groups would prefer activities like Other Shows at the Stadium, Health Club and Foundation. Non-members give more importance to Other Shows at the Stadium and the Health Club than members (survey results - see appendices).
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Provide pre-match and interval enriching entertainment establishing partnerships with companies to that effect (see "Interaction with Fans" suggestions)	One of the three main weaknesses referred by the respondents regarding the main weaknesses of their favorite football club was the Initiatives/Entertainment before the game and at halftime (survey results - see appendices)
Partnerships & Sponsorships / New Services	All-inclusive tickets: match ticket + transportation (Metro/Carris/CP or discount at a gas station) + food products. Partnership with Carris, CP and Metro in order to create "Passe SL Benfica" aiming to offer discounts on matchdays to the fans who wish to go to the stadium	SL Benfica should try to increase the chances of its members and fans coming to the stadium since, many times, people tend to stay at home because they have to add the transportation and food costs to the price of the ticket.
Partnerships & Sponsorships / New Services	Opportunity to negotiate several partnerships enlarging the offer to the members according to the products/services offered by the potential sponsors/partners. Many companies can be targetted allowing the club to present offers from different industries and minimize the impact of the economic crisis. This would also allow the creation of new channels of communication to interact with customers	Car Sponsor, Motorcycle Sponsor, I.T. Partner, Media Partner, Catering Partner, Renewable Energy Partner, Design Partner, etc. Almost one third of the respondents pointed out the "Services provided to the members" as one of the main weaknesses of their favorite football club (survey results - see appendices)
Partnerships & Sponsorships / New Services	Partnership with *Delta Cafés,* similar to the one the club established with *Sagres,* in order to give discounts on coffee to SL Benfica's fans at its club houses and to its members on the purchase of *Delta Q*.	*Delta* is a Portuguese quality, experienced and with a significant heritage brand and thus, aligned with SL Benfica.
Partnerships & Sponsorships / New Services	"SL Benfica University": Physical activity and sporting management courses.	Partnership with *Escuela de Estudios Universitarios Real Madrid* and *Instituto Superior de Línguas e Administração*.
Partnerships & Sponsorships / New Services / Internationalization and Search for New Revenues in Emerging Markets	Considering the expansion of football markets such as the East Asia and North America ones, SL Benfica should consider launching a sporting management consultancy service as a new line of business providing education for sporting management to those clubs' executives and helping them figure out how to solve certain problems associated to the current initial operating phase and expand their clubs in growing but unexperienced markets	However, supporting this new service should be a strong brand image and good managerial practices and experience. Due to the heritage and experience of SL Benfica, the company has what is needed to enter in this new market. (See Hamil and Chadwick, 2010).

Partnerships & Sponsorships / New Services	Creation of a SL Benfica's kindergarden, or fun park, where parents can leave their children while they are watching the game	This initiative would allow to attract the women's customer segment since children would be in a safe and funny place. (See survey results - appendices).
Partnerships & Sponsorships / New Services	Themed restaurant and dinners (e.g. Christmas dinner) aiming to bring people to the stadium in non-match days and energize the existing service.	Partnerships with themed restaurants of Lisbon being each one of them in charge of the club's restaurant for one month
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Creation of a Match Sponsor Category including: a guided tour of the stadium, photographs with former club's players; business seats, catering, car parking, ball of the game signed by the players, presence in the center of the field with visible advertising tools during the pre-match period and halftime.	It should be well managed with the current sponsors by giving them priority in acquiring this package. An auction system could be used for each game (in the most important games the initial price would be higher, of course). (Exploring "MEO Go!"'s initiative (See www.marketeer.pt/2011/11/25/fcp-slb-e-scp-com-meo-go-nas-camisolas/)
Partnerships & Sponsorships / New Services	Advergaming: partnerships with video game producers in order to offer customized versions for SL Benfica's fans (some simpler games could even be available at the club's website)	E.g. Partnership with EA Sports (possible I.T. Partner) in order to include special features related with the club's virtual team, This is aligned with the recent virtual game launched by the club: *SL Benfica Fantasy Manager*.
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Creation of the Most Valuable Player of the Match/Month Award in collaboration with a sponsor	The fans would be able to vote on the MVP at the SL Benfica's website
New Customer Segments & Retaining current ones	Aligned with the current practice for *Red Pass* (season ticket), membership fees could also be segmented according to gender.	This action would have the goal of attracting more members from the women customer segment since most of the times they do not enjoy of as many club's services as men do. (survey results - appendices, www.slbenfica.pt, 2011).
New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	Activities for schools and universities: 1-Creation of accessories (hats, footballs, etc.) for SL Benfica's mascot (a new one every one or two years, for instance) by students aged between 6 and 9 years old; 2-University award rewarding works developed by students in the fields of management, new technologies and sporting education with the possibility of being applied to SL Benfica; 3-Organized visits to the stadium, pavilion and academy for students to attend Q&A seminars with coaches, players and directors, and training recreations (explaining tactical moves, physical activity exercices, etc.).	Attracting new members and stimulating their loyalty and interacting with local communities. Also related with the sport facilities utilization. Although the current SL Benfica's mascot (an eagle) has great impact among children, it would be more dynamic and fun to give them the possibility to creat a new one for a given period of time. The club could give priority to the children participating in the summer camps.
New Customer Segments & Retaining current ones	Creation of the SL Benfica Disabled Supporters Association.	This would allow reaching this customer segment and organize specific pre-match and match activities such as pre-match tours to the stadium, tours from a given point of Lisbon to the stadium, sporting events they would be able to participate in, and tours from other Portuguese cities.
New Customer Segments & Retaining current ones	Create a waiting list for "SL Benfica's Babies" (partnerships with *HPP Saúde* - Benfica Saúde) for enrol in a club's sport allowing them to exercise this option after a certain period of years.	This would depend on the availability of spots in that given moment.

New Customer Segments & Retaining current ones	Development of three membership categories (Digital, International and Free I.T.). 1-Digital: priority and a given discount in the acquisition of tickets for the SL Benfica's matches, permanent access to the *Benfica TV* channel via their personal computer, access to matches highlights, news and exclusive interviews. 2-International Membership category: priority and a certain discount in the acquisition of tickets for all the SL Benfica's events, access to the Benfica TV channel through their personal computer, access to matches highlights, news and exclusive interviews, discounts on the travel to Lisbon (taking advantage of the partnership with a travel agency). 3-Free I.T. Membership: this would allow fans to customize all the SL Benfica's news feeds and website when they log-in providing quick access to interviews, information about tickets' prices and availability, screensavers and other I.T. features, opportunity to vote on the Most Valuable Player of the Match/Month and chance to win tickets for a SL Benfica's match, a stadium tour or watch a professional team's practice.	This would allow reaching and attracting fans who usually do not go to the stadium, attracting fans from all over the world, enlarging the scope of the club and attracting new members by raising the need to enrol in a non-free upper membership category.
New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	Initiatives for SL Benfica's Corporate Club: 1-Regular debate event between SL Benfica's sponsors and members of the corporate club, preceded by a dinner, to discuss current national/international issues (each sponsor would be represented by 2-4 managers); 2-Creation of a sponsor official magazine with advertising and articles written by them sent to SL Benfica's members, available at the club's website and delivered at home games; 3-Creation of a companies all-sports competition between sponsors and members of the corporate club; 4-Creation of a golf tournament for sponsors and members' of the corporate club executives in order to promote networking and healthy competition among them	This would allow to attract new company-members and increase the exposure of the club and its partners/sponsors.
Interaction with Fans and Members (Activities/Initiatives) / New Services	New features to make SL Benfica's website more fun, suitable and close to fans and members: 1-Fans' videos about the club incorporated by Youtube; 2-Announcements of prizes and promotions winners; 3-Fans' comments about SL Benfica's players acquisitions and sales (Fanzone forum); 4-Voting for the best goal of the month and most valuable player of the match/month; 5-Download of digital content (screensavers, pictures, etc.); 6-Polls; 7-Auctions for team's merchandise and players' items which revenues would revert to social causes; 8-Stadium's Virtual Tour (opportunity to see the stadium in 3 D at every point of it including the inside of executive cabins and the most expensive seats; 9-Opportunity for the fans who watched the most recent game at the stadium to send, and see posted, their own photos and videos of the match	SL Benfica's website should be the first one fans consult when it comes to check the news and be updated about their favorite football club, avoiding checking other websites, such as unofficial newspapers, which might negatively influence fans with news of, sometimes, dubious veracity. Moreover, it should be a place of interaction between fans and the club, moderated by the last, funny and constantly updated.
Interaction with Fans and Members (Activities/Initiatives)	Bluetooth marketing: opportunity given to the fans present at the stadium to download digital content while they watch the game (this would include partners and sponsors' advertising)	New tool to increase interaction between the club and its fans and potentially increase sponsorship revenues. It has been applied in some Brazilian clubs. (Source: Futebol Finance)
Interaction with Fans and Members (Activities/Initiatives)	"You choose the music!": When buying a ticket for a given match, fans have the opportunity to vote on 2 or 3 songs from two different categories, SL Benfica's official songs and International Tops' songs, for the pre-match and halftime periods. "DJ Benfica": raffle to select one member from the ones who bought a ticket for a certain match, to whom would be given the opportunity to choose the songs for the pre-match and halftime periods from the previously stated categories.	Giving to the fans the opportunity to create the environment they like the most.

Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	Pre-match (a few minutes before the match starts) choreography or physical activity exercises in order to promote physical activity among fans and increase, game by game, the awareness of SL Benfica's choreography.	Development of partnerships with local sport and health schools and associations. Members of the team which would be performing the choreography/physical activity exercises would be placed in the stands, among fans, to stimulate their participation in the initiative. Reach customer segments such as women and children.
Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	Stimulate the creation of a local group of young people (possibly from local schools or universities), distinct from the well-known organized fan groups, who would meet before each home match and brainstorm with club's management a new way to support their club in each match.	Create the opportunity to reach young customer segments and allow them to be creative and integrated in the club. Partnership with Lisbon universities (*University of Lisbon, NOVA School of Business and Economics* , etc.).
Interaction with Fans and Members (Activities/Initiatives)	Initiatives to take place during the halftime: 1-A group of fans would be allowed to enter in the field and take pictures of the stadium/fans on the stands (photography award); 2-Invited singers; 3-Football quizzes; 4-Mini-games with fans (4 vs. 4 mini-match, taking a penalty kick, testing aim and technique, etc.); 5-Draw of club's merchandise and stadium's tours.	A major part of the respondents pointed out the Initiatives/Entertainment at halftime and before the match as one of the main weaknesses of their favorite football club (survey results - see appendices)
Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	"SL Benfica Music": platform (Youtube or club's website) where fans could find the SL Benfica's official songs and could post videos performing their own songs related to the club), There would be a regular selection phase and announcement of the new official SL Benfica's song created by a given fan/member.	Interaction with other customer segments (e.g. women)
Interaction with Fans and Members (Activities/Initiatives)	"A Day of Mystique": a day with different events at the stadium related with SL Benfica's mystique (a match between former club's players, free entrance in the museum for members, lectures given by former players telling stories about important past matches, sale of footballs and jerseys from previous decades, final of rhe SL Benfica's Club Houses Football Championship").	A day to enhance SL Benfica's mystique among its fans and community.
Interaction with Fans and Members (Activities/Initiatives)	"SL Benfica's Club Houses Football (or Indoor Football) Championship": Championship between club houses in order to increase integration with the club and interaction between fans. The winner team would be able to represent the club in the national amateur leagues in the following year.	Reaching younger customer segments and increase interaction between fans and members.
Interaction with Fans and Members (Activities/Initiatives)	Increase the utilization of the SMS through campaign messages such as "There is a seat at *Estádio da Luz* calling for you…Are you going to meet him and support your SL Benfica in the next match on day X, at X hours?", The SMS would include the ticket's prices.	This would be useful since in Facebook, for instance, sometimes SL Benfica's posts do not appear on time unless every fan goes almost daily to the club's profile. This message would be sent to members by SMS and posted on social networks.
Interaction with Fans and Members (Activities/Initiatives) / New Services	Taking advantage of new technologies and trends, evaluate the possibility of creating alongside with the owner of the broadcasting rights, a new service to the club's members present at the stadium providing them access to the broadcast while they watch the game live. It aims allowing them to see on their mobile phones and tablets what is happening on the other side of the field avoiding visibility concerns and disgusts that might harm their satisfaction for being at the stadium.	A research should be developed in order to assess the feasibility of this action. It should be negotiated with the broadcasting rights owner. This initiative aims to combine the benefits of watching a game at the stadium and on the television.
Interaction with Fans and Members (Activities/Initiatives)	"The Guess Who Seat": Random seat in a different color from the other ones, where in every home match a notable person linked to the club would watch the game, close to the SL Benfica's members	Raising interaction with the club and a surprise effect for fans who go to the stadium
Interaction with Fans and Members (Activities/Initiatives)	Roadshow organized by SL Benfica to be held in the main cities which would include a competition where people with ages between 6 and 16 years old, divided by age groups, would be evaluated according to some parameters (speed, accuracy, aim, technique, strength, goalkeeping) and afterwards the winners would be selected at a city and national level. A participation fee would be charged and there would be established specific sponsorships.	Interaction with younger customer segments and their parents, and different communities

Facilities Utilization & Stadium Occupation Rates	Development of a points system that rewards members who go more often to the stadium by providing them discounts which do not interfere with season tickets. Different approaches can be followed: 1-Discount in the next ticket purchase according to the number of matches the member watched at the stadium in the previous season (different ranges); 2-Provide the ones who usually go to all the home matches, two or three free tickets for the Portuguese Cup and/or the Portuguese League Cup, allowing them to bring friends to the stadium; 3-After a certain number of consecutive matches watched at the stadium by the member, he/she would have a 100% discount on the ticket for the next match (linked to the previous season); 4-Discount computation based on certain loyalty criteria (e.g. Number of games watched at the stadium in the previous season; Amount of money spent in the last season in match tickets; Membership years).	This system aims to increase the occupation rates and is appropriate for members who do not have the opportunity to watch all the games at the stadium and, consequently, do not buy a season ticket. It should not overlap the benefits associated to season tickets. Each option should be evaluated in terms of revenues generation. Monitored by the club member's card.
Facilities Utilization & Stadium Occupation Rates	Provide discounts in merchandising to members who go to the stadium more often (a given percentage per number of games). E.g. 10% discount (up to 100 Euros) after 3 games.	Increase merchandising sales and stadium occupation.
Facilities Utilization & Stadium Occupation Rates / New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	"Cine SLBenfica": For one night, or during a few days, in July or August, when there are not any club-level football competitions, there would be a film festival on SL Benfica's field providing the opportunity to its members and fans to have a different perspective of the stadium and a different interaction with their club.	Increase the utilization of the stadium and reach several and different customer segments. Potential to be a summer tradition of the club.
Facilities Utilization & Stadium Occupation Rates	Opportunity to see the Portuguese national team's matches during European Cup and World Cup competitions in the stadium's big screens	Increase the utilization of the stadium and reach several and different customer segments. Potential to increase sponsorships revenues due to the increase of the exposure period.
Financial Aspects	Evaluate the possibility of selling the naming rights of the stadium as a regular new source of revenue.	However, SL Benfica should consider the negative impact that selling the naming rights of its stadium might have since the stadium's name is well-known across Europe. Different negotiation models and duration of contrats can be adopted (some clubs adopted a raffle model within their sponsors and partners network) (Source: Futebol Finance).
Financial Aspects	Optimization of the external services and supplies through long-term contracts and the development of a Procurement department.	Improve efficiency and providing a more positive and healthy financial image of SL Benfica. Other sources of investment are being explored all around the world such as: investment funds (usually originate a conflict of interests between clubs and funds - sporting performance vs. economical performance), investments from foreign millionaires (usually from undeveloped football markets) and Supporters Trust Groups (who take over the club).
Financial Aspects	Setting key performance indicators at a sporting and financial level and present them in SL Benfica's annual report and accounts (team performance indicators, EBITDA margin excluding profit on players transactions, weight of wages in total costs, matchday income, media income, commercial income, CRM fan feedback, etc.).	
Participation in Society & Social Concerns	"SL Benfica Charity Cup": Tournament to be held on July or August, with the duration of one day, composed by four matches of four different sports offered by the club (selected by the fans through a voting system) in which would participate athletes from the different sports in mixed teams (including from the professional football team) having the possibility to watch, for instance, a volleyball match between teams composed by football, handball and volleyball athletes and even a match between the indoor football team and the professional football team. All the revenues related with voting, sponsorships and tickets would revert to *Fundação Benfica*. The matches would be broadcasted by *Benfica TV.* From an internationalization perspective, SL Benfica Charity Cup could also invite foreign clubs to participate in this event or even develop it in another country.	Moreover, other activities such as kart racing, could be organized in order to strengthen ties between players and raise money for social causes. One of the three main weaknesses referred by the respondents regarding the main weaknesses of their favorite football club was the Importance/Participation in society (undertaken challenges and initiatives from other entities) (almost one third of the respondents also pointed out the Services provided to the Members as a weakness) (survey results - see appendices). Participating in social projects in foreign countries can be a way to achieve internationalization and increase brand awareness and loyalty (Hamil and Chadwick, 2010).

Internationalization and Search for New Revenues in Emerging Markets	Network marketing: contact, for instance, local Chinese and Indian communities, who might. since their arrival to Portugal have become a SL Benfica's fan, and offer them the possibility to be representatives of the club in order to increase brand awareness in their home countries.	Close monitorization is needed. Marketng tools and plan provided by SL Benfica. It also can be used in markets where the Portuguese population is high.
Internationalization and Search for New Revenues in Emerging Markets	Development of some SL Benfica's merchandise in order to penetrate in Asian markets such as India, China and Indonesia: energy drinks, cars and motorcycles, motorcycle helmets.	Markets such as the Chinese are highly populated, love football and have an increasing purchasing power (Desbordes, 2007). SL Benfica should also focus on markets where the Portuguese community is signficant.
Internationalization and Search for New Revenues in Emerging Markets / Interaction with Fans and Members (Activities/Initiatives)	Creation of SL Benfica's football academies abroad (joint ventures with local clubs are a possibility) in order to attract new members and followers and detect new talents in emerging countries such as India, Indonesia and China.	Increasing brand awareness, loyalty, new sources of revenue, attracting international memberships and detecting talent.
Internationalization and Search for New Revenues in Emerging Markets	Soccer Clinics: one of the club's foreign players, alongside with his homecountry's football federation, chooses 3 or 4 children to stay at SL Benfica's academy during one week to meet the club's facilities and interact with the player.	Attracting new international followers.
Internationalization and Search for New Revenues in Emerging Markets / Interaction with Fans and Members (Activities/Initiatives)	Offer the possibility of reading SL Benfica's website in the Spanish, French, Arabic and Chinese languages.	Increasing contact with international followers.
Internationalization and Search for New Revenues in Emerging Markets	Other strategies used by foreign football clubs to enter in the Asian market that SL Benfica can follow: tours, attracting Chinese companies as sponsors since many European leagues are broadcasted in Chinese T.V. channels (e.g. Everton Football Club), acquisition of Asian players, managerial support to Asian clubs, acquisition of Asian clubs (co-branding).	Hamil and Chadwick (2010)

Table LVIII: Suggestions & Recommendations for *Sporting Clube de Braga - Futebol, SAD*

SPORTING CLUBE DE BRAGA - FUTEBOL, SAD		
Operating Area	**Suggestions/Recommendations**	**Comments/Observations**
Restructuring of Portuguese Football	SC Braga and its members should evaluate the possibility of stimulating the creation of a Supporters Trust Group, as the existing ones in the United Kingdom, since many members feel they are not heard by their favorite club's management. These groups would allow members to organize themselves and be represented, through a certain stake, in the *Sociedade Anónima Desportiva* (SAD) and elect the Board of Directors.	When analyzing the results of the survey that I conducted, I noticed that many people complained they have not been heard by their favorite club's management. Thus, a Supporters Trust Group, as it exists in the United Kingdom (a non-for-profit organization that invests in the club), would contribute to solve this issue. In Portugal, this would work in the case of SADs but not in the case of Clubs since members already elect the club's board. (See survey results in appendices and Hamil & Chadwick, 2010).
Restructuring of Portuguese Football	Creation of a Portuguese Charity Cup (to be evaluated by SC Braga alongside with *LPFP* and the other clubs) to be held during the pre-season with the duration of one day. Fans would choose 4 teams which would participate in this one-day tournament by voting on them online or by phone. All the revenues generated from voting, matchday tickets and others would revert to a social cause	This type of tournament existed in South Africa under the name of Telkom Charity Cup. It should be avoided the participation of the same teams every year (inviting foreign teams might be a solution to overcome the small size of the Portuguese market, dominated by three teams).
Partnerships & Sponsorships / New Services / Participation in Society & Social Concerns	Stimulate the organization of non-match events (e.g. seminars, live concerts), activities such as "Player for one day" (one member would be able to participate in a practice with the club's professional football team or be sitted in the bench in a given match) and services related with transportation to some of the away games and an Health Club to retain younger members and attract new ones. Evaluate the possibility of creating a Foundation to reach upper age groups, non-members and less committed fans and better integrate the club in the community.	When condering the creation of new services, SC Braga must assess the alternative of a concession agreement. The activities that most of the respondents would like to be offered by their favorite football club were mainly the Health Club, "Player for one day", Free Transportation to some of the away matches and Other Shows at the Stadium. The lower age groups would prefer activities such as "Player for one day" and Free Transportation to some of the away games whereas the upper age groups would prefer activities like Other Shows at the Stadium, Health Club and Foundation. Non-members give more importance to Other Shows at the Stadium and the Health Club than members (survey results - see appendices).
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Provide pre-match and interval enriching entertainment establishing partnerships with companies to that effect.	One of the three main weaknesses referred by the respondents regarding the main weaknesses of their favorite football club was the Initiatives/Entertainment before the game and at halftime (survey results - see appendices)
Partnerships & Sponsorships / New Services	Opportunity to negotiate several partnerships enlarging the offer to the members according to the products/services offered by the potential sponsors/partners. Many companies can be targetted allowing the club to present offers from different industries and minimize the impact of the economic crisis. This would also allow the creation of new channels of communication to interact with customers	Car Sponsor, Motorcycle Sponsor, I.T. Partner, Media Partner, Catering Partner, Renewable Energy Partner, Design Partner, Health Partner, etc. Almost one third of the respondents pointed out the "Services provided to the members" as one of the main weaknesses of their favorite football club (survey results - see appendices)
Partnerships & Sponsorships / New Services	"SC Braga University": Physical activity and sporting management courses.	Partnerships with national universities (e.g. *Universidade do Minho*) offering degrees in sport and management. Practical component at the club's facilities.
Partnerships & Sponsorships / New Services / Internationalization and Search for New Revenues in Emerging Markets	Considering the expansion of football markets such as the East Asia and North America ones, SC Braga should consider launching a sporting management consultancy service as a new line of business providing education for sporting management to those clubs' executives and helping them figure out how to solve certain problems associated to the current initial operating phase and expand their clubs in growing but unexperienced markets	Supporting this new service should be a strong brand image and good managerial practices and experience. (See Hamil and Chadwick, 2010).
Partnerships & Sponsorships / New Services	Creation of a SC Braga's kindergarten, or fun park, where parents can leave their children while they are watching the game	This initiative would allow to attract the women's customer segment since children would be in a safe and funny place. (See survey results - appendices).

Partnerships & Sponsorships / New Services	Offer of a car wash service while fans watch the game at the stadium	Service linked to the most expensive tickets
Partnerships & Sponsorships / New Services	Themed restaurant and dinners (e.g. Christmas dinner) aiming to bring people to the stadium in non-match days and energize the existing service.	Partnerships with themed restaurants of Braga being each one of them in charge of the club's restaurant for one month
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Creation of a Match Sponsor Category including: a guided tour of the stadium, photographs with former/current club's players; business seats, catering, car parking, ball of the game signed by the players, presence in the center of the field with visible advertising tools during the pre-match period and halftime.	It should be well managed with the current sponsors by giving them priority in acquiring this package. An auction system could be used for each game (in the most important games the initial price would be higher, of course). (Exploring "MEO Go!"'s initiative (See www.marketeer.pt/2011/11/25/fcp-slb-e-scp-com-meo-go-nas-camisolas/)
Partnerships & Sponsorships / New Services	Advergaming: partnerships with video game producers in order to offer customized versions for SC Braga's fans (some simpler games could even be available at the club's website)	E.g. Partnership with EA Sports (possible I.T. Partner) in order to include special features related with the club's virtual team,
Partnerships & Sponsorships / New Services / Interaction with Fans and Members	Creation of the Most Valuable Player of the Match/Month Award in collaboration with a sponsor.	The fans would be able to vote on the MVP at the SC Braga's website
Partnerships & Sponsorships / New Services / New Customer Segments & Retaining current ones	SC Braga - Promotion and Organization of Events: Creating a subsidiary company (a joint venture with a company from this sector is an alternative), or a specific department, responsible for promoting and developing events such as business seminars, business foruns for job offers, live concerts, Q&A seminars and training recreations (explaining tactical moves, physical activity exercices, etc.) for schools (with players, coaches and directors), and others.	Increase the utilization of SC Braga's sporting facilities and attract new customer segments (children, women, retired, unemployed, etc.).
Partnerships & Sponsorships / New Services / Internationalization and Search for New Revenues in Emerging Markets	Partnerships with local hotels and travel agencies in order to provide a package for tourists that would include, in addition to visiting Braga, watching a SC Braga's match	Reaching foreign and Portuguese fans who do not live in Portugal.
New Customer Segments & Retaining current ones	Creation of the SC Braga Disabled Supporters Association.	This would allow reaching this customer segment and organize specific pre-match and match activities such as pre-match tours to the stadium, tours from a given point of Braga to the stadium, sporting events they would be able to participate in, and tours from other Portuguese cities.
New Customer Segments & Retaining current ones	Development of three membership categories (Digital, International and Free I.T.). 1-Digital: priority and a given discount in the acquisition of tickets for the SC Braga's matches, permanent access to the SC Braga TV channel (proposed below) via their personal computer, access to matches highlights, news and exclusive interviews. 2-International Membership category: priority and a certain discount in the acquisition of tickets for all the SC Braga's events, access to the SC Braga TV channel through their personal computer, access to matches highlights, news and exclusive interviews, discounts on the travel to Braga (taking advantage of the partnership with a travel agency). 3-Free I.T. Membership: this would allow fans to customize all the SC Braga's news feeds and website when they log-in providing quick access to interviews, information about tickets' prices and availability, screensavers and other I.T. features, opportunity to vote on the Most Valuable Player of the Match/Month and chance to win tickets for a SC Braga's match, a stadium tour or watch a professional team's practice.	This would allow reaching and attracting fans who usually do not go to the stadium, attracting fans from all over the world, enlarging the scope of the club and attracting new members by raising the need to enrol in a non-free upper membership category.

New Customer Segments & Retaining current ones	Change the membership fees since the current ones are based on a segmentation by member category and equal ticket prices for all of them. The opposite thinking should be applied (segmentation in terms of ticket prices) due to the need to treat all members equally and discriminate them only in terms of the quality and comfort of the seat they want to choose for a given match.	Efficiency of membership fees.
New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	Initiatives for the SC Braga's Business Club: 1-Regular debate event between SC Braga's sponsors and members of the business club, preceded by a dinner, to discuss current national/international issues (each sponsor would be represented by 2-4 managers); 2-Creation of a sponsor official magazine with advertising and articles written by them sent to SC Braga's members, available at the club's website and delivered at home games; 3-Creation of a companies football (or all-sports) competition between sponsors and members of the business club; 4-Creation of a golf tournament for sponsors and members' of the business club executives in order to promote networking and healthy competition among them	This would allow to attract new company- members and increase the exposure of the club and its partners/sponsors. The creation of an official business club is implicit.
Interaction with Fans and Members (Activities/Initiatives) / New Services	New features to make SC Braga's website more fun, suitable and close to fans and members: 1-Fans' videos about the club incorporated by Youtube; 2-Announcements of prizes and promotions winners; 3-Fans' comments about SC Braga's players acquisitions and sales (Fanzone forum); 4-Voting for the best goal of the month and most valuable player of the match/month; 5-Download of digital content (screensavers, pictures, etc.); 6-Polls; 7-Auctions for team's merchandise and players' items which revenues would revert to social causes; 8-Stadium's Virtual Tour (opportunity to see the stadium in 3-D at every point of it including the inside of executive cabins and the most expensive seats; 9-Opportunity for the fans who watched the most recent game at the stadium to send, and see posted, their own photos and videos of the match	SC Braga's website should be the first one fans consult when it comes to check the news and be updated about their favorite football club, avoiding checking other websites, such as unofficial newspapers, which might negatively influence fans with news of, sometimes, dubious veraBraga. Moreover, it should be a place of interaction between fans and the club, moderated by the last, funny and constantly updated.
Interaction with Fans and Members (Activities/Initiatives)	Places to promote interaction between fans and members (club houses or club bars/cafes), generate discussion and merchandise sales, and provide them access to Pay TV	If the creation of a club's house is considered too ambitious, partnerships with local cafes or bars can be settled, becoming that given bar or cafe linked to SC Braga and decorated accordingly
Interaction with Fans and Members (Activities/Initiatives)	Bluetooth marketing: opportunity given to the fans present at the stadium to download digital content while they watch the game (this would include partners and sponsors' advertising)	New tool to increase interaction between the club and its fans and potentially increase sponsorship revenues. It has been applied in some Brazilian clubs. (Source: Futebol Finance)
Interaction with Fans and Members (Activities/Initiatives)	"You choose the music!": When buying a ticket for a given match, fans have the opportunity to vote on 2 or 3 songs from two different categories, SC Braga's official songs and International Tops' songs, for the pre-match and halftime periods. "DJ Braga": raffle to select one member from the ones who bought a ticket for a certain match, to whom would be given the opportunity to choose the songs for the pre-match and halftime periods from the previously stated categories.	Giving to the fans the opportunity to create the environment they like the most.
Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	Stimulate the creation of a local group of young people (possibly from local schools or universities), distinct from the well-known organized fan groups, who would meet before each home match and brainstorm with club's management a new way to support their club in each match.	Create the opportunity to reach young customer segments and allow them to be creative and integrated in the club. Partnership with universities and schools of Braga.
Interaction with Fans and Members (Activities/Initiatives)	Initiatives to take place during the halftime: 1-A group of fans would be allowed to enter in the field and take pictures of the stadium/fans on the stands (photography award); 2-Invited singers; 3-Football quizzes; 4-Mini-games with fans (4 vs. 4 mini-match, taking a penalty kick, testing aim and technique, etc.); 5-Draw of club's merchandise and stadium's tours.	A major part of the respondents pointed out the Initiatives/Entertainment at halftime and before the match as one of the main weaknesses of their favorite football club (survey results - see appendices)

Interaction with Fans and Members (Activities/Initiatives) / New Customer Segments & Retaining current ones	"SC Braga Music": platform (Youtube or club's website) where fans could find the SC Braga's official songs and could post videos performing their own songs related to the club), There would be a regular selection phase and announcement of the new official SC Braga's song created by a given fan/member.	Interaction with other customer segments (e.g. women)
Interaction with Fans and Members (Activities/Initiatives)	Increase the utilization of the SMS through campaign messages such as "There is a seat at SC Braga's stadium calling for you…Are you going to meet him and support your SC Braga in the next match on day X, at X hours?", The SMS would include the ticket's prices.	This would be useful since in Facebook, for instance, sometimes club's posts do not appear on time unless every fan goes almost daily to the club's profile. This message would be sent to members by SMS and posted on social networks.
Interaction with Fans and Members (Activities/Initiatives) / New Services	Taking advantage of new technologies and trends, evaluate the possibility of creating alongside with the owner of the broadcasting rights, a new service to the club's members present at the stadium providing them access to the broadcast while they watch the game live. It aims allowing them to see on their mobile phones and tablets what is happening on the other side of the field avoiding visibility concerns and disgusts that might harm their satisfaction for being at the stadium.	A research should be developed in order to assess the feasibility of this action. It should be negotiated with the broadcasting rights owner. This initiative aims to combine the benefits of watching a game at the stadium and on the television.
Interaction with Fans and Members (Activities/Initiatives)	"The Guess Who Seat": Random seat in a different color from the other ones, where in every home match a notable person linked to the club would watch the game, close to the SC Braga's members	Raising interaction with the club and a surprise effect for fans who go to the stadium
Interaction with Fans and Members (Activities/Initiatives)	Pre-match (a few minutes before the match starts) choreography or physical activity exercises in order to promote physical activity among fans and increase, game by game, the awareness of SC Braga's choreography	Development of partnerships with local sport and health schools and associations. Members of the team which would be performing the choreography/physical activity exercises would be placed in the stands, among fans, to stimulate their participation in the initiative. Reach customer segments such as women and children.
Interaction with Fans and Members (Activities/Initiatives)	Roadshow organized by SC Braga to be held in the main cities which would include a competition where people with ages between 6 and 16 years old, divided by age groups, would be evaluated according to some parameters (speed, accuracy, aim, technique, strength, goalkeeping) and afterwards the winners would be selected at a city and national level. A participation fee would be charged and there would be established specific sponsorships.	Interaction with younger customer segments and their parents, and different communities
Facilities Utilization & Stadium Occupation Rates	Development of a points system that rewards members who go more often to the stadium by providing them discounts which do not interfere with season tickets. Different approaches can be followed: 1-Discount in the next ticket purchase according to the number of matches the member watched at the stadium in the previous season (different ranges); 2-Provide the ones who usually go to all the home matches, two or three free tickets for the Portuguese Cup and/or the Portuguese League Cup, allowing them to bring friends to the stadium; 3-After a certain number of consecutive matches watched at the stadium by the member, he/she would have a 100% discount on the ticket for the next match (linked to the previous season); 4-Discount computation based on certain loyalty criteria (e.g. Number of games watched at the stadium in the previous season; Amount of money spent in the last season in match tickets; Membership years).	This system aims to increase the occupation rates and is appropriate for members who do not have the opportunity to watch all the games at the stadium and, consequently, do not buy a season ticket. It should not overlap the benefits associated to season tickets. Each option should be evaluated in terms of revenues generation. Monitored by the club member's card.
Facilities Utilization & Stadium Occupation Rates	Provide discounts in merchandising to members who go to the stadium more often (a given percentage per number of games). E.g. 10% discount (up to 100 Euros) after 3 games.	Increase merchandising sales and stadium occupation.

Facilities Utilization & Stadium Occupation Rates / New Customer Segments & Retaining current	"Cine SCBraga": For one night, or during a few days, in July or August, when there are not any club-level football competitions, there would be a film festival on SC Braga's field providing the opportunity to its members and fans to have a different perspective of the stadium and a different interaction with their club.	Increase the utilization of the stadium and reach several and different customer segments. Potential to be a summer tradition of the club.
Facilities Utilization & Stadium Occupation Rates	Opportunity to see the Portuguese national team's matches during European Cup and World Cup competitions in the stadium's big screens	Only applied in stadiums where there is this possibility. Increase the utilization of the stadium and reach several and different customer segments. Potential to increase sponsorships revenues due to the increase of the exposure period.
Financial Aspects	Optimization of the external services and supplies through long-term contracts and the development of a Procurement department.	Improve efficiency and providing a more positive and healthy financial image of SC Braga. Other sources of investment are being explored all around the world such as: investment funds (usually originate a conflict of interests between clubs and funds - sporting performance vs. economical performance), investments from foreign millionaires (usually from undeveloped football markets) and Supporters Trust Groups
Financial Aspects	Setting key performance indicators at a sporting and financial level and present them in SC Braga's annual report and accounts (team performance indicators, EBITDA margin excluding profit on players transactions, weight of wages in total costs, matchday income, media income, commercial income, CRM fan feedback, etc.).	
Participation in Society & Social Concerns	"SC Braga Charity Cup": Tournament to be held on July or August, with the duration of one day, composed by four matches of four different sports offered by the club (selected by the fans through a voting system) in which would participate athletes from the different sports in mixed teams (including from the professional football team) having the possibility to watch, for instance, a basketball match between mixed teams composed by football, handball and basketball athletes and even a match between the indoor football team and the professional football team. All the revenues related with voting, sponsorships and tickets would revert to social causes. The matches would be broadcasted by SC Braga TV. From an internationalization perspective, SC Braga Charity Cup could also invite foreign clubs to participate in this event or even develop it in another country.	Moreover, other activities such as kart racing, could be organized in order to strengthen ties between players and raise money for social causes. One of the three main weaknesses referred by the respondents regarding the main weaknesses of their favorite football club was the Importance/Participation in society (undertaken challenges and initiatives from other entities) (almost one third of the respondents also pointed out the Services provided to the Members as a weakness) (survey results - see appendices). Participating in social projects in foreign countries can be a way to achieve internationalization and increase brand awareness and loyalty (Hamil and Chadwick, 2010).
Internationalization and Search for New Revenues in Emerging Markets	Network marketing: contact, for instance, local Chinese and Indian communities, who might. since their arrival to Portugal have become a SC Braga's fan, and offer them the possibility to be representatives of the club in order to increase brand awareness in their home countries.	Close monitorization is needed. Marketng tools and plan provided by SC Braga. It also can be used in markets where the Portuguese population is high.
Internationalization and Search for New Revenues in Emerging Markets	Development of some SC Braga's merchandise in order to penetrate in Asian markets such as India, China and Indonesia: energy drinks, cars and motorcycles, motorcycle helmets.	Markets such as the Chinese are highly populated, love football and have an increasing purchasing power (Desbordes, 2007). SC Braga should also focus on markets where the Portuguese community is signficant.
Internationalization and Search for New Revenues in Emerging Markets / Interaction with Fans and Members (Activities/Initiatives)	Creation of SC Braga's football academies abroad (joint ventures with local clubs are a possibility) in order to attract new members and followers and detect new talents in emerging countries such as India, Indonesia and China.	Increasing brand awareness, loyalty, new sources of revenue, attracting international memberships and detecting talent.
Internationalization and Search for New Revenues in Emerging Markets	Offer the possibility of reading SC Braga's website in the Spanish, French, Arabic and Chinese languages.	Increasing contact with international followers,
Internationalization and Search for New Revenues in Emerging Markets	Other strategies used by foreign football clubs to enter in the Asian market that SC Braga can follow: tours, attracting Chinese companies as sponsors since many European leagues are broadcasted in Chinese T.V. channels (e.g. Everton Football Club), acquisition of Asian players, managerial support to Asian clubs, acquisition of Asian clubs (co-branding).	Hamil and Chadwick (2010)

Table LIX: Suggestions & Recommendations for the Football Academies

FOOTBALL ACADEMIES		
Operating Area	**Suggestions/Recommendations**	**Comments/Observations**
Partnerships & Sponsorships / New Services	Stimulate the organization of non-match events (e.g. seminars, live concerts), assessing the possibility of creating an Health academy (a concession would avoid too ambitious investments) to reach somehow unexplored customer segments (mainly women).	Developing and offering new services to decrease the dependence on subsidies. The activities that the respondents would like to be offered by their favorite football academy were mainly the Health academy, "Player for one day", Free Transportation to some of the away games and Other Shows at the Stadium (survey results - see appendices).
Partnerships & Sponsorships / New Services	Opportunities of cross-selling with new and current partners (baskets of goods in Christmas, for instance)	Bring together different products from academies' partners
Partnerships & Sponsorships / New Services	Opportunity to negotiate several partnerships enlarging the offer to players, parents and community according to the products/services offered by the potential sponsors/partners. Many companies can be targetted allowing the academy to present offers from different industries and minimize the impact of the economic crisis.	Car Sponsor, Motorcycle Sponsor, I.T. Partner, Media Partner, Catering Partner, Energy Partner, Design Partner, Financial Services Partner, etc.
Partnerships & Sponsorships / New Services	Offer of a car wash service while parents watch their children's game	Partnership with a gas station.
Partnerships & Sponsorships / New Services	Themed restaurant and dinners (e.g. Christmas dinner) aiming to bring people to the academy regularly..	Partnerships with themed restaurants of the region being each one of them in charge of the academy's restaurant for one month
Partnerships & Sponsorships / New Services	Creation of the Most Valuable Player of the Month Award along with the Best Student of the Month Award in collaboration with a sponsor	All the teams would be able to vote and it should be discussed with local schools. Parents cannot vote in their own child.
Partnerships & Sponsorships / New Services	Organize birthday parties (fun park, a snack at the academy's restaurant and a football match at the academy's field)	Attracting new fans and players.
New Customer Segments & Retaining current ones / Interaction with Fans and Members (Activities/Initiatives)	Creation of a Business Club. Initiatives: 1-Regular debate event between academy's sponsors and local businessmen, preceded by a dinner, to discuss current local issues; 2-Creation of a sponsor official magazine with advertising and articles written by them available at the academies' website; 3-Creation of a companies football (or all-sports) competition between sponsors and local companies.	This would allow to attract new companies and increase the exposure of the academy to potential new sponsors and partners.
Interaction with Fans and Members (Activities/Initiatives)	New features to make the academy's website more fun, suitable and close to the players, parents and the community: 1-Announcements of prizes and promotions winners; 2-Polls; 3-Opportunity for the parents who watched the most recent games to send, and see posted, their own photos and videos of their children.	The website should be a useful tool to interact with the community.
Interaction with Fans and Members (Activities/Initiatives)	Create a contest to develop official academy's musics.	Interaction with other customer segments (e.g. women)
Financial Aspects	Evaluate and explore the possibility of selling the naming rights of the field as a regular new source of revenue.	Different negotiation models and duration of contrats can be adopted (some clubs adopted a raffle model within their sponsors and partners network) (Source: Futebol Finance).

<table>
<tr><td>Financial Aspects</td><td>Optimization of the external services and supplies through long-term contracts assigning Procument tasks to a specific employee.</td><td rowspan="2">Improve efficiency and providing a more positive and healthy financial image of the academy.</td></tr>
<tr><td>Financial Aspects</td><td>Setting key performance indicators at a sporting and financial level and present them in academy's annual report and accounts (sporting performance indicators, EBITDA margin, parents' feedback, etc.).</td></tr>
<tr><td>Participation in Society & Social Concerns</td><td>Create a space where the children from the local community can stay after school and do their homework. This would also work as a place of interaction between the community elements during weekends.</td><td>Embracing all the community elements and bringing them to the academy.</td></tr>
<tr><td>Internationalization and Search for New Revenues in Emerging Markets</td><td>Assess the possibility of establishing partnerships with foreign academies in order to receive and exchange knowledge and experience and, in the long-term, establish itself in other markets (co-branding)</td><td>A research should be developed in order to assess the quality and characteristics of those academies. Goals: exchange ideas about training methods, revenue generation, cost management and interaction with the local community.</td></tr>
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