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THE ECONOMIC CRISIS OF SPANISH FOOTBALL: CURRENT STATE AND WAYS OF SOLVING

KATSIARYNA BULLO, ALIAKSANDR MATVIENKA

Polotsk State University, Belarus

The article is devoted to the economic component of football in Spain. It reveals the main causes of the difficult financial situation which the majority of Spanish clubs face. The article considers the main anti-crisis solutions to the problems of the economy of professional football in Spain.

Despite the introduction of the UEFA Institute of financial fair play, as well as a greater focus on self-sufficiency of the clubs the financial situation in football Spain is rather dismal [3]. Spanish football clubs are in a difficult financial situation. Their total debt exceeds 4 billion euros, which experts account for the protracted economic crisis in the country, reducing of incomes and subsidies.

Spanish professional football, one of the best on the continent, is in a difficult financial situation. 21 out of 81 teams have already declared bankruptcy. This situation is explained by a protracted economic crisis in the country, reduction of own revenues of the clubs, decrease of sponsor aid and subsidies from the authorities [1].

However, it is difficult to call it a net debt. UEFA recognizes as debts the long-term or short-term debt instruments that are not so large among Spanish clubs. However, the fact that football clubs in Spain play on credit, should not remain unnoticed [3].

The economic crisis has affected football, as well as all other spheres of life in Spain. Revenues from housing construction, which have been feeding Spanish football in recent decades sharply declined or disappeared. Not only the main sponsors – construction magnates, but also regional and municipal authorities, which generously supported local clubs before, do not give money any more now. Revenue from advertising and TV broadcasts decreased. Fewer fans go to football matches now.

Even the most famous Spanish teams, not to mention the minor ones are in the red. "Real Madrid" owes 215 million euros, "Barcelona" – 462 million. However, these two superclubs have significant income. In 2011 they earned 537 and 488 million, respectively. This allows the Spanish football grandees keep afloat; money also comes from worldwide sales of various goods with their symbols. The other teams do not get such an income.

According to statistics, footballers' salaries have decreased on average 5,5 times over the past two years. As regards the third largest Spanish football League, here in general, many players are forced to play for free. In addition, wage delay in clubs became commonplace. According to the sports newspaper "Marca", the total arrears of wages for January amounted to 42 million euros. Clubs owe the tax authorities and social insurance fund more than a billion euros. Many clubs don't pay rent and for sports facilities, light, water [1].

Prospects of paying off the debts are not seen yet. The classic way which many Spanish clubs used before, does not work now. It means the sale of stadiums and sports areas, located in prestigious urban areas for demolition and construction of housing. The first operation of this kind was carried out by «Barcelona» in the mid 60's.

Several years ago "Real Madrid" sold its "sports town" to the north of the Spanish capital on favourable terms. Four highest Madrid skyscrapers appeared in its place. However, recent plans to sell the stadium Santiago Bernabeu were not implemented by Madrilenians because of the crisis in the building sector.

In the face of rapidly growing number of clubs-bankrupts Professional football League of Spain decided to apply sanctions against some of them. The innovation, which came into force in July, 2012, provides for the disqualification of bankrupts, suspected of fraud.

The League's President, Jose Luis Astiasaran explained that there are still gaps in their legislation. Clubs declaring bankruptcy do not pay for anything. However, some of them do not think about saving and repaying debts – they continue, for example, to buy expensive players, sign contracts with the best specialists, to live in debt in a grand style. Meanwhile, according to Astiasaran, other more responsible clubs have to save on players and coaches to stay afloat. Naturally, this affects their game and puts them at a disadvantage with those who try to cheat during the crisis [1].

Spanish football is dying because of poor economic management – doctor of economics Sciences Jose Maria Guy de Liabana has concluded in his annual report. He stated the main economic problems of football clubs in the Spanish League.

The Spanish League is not developing; actually only two clubs "FC Barcelona" and "Real Madrid" are developing, while the others remain on the level of five years ago. The report mainly focuses on five major European football leagues: English, German, Spanish, Italian and French, among which Bundesliga stands out for its special management; it is the "healthiest" of the above mentioned and is notable for high fillability of stadiums, and the myth of the English Premier League is already debunked.

Model of the English Premier League is financial bankrupt, but there remains the model of Roman Abramovich's club. He finances losses of "Chelsea" at the expense of his companies. As for the Italian League A, it is experiencing serious economic problems, in particular such big clubs as "AC Milan", "Inter" and "Juventus". Football is a living reflection of the state of the economy; the European one is reflected by Germany and France.

Speaking about the Spanish League, we should emphasize that there is an unfair distribution of royalties from the TV broadcasts, so that "Real Madrid" and "Barcelona" get almost 50% from the total income, while in leagues such as the English one, the distribution is much fairer, and the smaller clubs get enough money for investing [5].

Data on the 2010 – 2011 season show that the total income of the Spanish clubs reached 1,669 billion euros, while general expenses grew up to 1,83 billion euros.

The lion's share of this amount is spent on players, despite the fact that some clubs are experiencing financial difficulties, their players come to trainings in their Ferraris, which indicates that the labour force in football impoverishes clubs. If you look at the state of the bank accounts of each team, you will see that Barcelona and real Madrid are the only ones able to generate a great income ("Barcelona" – 450, 7 million, Real – 479, 3 million), and all other teams except "Valencia" (119,6 million), Madrid "Athletics" (99,9 million) and "Sevilla" (82,9 million) are forced to survive in the conditions of limited budget [5].

In connection with the fact that Spanish economy is struggling to stay afloat during the global financial crisis, the executives of small, heavily indebted clubs warn that soon the load on the courts on bankruptcy will largely increase.

Many people believe that in addition to the principled struggle with each other "Barcelona" and "Real Madrid" are interested only in successful performances in the European Champions League, increasing their fan base and commercial presence on the territory of our planet.

La Liga loses its status of the top level tournament due to the large difference in income of teams. The big clubs do not particularly want to change the current situation, because it guarantees their annual participation in the Champions League [4].

While small clubs are trying to find a corporative guarantor, "Barcelona" has achieved the most profitable in the history of football sponsorship agreement on advertising on T-shirts. The deal with "Qatar Foundation" signed last December, will bring Catalan club 238 million during five years.

Television revenue of La League is more than two times lower than the income of the English Premier League clubs. It is also less than the income from TV broadcasts of Italian Series A, which amounted to 915 million euros in 2010. The income from TV broadcasts of the top division of French football was 607 million euros in the same year, which according to a study published by Jose Maria Gay, Professor of Finance at the University of Barcelona approximately coincides with La League.

Mr. Gaye believes that Spanish football is functioning without any sense of solidarity, in the situation when the clubs absolutely do not think about how to maximize their joint efforts and joint income. There was a serious risk that viewers would gradually cease to watch football. At the same time people watch French football not because of high quality standard of football, but because it is open and unpredictable competition [4].

Economics

However, a certain form of solidarity showed itself in the recent discussions on wages, during which they mainly discussed the players' demands to the football Federation for creating an insurance fund that would guarantee the players' salary, even if their clubs were declared bankrupt.

In connection with a difficult financial situation Football Federation of Spain intends to take the extreme measure and to take the clubs under financial control. A critical situation which many teams face makes such extreme measures absolutely necessary.

In the near future the 11 Spanish clubs in the two highest divisions will be declared bankrupt – "Zaragoza", "Mallorca", "Rayo Vallecano", "Hercules", "Betis", "Granada", "Rekreativo", "Herrys", "Cordoba", "Cadiz" and "Poly Ejido". Ten clubs are on the verge of bankruptcy – "Sporting", "Malaga", "Real Sociedad", "Levante", "Las Palmas", "Albacete", "Alaves", "Barcelona", "Murcia" and "Alicante" [2].

The Spanish League is planning to introduce rules that are identical to the "rules of the financial fair play", which the UEFA introduces this year. In accordance with these clubs should not spend more than they earn. The decision was made at the Assembly of clubs; Spain is to become the first country, where the financial activity of clubs will be regulated.

Another measure that can be taken in Spanish football is the signing of the agreement between the Professional football League and The Association the footballers of Spain. This union guarantees players regular wages. However, the agreement between the both sides is not achieved yet. And here comes another variant of further development of events. It is not excluded, that will be a reform of the existing models of the distribution of revenue from TV broadcasts between clubs.

The financial crisis has affected not only football, but other sports as well. The Spanish basketball, cycling, handball and volleyball teams also experience serious difficulties. For example, basketball clubs "Hoventyd", "Estudiantes", "Menorca", "Valladolid" and "Granada" have already announced that they have debts to their players and creditors, and "Alicante" is on the verge of extinction [2].

Frightened by the threat of a strike, the Federation is to improve the legal conditions of payment of the wages to the players. Also the rights for TV broadcasting are being developed, even provided that a majority of contracts clubs are in force until 2014. Under an agreement signed last year, most clubs committed themselves to share the profits from TV broadcasts more equitably and guarantee clubs moving to the lower division some financial support provided by these revenues [4].

Spanish clubs also will have to bring their actions to conformity with the new rules of the financial regulation of UEFA, which entered into force in 2013, and are designed to limit the transfer costs and help weaker clubs.

However, most clubs do not show much desire to change their strategy which is irrational and unacceptable from a financial point of view. Some of them continued to pay record transfer fees, even going through the procedure of technical bankruptcy using ambiguous Spanish law, which, of course, caused disapproval of the financially healthier opponents who consider such a competition unfair.

As a result some of the Spanish clubs have a payroll which is more than their total income, even despite the fact that FIFA, the main governing body of football in the world, recommends to make payroll not exceeding 50% of the income [4].

In fact, "Real Madrid" and "Barcelona", which also are the two biggest European clubs according to their income, continue to write stunning receipts to new players in order to strengthen their impressive team.

Thus, Spanish clubs should try to solve the problem of the high costs by better use of the revenues from television broadcasting, which should be distributed more fairly, and the sums fixed in the contracts with the TV channels should be increased considerably – they are very far from the money that is paid by channels for the broadcasting of matches of the Premier League or Series A.

If we compare the two Spanish giants "Real Madrid" gets more income, especially in the ticket offices, but it remains behind Barcelona, as it has more debts. However, accounting does not reflect one of the most important assets – the cost of players, students of the Barcelona football school.

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THEORETICAL ASPECTS OF SALES MANAGEMENT IN ORGANIZATION

VIKTORIYA VAVILONSKAYA, NATALIA BELORUSOVA
Polotsk State University, Belarus

The article is devoted to the problems solved in the process of marketing activity. It analyses the stages of sales management in the organization, which include: definition channels, the choice of intermediaries, business supplies, promotion and supervision of intermediaries. Under phase selection intermediaries we consider three strategies to reach the market – an intensive and selective distribution, exclusive distribution.

A distinctive feature of the economy today is a mismatch of time and place of production of the product to the place and time of its consumption. Solving problems arising in connection with this, requires significant financial investments. To borrow a sustainable competitive position in the market, the manufacturer must rationally decide emerging challenges at all stages of their product.

In market conditions, sales of products is an integral part of organizations.

In a narrow sense marketing – itself directly purchase and sale and transfer from the seller to the buyer as the product itself, as well as property rights to it. Broadly speaking, the concept of sales includes the entire chain of operations since the release of the goods outside the company before handing it to the buyer [1].

Our studies of theoretical sources reveals the following basic system problems solved in the course of marketing:

1. Implementation analysis of "consumer – goods market ", the results of which are developed strategies of the organization in the market. By analyzing the behavior and preferences of consumers in relation to the organization as a commodity and competitive product, you can solve the fundamental question – how much real goals set before the marketing and service costs are necessary to achieve the goals.

2. For any service marketing one of the primary tasks is to develop the most efficient structure of distribution channels and systems to manage these channels. Solution of this problem determines how, when and where the goods and services reach their consumers.

3. Challenge in ensuring the financial efficiency of sales operations. This is achieved through the development and implementation of policies and the creation of a commercial loan the following systems: accounts receivable management, inventory management systems of finished products, the system of discounts for buyers.

4. Provide a comprehensive and efficient service consumer marketing logistics.

Customer relations must stand at the forefront of marketing for the service, you need to foster an atmosphere of maximum comfort and maximum customer satisfaction . Logistics and service provide all this. Logistics today – exceptionally powerful weapon for competition and customer loyalty formation in relation to the organization.

Service is regarded as an integral part of the marketing for the reason that it helps to shape, develop and maintain customer loyalty organization.

5. Direct sale of products and services.

All previously listed tasks are necessary and make sense only when the process is carried out selling a product or service.