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Doing the business?

Newspaper reporting of the business of football

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ABSTRACT

This research draws upon a growing interest within media sociology in the ways in which news is shaped by information flows between sources; it focuses on how the media, and newspapers in particular, report on the business aspects of the UK football industry. Media interest in the workings of the City and issues of corporate governance extend beyond the conventional business pages to encompass the sports pages, commentary and even editorializing. The case study in this article centres on the Scottish club, Celtic, and serves to illustrate how public interest in sport can help illuminate aspects of how financial news is produced and reported in the print media. The article argues that much of the growing and complex business side of the game goes largely unreported and that there is evidence of an over-reliance on celebrity sources by journalists and a lack of knowledge or experience among sports reporters in reporting business stories.

KEY WORDS ■ Celtic ■ finance ■ football industry ■ print media ■ public relations ■ sports journalism

Now our football commentators are role playing as business analysts and social scientists. At a truly fascinating period for Scottish football, very little is being added to the sum of understanding. (Smith, 2000: 5)

Introduction

This research draws upon a growing interest within media sociology in the ways in which news is shaped by information flows between sources (Schlesinger, 1990; Schlesinger and Tumber, 1994). The study of media-source relations has highlighted the critical role played by public relations (PR) professionals in mediating these information and news flows (Miller et al., 1998; Miller and Dinan, 2000; Palmer, 2000). According to Michie (1998) the

power relations in the world of business reporting between journalists and their sources are particularly skewed in favour of the latter – who tend to be PR specialists in financial PR and investor relations. In his review of contemporary media–source relations literature in the UK, Palmer suggests the field is best understood in terms of two essential components. These are:

The reasons that journalists have for approaching sources, or more exactly, the reasons they have for choosing between sources, including all the potential sources who are not actually used [and] the reasons that sources have for approaching journalists, or allowing journalists to approach them, or trying to avoid this contact. (Palmer, 2000: vii)

The interests of the sources and the news values of the media organizations are interwoven in these relationships. What makes the sports–business–media nexus such a compelling area for research is the high news value of sport, especially football (soccer), in the UK (Boyle and Haynes, 2000). This can transform the ‘publics’ normally addressed by financial and investor relations specialists. Media interest in the workings of the City and issues of corporate governance consequently extends beyond the conventional business pages to encompass the sports pages, commentary and even editorializing. Clearly this has the potential to disrupt routine information flows between sources and the media. The case of BSkyB’s attempted takeover of Manchester United in 1998 illustrates this phenomenon. Rupert Murdoch’s interest gave the story of this bid both a heightened visibility and a political dimension. What was striking about the proposed takeover were the efforts invested by interested parties in PR (*PR Week*, 1998) and in targeting their campaign towards the news media (Brown and Walsh, 1999).

There is evidence that much of the reporting that fills the business pages of the UK press is attributable to PR sources (Michie, 1998: 25). The case study in this article – while focusing on a specific club (Celtic) and a particular media market (Scotland) – serves to illustrate how public interest in sport, and its attendant news value, can actually illuminate aspects of how financial news is produced and reported in the print (and broadcast) media.

This research examines the 1998 putative takeover of Celtic (a club then controlled by its majority shareholder Fergus McCann) by a consortium including high-profile personalities such as the ex-Celtic star Kenny Dalglish and the rock singer Jim Kerr. Since taking over the club in 1994, McCann had consistently stated that he would stay for five years and that he would then offer his shares in the first instance to existing shareholders, season ticket holders and other Celtic supporters. As he reached the end of his tenure, the club had over 10,000 shareholders and 50,000 season ticket holders, making it the fifth best supported football club in the world.

Two related themes concern us throughout this article. First, we examine the extent to which journalists are over-reliant on particular sources. How acute is this issue with specific regard to the reporting of the developing football business industry? Second, we highlight the apparent lack of training in financial and business matters which exists among sports journalists. To contextualize the particularities of this case study we shall discuss some broader aspects of media, especially newspaper reporting of the business of the football industry in the UK.

Reporting the business of football

In recent years the business dimension of football has become more pronounced. Examples of this incorporation of football are widespread: listing on the Stock Exchange, hostile takeovers, a globalized market for players, football clubs as brands and so on. However, while football at the highest level is now clearly a business, it is not *just* a business. Football's importance, reflected in the extent of its coverage, cannot be reduced simply to economics; rather it is related to its wider social, political and historical significance. Perhaps the key distinction between football and more conventional businesses is the inadequacy of the concept of the customer to describe football supporters. The concept is incomplete for two reasons. First, because it fails to consider the role played by the supporters in creating the product they are being asked to buy; and second, because it fails to recognize that being a football supporter is fundamentally an issue of identity and attachment rather than one of economics (King, 1997; Morrow, 1999: 166–71).

Growing interest in the business aspects of football is evident across the media spectrum. For example, the City of London's bible, *The Financial Times*, has published a weekly sports page with journalists specializing in the coverage of financial issues in sport since March 1997, while the subscription market now also boasts specialized publications like *SportBusiness International* and *Soccer Investor*. At the other end of the spectrum magazines such as *Total Football* now have a 'Football Finance' page.

While increased coverage of the financial aspects of football in the media is indisputable, concerns remain over its quality. One factor is the lack of knowledge of financial matters among many sports journalists. Financial expertise has traditionally been beyond the experience and training of most journalists. At the time of Manchester United's 1991 share float, one of the club's advisers, Glenn Cooper, commented:

You had for the first time the crossover between sports journalists and City journalists. The sports journalists were writing for the first time about City

matters and the City journalists were writing for the first time about sporting matters. By and large both made a complete cock-up of it. (Bose, 1999: 179)

Lack of familiarity with financial matters is understandable when the issue at stake is masked in technical accounting language. For example, the Manchester United financial director, David Gill, discussing newspaper reporting of the club's transfer fee reserve, noted:

[Although] the City no longer requires the fiction [of the transfer fee reserve account]; it does still serve a purpose – for the back pages. Every year . . . United's account keeps showing a Transfer Fee Reserve of £8 million, £12 million before tax, which provokes another story in the popular papers of Fergie's war chest of £12 million – but it means nothing. United's spending on players is not determined by what is in this fictional, notional Transfer Fee Reserve account. (Bose, 1999: 223)

Technical accounting issues aside, the business of football is not, however, inherently complex. Nevertheless much of the reporting reveals an inability or unwillingness to provide rational and meaningful comment on financial matters.

A number of factors relating to the more general reporting of football in the press influence the reporting of the business of football. Football journalists operate in a closed world, in which they rely heavily on (a) other journalists in the 'pack'; (b) official and unofficial clubs' spokespeople; (c) players; and (d) agents as sources of information (Rowe, 1999: 36–63; Boyle and Haynes, 2000: 165–86; Edworthy, 2000). This is particularly true of the tabloid press, where pressure to secure a steady stream of back-page stories is intense. Football news is now established as an integral part of a newspaper's armoury in the perpetual circulation wars. Hodkinson (2000: 60) has noted how:

. . . often, there is collusion between players (or their agents) and reporters. They will all hint that a player is unsettled to alert other clubs of his availability – this might galvanise a transfer or improve an agent's negotiating power. Reporters, since they can become the confidants of players and managers, sometimes become the unlikely go-betweens, piecing together transfers.

This closed interlinked world of players, clubs, agents and journalists is even more acute in a small media market such as Scotland. In the following sections, issues such as those that arose in the course of the attempted takeover of Celtic plc in 1998 are discussed.

The 'Old Firm' and the media in Scotland

Celtic and Rangers – collectively known as the 'Old Firm' – are big fish in a very small pond, dominating Scottish football both on and off the field.

Between them they have been champions of the Scottish Premier League, or its predecessor First Division, in all but six of the last 40 seasons. In financial terms, 70 percent of total turnover for the Scottish Premier League for the year 1999/2000 is attributable to them (PricewaterhouseCoopers, 2001). Notwithstanding the small size of the Old Firm's domestic (Scottish) marketplace, highlighted in particular by its limited television income, the turnover of both clubs remains large enough to ensure their inclusion in Deloitte & Touche's 1998/99 Rich List of Europe's 20 wealthiest clubs (Deloitte & Touche, 2000).

Before considering the communicative dimensions to the Jim Kerr/Kenny Dalglish fronted consortium's bid for Celtic plc it is worth briefly situating the story within the communicative space of the Scottish public sphere (Schlesinger, 1998; Schlesinger et al., 2001). One of the defining characteristics of mediated communication in Scotland is the scale of the society and the interconnectedness of personal networks therein. It is difficult to overstate the visibility of Celtic and Rangers in Scottish life. Peter McLean, then Director of PR at Celtic, described the phenomenon as follows:

I mean [Celtic] is unique. It's the most covered item in Scottish life. It creates on average 14,000 articles a year . . . in terms of a commodity, in selling newspapers, it's probably second to none. *The Evening Times* told us that in 1994 they analysed their leading sales [and] that 81 percent of their leading sales days were lead by Celtic stories. So from [a] marketing perspective, the number one thing that would shift newspapers would be Celtic. (Interview, June 2000)

This extraordinary profile is, in some respects, the product of the ultra-competitive Scottish media market. The media players involved are national media (such as BBC Scotland, and national newspapers such as *The Daily Record* and *The Herald*) with considerable news-gathering resources. As a consequence their relationship with the Old Firm is significantly different from the relationships between many large British football clubs and the local media in their respective cities. The exposure of both clubs places considerable demands on their PR departments which must continuously manage their external communications. In terms of Celtic's PR, a key feature of the *brand* is the social mission statement of the club. How easily this sits alongside the club's status as a plc is difficult to determine, but for those communicating Celtic to the public the importance of the club's community involvement is continually emphasized.

In the Scottish media, market stories about the Old Firm are viewed as crucial in terms of attracting readers, listeners and viewers. While contacts and sources are vital for football journalists throughout Britain, the dominance exerted by the Glasgow clubs in the small Scottish market makes contacts with these clubs crucial. This also makes it more difficult for journalists, particularly those in the press, to level criticism at these sources. It is worth noting the

extensive linkage in personnel between and across media institutions in Scotland. For example, journalists and pundits may work for both radio and television and also regularly appear in the press. Such are the close ties between the worlds of football and sports journalism in Scotland, that ex-players can operate as newspaper columnists, regular summarizers on radio and television as well as players' agents, without any apparent conflict of interest.

One should also note the impact that wider shifts in the media landscape and economy have had on football journalism. The centrality of the market, particularly in the tabloid newspaper sector, means that tremendous pressure can be brought to bear on journalists from editors keen for headline-grabbing back-page copy. The domination of football by television and the rise of new information sources for fans such as the internet all add to the pressure on the newspaper sector with its overall long-term declining readership.

Of course the new media do not simply replace the old media; instead a complex and often mutually dependent relationship develops. For example, it is not uncommon for football journalists to run with a story they have picked up from an official club website. Some journalists are even happy to reproduce stories posted on unofficial fan websites that may relate to transfer speculation surrounding players.

Broadsheet and tabloid reporting

There has clearly been a broader commercial shift towards an increasing concern with celebrity news values in the UK press over the last decade or so (Bromley, 1998; Stephenson, 1998). In addition, concerns have been raised about the blurring of the traditional boundaries between the broadsheet and tabloid sections of the newspaper market (Sparks, 1991; Engel, 1996). Yet, we would argue that within both the UK and Scottish sports press market place there remain clear distinctions between broadsheet and tabloid sports reporting. These are structural differences that have implications for the reporting of the business of sport. Almost all the broadsheets have increased the resources they allocate to their sports pages as they attempt to attract new and younger readers and cash in on the explosion of interest in sports such as football, which have become an increasingly central 'product' to media organizations. Despite this, it remains the tabloid press that sets the agenda for much of the electronic media (Tunstall, 1996; McNair 1998).

While the football industry, driven by media organizations which increasingly control and financially underwrite the sport, has changed beyond recognition, change appears less marked among football journalists. Deadlines have become more frequent and tighter with technological innovation; there

are now more sources of information for supporters (with some clubs and even some players increasingly keen to by-pass journalists completely); more live football means differing types of reportage are newsworthy, and players have become wealthy celebrities who no longer appear solely on the back pages of newspapers. As previously noted, journalists also now routinely use the internet as a source of official and unofficial information lifted from sports websites which they reconstruct as news or gossip.

The closed world within which journalists and players operate is perhaps beginning to be transformed as the influence of agents and PR increases. As the financial rewards for those associated with the game increase dramatically and the sport is aggressively marketed, agents and PR advisers seek to manage the news and image of their clients. Journalists such as *The Daily Star's* Brian Woolnough who had written for *The Sun* for almost three decades noticed these shifts particularly when reporting on the English national team.

There are too many of us, all fighting over the flesh that is a story or a good interview. In a way many of the clueless ones have been helped by today's system with England. There is hardly any digging needed . . . The FA wheel in the players, security guards stand around waiting for the interviews to stop, before the players are whisked off. (Woolnough, 2000: 116)

There is also the continued pressure from news desks with

[T]oo many reporters unable to stand up to constant pressure from their desks back in London, too many reporters unable to say 'No, I am not doing that' and too many reporters trying to create a quick reputation for themselves. (Woolnough, 2000: 236)

The professionalization of PR within the game is really in its infancy. Indeed many clubs are notoriously poor at managing their image and profile. In this milieu, agents and other unofficial sources can thrive. They often have longstanding friendships with players and ex-players who work in and around the game and act as key sources. One significant change is that there are more media outlets – and journalists – chasing football-related stories.

As the commercialization of sport continues apace, most tabloid newspapers are simply ill equipped to deal with this change. Some view it as an area of limited interest to their readers. James Traynor, Sports Editor of the largest selling newspaper in Scotland, *The Daily Record*, notes that tabloids lack the business desk expertise of the broadsheets. However, he argues that his paper

. . . has tackled the business and financial aspects of football better than other tabloids and the broadsheets when they've written about it in their sports pages, not when we've been competing with their business pages. It's got to be written down in a style your market will understand. (Interview, May 2000)

Both Traynor and Hugh Keevins (who writes for *The Sunday Mail*, the largest selling Sunday paper in Scotland) previously worked on Scottish broadsheets, and note how, on such papers, they simply talked with people from the finance/business section of the newspaper if they needed specialized advice.

Keevins adds that 'football writers are going into this [area] completely blind and we misunderstand and misinterpret' (interview, May 2000). As we argue later in this article, while many traditional football writers lack the financial knowledge to fully understand this growing area of the industry, this does not stop them reporting on it. A significant structural difference between the broadsheets and the tabloids here is the apparent barrier that exists between the sports journalists and other sections of the paper. In other words, broadsheet newspapers will have journalists with an expert knowledge of the business side of the industry appearing in their sports pages. Perhaps the longest standing example of this is *The Daily Telegraph* columnist, Mihir Bose, whose specialism includes sports business stories. Other examples include David Conn's Inside Football report in *The Independent*. This happens less frequently in the Scottish broadsheet market (with fewer resources), and is non-existent in the tabloid market, where sports journalists are more likely to attempt to re-train themselves as sports business writers.

This occurs at a time when sports journalists are beginning to find their protected patch threatened by journalists with backgrounds in law, business, finance or media issues. In the broadsheet market, where the papers remain well staffed, there is a growing flow of stories across these traditional boundaries. In the tabloids, however, there remains a perception that while stories related to the business aspect of sport are growing in importance, they do not yet justify a systematic re-allocation of resources, either material or human. It is also worth noting that a number of newspapers are themselves part of wider media organizations which have a vested interest in the growing commercialization of the industry and which view sport, and football specifically, as simply another media 'product'.

This increasing economic synergy between the media and sport is viewed by some as distinctly unhealthy. The experienced sports journalist Ken Jones (2000: 43) laments what he sees as the lack of backbone among much contemporary sports journalism:

Now it isn't unusual to come across sports reporters who fearfully satisfy the flawed demands of their superiors. Pointless or insincere quotes have become the valued substitutes for personnel assessments, making newspapers patsies for agents, sports goods manufacturers and the new breed of entrepreneur.

This can often lead to a collusion of sorts when the topic under discussion involves complex financial dealing and issues outwith the journalistic competence of football reporters. This point was also noted in the Scottish market by

sports journalist Graham Spiers, then writing for *Scotland on Sunday* and *The Guardian*, and now with *The Herald*. Speaking of the influence Rangers Chairman, David Murray, appeared to exert over the Scottish press, Spiers commented that:

Murray has a great knack of being a puppeteer of newspapers. When you read some versions of what he is doing at Rangers, the impression is gleaned that he has almost become the sports editor of certain tabloids. He tosses financial figures into the air which are dutifully reproduced, usually with a grand sense of inflation which allows the arithmetic to be pumped up a bit. Last week, for instance, at Murray's obvious behest, the Rangers rights issue, which might have trouble reaching its £53m goal was effortlessly translated by one paper into a £100m beanfeast for Ibrox. (*Scotland on Sunday*, 2 April 2000)

Creating a climate of opinion

In contrast to David Murray and other sport entrepreneurs, Fergus McCann did not enjoy a close relationship with the press. Arguably, this stemmed both from his personality and from his attitude to the press and other institutions in Scotland – in particular his apparent unwillingness to court favourable press coverage. Consequently, the Kerr/Dalglish consortium's bid for Celtic can only be understood in terms of a prevailing climate of opinion regarding the club and its then chairman Fergus McCann. There was a perception at the time that Celtic were under-achieving, especially on the footballing front. The club was not prepared to match spending by Rangers on its squad of players and was trailing Rangers in the league. The popular image of Celtic's transfer fund being kept in a 'biscuit tin' was perhaps emblematic of this mood. However, this perception did not simply emerge and it was, in part, the result of contingent effort on behalf of outside interests. One such actor was Brian Dempsey, a former director of the club who was instrumental in bringing McCann back to Scotland as chairman of Celtic. Within the club there was a perception that Dempsey had begun a campaign to undermine the previous Celtic board. During this time he retained the services of PR adviser Jack Irvine. Irvine started the PR consultancy Media House on the back of his success working for Dempsey and remembers the Celtic board's PR prior to the McCann takeover as inept:

They didn't know how to handle the media, they kept putting their foot in it and all you needed to do was just gently push them occasionally and they'd do stupid things and you could just wind them up . . . One of the greatest wind ups we did was, there was a plan to move Celtic Park to Cambuslang and this environmental group in Cambuslang sent me a report that all this gunge was coming up through the ground and that kids were being born with deformities. It was claimed it was Chernobyl Mark 2. There was never actually any solid evidence. Anyway, I just gave it to Gerry McNee I think it was at the [*Scottish Daily*] *Express* at the time and

he wrote this as an exclusive, everybody leapt on it and they started doing cartoons of Celtic players sort of running about with their legs falling off, because of all the gunge coming up and of course you create that perception and it became a joke virtually. And it was so easy. (Interview, June 2000)

An intermittent smear campaign against the Celtic board continued during McCann's tenure as chairman. Sources within the club recall how segments of the Scottish media, eager for newsworthy stories about Celtic and sympathetic to figures such as Dempsey, combined to harm the club's reputation. McCann's frustration with a series of inaccurate media reports led him to use the club's official paper, *The Celtic View*, to publish a vigorous rebuttal under the heading 'Dempsey-Balls'.

Reporting the takeover bid

Funding

In any takeover, a vital consideration is how the bid is to be funded. Surprisingly, in this case, there was little coverage of how the consortium intended to fund its acquisition of Celtic. Instead, the majority of reporting by sports journalists concentrated solely on the emotional appeal of the bidders, in particular on the return of 'King Kenny' [Dalglish]. Interestingly, from the moment the consortium's intention became clear, many papers concentrated on portraying its 'bid' as being in the best interests of the fans, further asserting that the consortium led by the 'dream-team' of Dalglish and Kerr would have the wholehearted backing of those supporters.

Some of the reporting by financial journalists did extend beyond emotion to address the issue of funding and its implications. A key point was that the bid was to be funded by City institutions. Consequently, if the bid was successful, Celtic would end up being partly owned by those institutions. An editorial in *The Scotsman* (12 November 1998) carried the memorable quote that 'CFC [could] stand for City Funded Consortium, which may be a much less palatable play for the fans, even if King Kenny is involved'.

The Scotsman's football journalist, Glenn Gibbons, followed up this issue. After an open press conference, he recalled trying to get the consortium's advisers to acknowledge that a successful takeover by the consortium would result in its financial backers (Bankers' Trust) owning Celtic.

McAvoy [Consortium] said how we've [the consortium] got backing from one of the biggest banks in the world.

Gibbons: 'You mean you're being financed by them? The deal's being financed by them . . . they'll own the club?'

'No, no, they're coming in as investors.'

I said to him: 'You see this investment of £30–40 million, how's that going to get into the club? . . . there's only two ways of putting it in, as new shares or a loan . . . Oh, there's a third way, they can give a donation. The banks, though, are not really famous for that.' (Interview, May 2000)

Gibbons had two key observations on this exchange. First, that the consortium's adviser was unnerved because he had not expected this type of question from sports reporters. Second, 'the surprise on a lot of fellow reporters' faces because they were all football writers and they hadn't thought about all this' (interview, May 2000). As we shall see later, much of the consortium's planning for this press conference was centred on how to communicate the role of the merchant bank backing the bid.

A more fundamental question was whether the consortium could even afford the takeover. Rule 2.5 of *The City Code on Takeovers and Mergers* states that the company must be in a position financially to acquire *all* of the issued share capital of the target company. The consortium therefore required sufficient funding to acquire not only Fergus McCann's 51 percent stake but also to offer the same terms to the other 10,000 or so shareholders who owned the remaining shares in Celtic plc. While some doubts were raised about the consortium's ability to comply with this condition, it received relatively scant attention. Instead emotion and celebrity were deployed as a substitute for technical comment or analysis.

For example, in *The Herald* (12 November 1998), Keith Aitken signalled that the consortium might have trouble raising its £50 million bid for McCann's shareholding up to approximately £100 million if it had to tender for all Celtic's shares. Despite this financial concern, Aitken blithely stated that the two aces up the consortium's sleeve were the emotional link between the fans and Dalglish and the availability of substantial funds for player transfers. The fate of this transfer kitty should the consortium have to buy shares in addition to McCann's was not considered. Other papers did not even raise the issue of affording the bid. Typically, *The Sun* (12 November 1998) instead enthused over the wealth of the consortium's key players: 'their quickfire rise in the jet-set world of high finance proves [they] have the clout to make Fergus [McCann] an offer he could find impossible to snub'; or again played the emotional card: 'Dalglish and Kerr are crucial to the plan – two mega-rich Celtic men who can be assured of the backing of the powerful Celtic support'.

Failure to address this fundamental issue of being able to afford what you are seeking to buy is surprising. In an interview with one sports journalist he bemoaned the failure of his colleagues to challenge the staggering ineptitude shown by the consortium in making an offer, which, if all the shareholders accepted, it could not afford.

One possible explanation is that buying something you cannot afford, usually players, is simply an accepted part of football's way of doing business.¹ Alternative explanations relate to an unwillingness on the part of sports journalists to challenge either their sources or the cult of personality on which football, and football reporting, is so dependent. This leaves them vulnerable at best to misrepresenting the story, at worst to creating the story. As stated, much of the coverage of the consortium's bid focused on its alleged emotional appeal. Many journalists were seemingly subsumed by the celebrity of the consortium, led by the returning 'King Kenny'. An interesting aspect of the story was the way this myth (the popularity of the consortium amongst Celtic supporters) was created, despite the absence of any substantive evidence. The PR advisers to the consortium continually emphasized the popularity and legitimacy of the consortium with fans as part of their communication strategy. This spin was uncritically reported by most journalists covering the story. One journalist was particularly scathing in his condemnation of the tabloids in this regard:

For me the tabloids got it wrong, particularly about [the notion of the voice of the fans], about this panting enthusiasm for Kenny. 'King Kenny' and all that. The story was media led and media driven. It wasn't the fans at all. (Interview, May, 2000)

The absence of any meaningful analysis of Fergus McCann's own proposal for disposing of his shares, in which supporters were to be given first option on purchasing his shares, was striking. One of the few journalists to address this issue was Paul Stokes, then deputy business editor of *The Scotsman*. He noted:

The stuff I was writing was saying that this consortium was trying to pass themselves off as the fans' champion, whereas there was a person here [Fergus McCann] saying 'I want to sell the club to the fans.' What more could you ask for as a fan of Celtic than to be offered a chance to own your own club? (Interview, May, 2000)

Again this can be partially explained by the media's focus on personality. McCann's manner and personality had certainly not endeared him to many in the media. More pertinently, he was also not a conventional operator in Scottish football: much of the football media seemed unwilling or unable to accept that someone in the football business might actually do what he had said he was going to do. As Paul Stokes noted:

Fergus came in and said 'I'll stay for five years. After I have been there for five years I will have built the stadium, stabilized the business . . . and I will have a share issue and I will endeavor to give as much as I can to the fans.' Nobody believed him, they thought obviously there is an alternative motive . . . a lot of poisonous information was put out against Fergus. (Interview, May, 2000)

Acquiring knowledge

Although the business of football is not inherently complex, there are technical issues with which journalists must deal. Several journalists we interviewed observed that their own ignorance was the major obstacle they faced in reporting the business of football. Nevertheless, this problem could be overcome by speaking to people who understood the issues.

Problems remain, however, when journalists fail either to familiarize themselves with the issues or seek expert advice. Jim Traynor of *The Daily Record* suggested that in contemporary journalism 'there are too many lazy journalists about' (interview, May 2000). The business journalist and PR consultant, Maurice Smith, recently bemoaned media analysis of the business logic of the proposed new European League (involving the Old Firm), asking 'So when did our armchair sports commentators become business experts?' (*Sunday Herald*, 20 August 2000). This is exacerbated by the preference among sports journalists for relying on traditional sources, often former players or managers, to provide 'expert' analysis, irrespective of whether the issue under discussion relates to their area of expertise. Following Celtic's 1999/2000 Scottish Cup defeat by Inverness Caledonian Thistle, Alan Wright wrote in *The Scotsman*: 'Defeat costly for investors as Celtic shares take a dive'. The former Celtic manager and player, Billy McNeill, was quoted as saying 'obviously they [the plc board] must be worried about that amount of money being wiped off the club's resources'.

This quote is illustrative of many inadequacies in the reporting of the business of football. While it is likely that the directors of any plc will be concerned about adverse share price movements it is wrong to assert that these movements have an effect on 'the club's resources'. The company's resources are unaffected directly by movements in its share price.² The price is determined by the supply and demand for those shares in the Stock Exchange and, importantly in the context of thinly traded shares in football clubs, by market makers adjusting the prices at which they will trade those shares (Morrow, 1999: 93–107).³ In communicating reality, the journalist has constructed reality (Hines, 1988), introducing spurious concern about one of the key interests of football supporters, namely the availability of funds.

The reporting of the process of 'due diligence' in the takeover demonstrates either the reluctance of journalists to overcome their knowledge gap in relation to financial matters or their wilful misrepresentation of the facts. Due diligence is a process common to all takeovers, whereby a potential buyer makes sure that it fully understands everything it can, both financial and operational, about the anatomy of the company it is considering buying. However, this is not the interpretation one would have gained from reading

some accounts. Jonathan Kennedy, a PR adviser to the consortium, recalled a conversation with one journalist on this issue, noting that:

[He] couldn't quite grasp that [this was a standard procedure in any business acquisition], well he maybe didn't want to get it. But the way he reported it was something like one of the stumbling blocks was a procedure called due diligence . . . and he alluded to the fact that this could be unusual . . . and that maybe something was slightly amiss. (Interview, June 2000)

One explanation for this type of behaviour is that it arises out of assumptions about the readership of particular papers, namely that they are not an elite who will be interested (or knowledgeable) about financial matters. The tendency to reduce all reporting either to issues of personality or to football's 'bottom line' (how much is available for transfers?) is therefore perhaps understandable. Jim Traynor, sports editor of the influential *Daily Record*, commented that stories about the business side of sport are unlikely to be of interest to its readers 'unless it was a story saying that they've vastly overspent and the club is going to close' (interview, May, 2000). Hugh Keevins of *The Sunday Mail* noted that fans were not interested in financial intricacies, 'the fan wants to know how much we will get . . . and how much of that can we spend' (interview, May, 2000). Glenn Gibbons of *The Scotsman* noted that '[the tabloids] think that for their readers the financial stories are quite dull really, because they don't have personalities in them' (interview, May, 2000).

Communicating the consortium

The particularities of the Scottish media scene and the relationships between sports journalists and their sources were an important feature of the media's coverage of the Dalglish/Kerr consortium bid for Celtic. The differences between business and sports journalists' treatment of the issue is noteworthy. Another dimension of the story within the Scottish media landscape was the role played by PR professionals in mediating the story. The consortium's PR handlers did not easily satisfy the journalists' appetite for information. Jonathan Kennedy recounts:

The questions that were being asked: How much? When? Who's going to be in charge? Who's the new coach? Are you going to sign somebody new? Are you going to set up a training school? . . . All these questions which were hugely speculative, but illustrate the desire for information, of what this meant. But because of the commercial restrictions, i.e. you don't discuss a bid openly anyway, or any discussion like that [and] the legal restrictions, because of the plc aspect of it, anything you were saying could affect share prices or anything to do with the market. It's all got to be done prior to open, or after close, of the market. (Interview, June 2000)

While communicating the technical aspects of the bid was to prove troublesome for the consortium, the same could not be said in terms of attracting publicity for its efforts. The celebrity of the consortium's figure-heads made their actions irresistible for those sitting behind Scottish news and sports desks:

I mean you've got Celtic, Kenny Dalglish and arguably the most famous Scottish rock star . . . I think again [the] media profile was delicious stuff for the [sports] editors and the news editors, they were probably whooping with delight with these three names. (Interview, June, 2000)

The profile of the bidders ensured extraordinary publicity for the consortium, and made it easy for them to claim to represent most Celtic fans and shareholders. This is particularly true of the tabloid coverage, which has undergone an undoubted shift in the past decade towards celebrity-led content. Under Fergus McCann, a public share issue took place in January 1995 which raised £9.4 million for Celtic and created 10,500 new shareholders, the vast majority of whom were Celtic supporters. A key part of the consortium's communication strategy was to appeal to those shareholding supporters, to persuade them that the bid was in the best interests of Celtic, and that crucially they should hold onto their personal shareholdings. As the consortium saw it, the target of their limited funds had to be Fergus McCann's personal majority shareholding.

The problem lay in the fact that McCann was determined to offer his shares to existing shareholders. This difficulty was not helped by the fact that McCann harboured considerable antipathy for 'populist' spokespersons purportedly representing the 'real' Celtic-minded fan. However, the platform afforded by the media to the consortium did create some communication difficulties for those managing its PR. As Jonathan Kennedy notes:

I mean Jim Kerr, by his pure nature is a front man and he certainly said things that you might not normally have done in the PR world. In an ideal situation, you might not have been quite as vociferous as he was . . . He was quite difficult to control. (Interview, June 2000)

This lack of discipline had been evident when the initial takeover story was leaked to the media on 10 November 1998. A first casualty was the original merchant banker to the consortium, Salomon Smith Barney, who withdrew, 'outraged', as soon as the deal, and its participation, became public (Sinclair et al., 1998: 1). As rumours spread regarding the planned bid, the Takeover Panel forced the consortium to make an official announcement. This had the effect of pushing the share price (and therefore cost of the club to the bidders) even

higher, and signalled that this takeover bid would be a very different creature from most seen in the City. One City analyst was reported as saying:

The fact that this bid has become public at such an early stage suggests it is being shoddily run. The leak of news of any proposed bid at the stage when news of this one came out was so premature it was unreal. (Sinclair et al., 1998: 3)

The publicity surrounding the consortium's bid for Celtic highlighted an enduring element of City practice – the secrecy that pervades financial news flows and reporting. The celebrity of the consortium increased the demand for news about the bid. Nevertheless, the financial actors involved were keen to remain in the background. An example of their reticence to enter the public gaze can be found in the following vignette outlined by Kennedy. Referring to the consortium's planning for a high-profile press conference, Kennedy recalled:

I said my personal feeling is that [Bankers' Trust] should make an appearance and show a face, make a statement and leave the press conference, if that's what you want to do. Just stand and say 'I'm so and so from Bankers' Trust, just wanted to put a face to the name' type of thing, '[I] can confirm as a consortium we are in discussion with Celtic, because of financial, commercial, legal reason[s] we're not in a position to discuss the business part of the bid, but the guys here [Kerr/Dalglish] will talk about the football aspect and why they want to do it and I'll leave them to it', and leave. [However] the decision was made that they wouldn't appear, that Jim McAvoy would be seen as the business face . . . The way we did it, we simply positioned Bankers' Trust as the funders of the consortium. (Interview, June 2000)

Despite such efforts, there remained ambiguity regarding the consortium's business plan. A related difficulty, acknowledged by the PRs for the consortium, was their struggle to differentiate the Bankers' Trust's investment in the club from that of a conventional bank loan. This uncertainty surrounding the financing of the bid played to the interests of the Celtic board. Its PR strategy re-emphasized McCann's original plan to sell his shares to existing shareholders, including many fans, which in turn would preserve Celtic as a unique social institution.

The proposed bid ultimately fizzled out and when, after five years at the helm of Celtic, Fergus McCann decide to sell up and leave Scotland, as he had always stated he would do, he sold his shares, not to City investors, but rather to existing shareholders and season ticket holders. As Cannon and Hamil (2000: 46) have commented this was in marked contrast to Manchester United's Martin Edwards, who in the same month sold £41 million of his shares to institutional investors.

Conclusion

As football has become big business over the last decade and money has flowed into the higher echelons of the game the relationship between players and journalists has changed. Patrick Barclay of *The Sunday Telegraph* noted:

Journalists need to be able to have personal relationships with the players and the coaching staff and that's becoming more difficult because it is increasingly difficult to have chance encounters with them. (WSC, 2000: 24)

Football clubs are actively seeking to control their relationships with the media. The recent appointment of *Financial Times* journalist Patrick Harverson as director of communication for Manchester United suggests a growing recognition of the importance of communication with all of a club's stakeholders. Moreover, media coverage of football 'stars' has never been more extensive, as players such as David Beckham and Michael Owen seek to control, market and promote a particular image of themselves in a highly commercial market place. We might also suggest that in the smaller Scottish market there remains a greater opportunity for such chance encounters mentioned by Barclay above. It is this area of the game that editors still feel interests their readers more than the mundane, but potentially significant, developments in sports business.

As this case study has attempted to illustrate, much of the growing and complex business side of the game, as it interfaces with the media and commerce, either goes largely unreported or is treated superficially. In part this is because many traditional sports journalists have been slow to adapt their professional practice. They remain under pressure to produce stories that help sell newspapers, while aware that this has become more difficult as media coverage and competition for stories expand. Intermediaries such as PRs and agents therefore become attractive sources to the sports media. Our case study demonstrates the ability of professional communicators to influence media coverage, but also shows the gap between media reporting and boardroom decision-making. The lesson of the consortium's efforts to buy Celtic is the spectacular failure of spin to change the opinion of the key decision-maker, Fergus McCann.

Nevertheless, as the business of sport becomes increasingly important, journalists with financial backgrounds will encroach on traditional sports reporting as interest in football extends into the media and business pages of newspapers. Driven by a content-hungry media, there appears little sign that the importance of the business of sport is set to diminish. One challenge faced by sports desks will be their willingness to add business expertise to their personnel, as this part of the football industry becomes increasingly

important. This research indicates that among the tabloid press this expansion will remain unlikely and that celebrity-driven stories will, in fact, increase as the commercial importance of the sports star continues to grow (Andrews and Jackson, 2001).

The media's heightened interest in business and financial matters is reflected in the increased volume of media reporting of the business of football. Concerns remain, however, about much of its quality, in particular an unwillingness among some sports journalists to recognize that football business stories cannot be reported in the same way as more conventional football stories. This is evident in terms of an over-reliance on celebrity sources, and also the reporting of football business stories as stories about football businessmen. One consequence of this personalization is that sports business reporting becomes embedded in its subject rather than illuminating it (Rowe, 1991). A further problem identified is lack of knowledge. This evidences itself in two ways: directly, in the lack of knowledge or experience of sports reporters of reporting business stories, and indirectly, by implicit assumptions about the lack of knowledge or interest in business or financial matters among a paper's readership.

This failure to illuminate the business of football is surprising given the increased demands from one of football's key stakeholders, the supporters, for improved accountability and transparency in clubs' business activities. As football clubs have adopted more business-oriented structures (e.g. through Stock Exchange listings), supporters have sought to demand stakeholder, and indeed often shareholder, rights and responsibilities. One example of this trend is the movement towards supporters' trusts in football clubs, an initiative backed by the UK government. Given that these demands largely arise from the changing business structures found in many football clubs, it is disappointing that the traditional media have been reluctant to deal more rigorously with reporting the business of football.

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Notes

- 1 A recent high-profile example of this practice was Real Madrid's decision to spend £37 million acquiring Luis Figo despite reported debts of £180 million.

- 2 Indirectly, there may be an effect on the club's future resources. For example, should the club wish to raise capital by a rights issue to existing shareholders, the price at which the issue is made, and hence the amount that is raised, would be affected by the share price.
- 3 Low trading is particularly evident at Celtic where a large percentage of the shares are held by supporters and hence are largely unaffected by conventional financial influences (Morrow, 2000).

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