

## The management of European football clubs in the COVID-19 pandemic

~ Ph. D. **Ștefan Catană** (*Faculty of Business and Administration, University of Bucharest, Romania*)

E-mail: [catana.stefan90@yahoo.com](mailto:catana.stefan90@yahoo.com)

~ Ph. D. Professor **Sorin-George Toma** (*Faculty of Business and Administration, University of Bucharest, Romania*)

E-mail: [tomagsorin62@yahoo.com](mailto:tomagsorin62@yahoo.com)

~ Ph. D. Lecturer **Cătălin Grădinaru** (*Faculty of Business and Administration, University of Bucharest, Romania*)

E-mail: [catalin.gradinaru@faa.unibuc.ro](mailto:catalin.gradinaru@faa.unibuc.ro)

~ Ph. D. Candidate **Raluca Rădoi** (*Doctoral School – Theatre Studies, National University of Theatre and Film Bucharest, Romania*)

E-mail: [ralucaa.radoi@gmail.com](mailto:ralucaa.radoi@gmail.com)

**Abstract:** *The COVID-19 pandemic affected society in general and the socio-economic environment in particular. The effects of this health crisis immediately spread to the economic and financial environment, affecting most industries. This article aims to analyze the impact of the COVID-19 pandemic in football clubs in the five most important championships in Europe. The methodology was based on a quantitative research method. The results of this analysis show that the football industry has been significantly affected, and the prices that clubs have been willing to invest in acquiring new players in 2020 have fallen dramatically compared to previous years. This paper may be useful to those who want to understand the implications of the pandemic in economics, in general, and in football, in particular.*

**Keywords:** *management, European football clubs, COVID-19 pandemic, football industry*

**JEL:** M10, M19

## 1. Introduction

The COVID-19 pandemic has led to an unprecedented situation, with incalculable health, social, and economic consequences. At the start of the outbreak, the financial markets collapsed, although not all sectors suffered equally (Lopez-Cabarcos, et al., 2020; Mon-Lopez, et al., 2020).

The COVID-19 pandemic has forced governments around the planet to restrict mobility and enforce social distancing measures to stop the spread of the virus (Anderson, et al., 2020; Catana, 2020; Wilder-Smith, et al., 2020; Lopez-Cabarcos, et al., 2020).

The evolution of the pandemic has been a matter of debate, since different strategies can be adopted to mitigate the spreading of COVID-19, some of them with unclear or unpredictable consequences (Baldu, et al., 2020; Hughes, et al., 2020).

The COVID-19 outbreak has paralyzed the sports industry, not just in terms of competition part of sports at the elite level, but also current sponsorship deals and broadcasting rights, employees' salaries, insurance companies, and a host of other stakeholders (Lopez-Carril and Anagnostopoulos, 2020). Starting from this idea, as well as considering the importance of football player transfers, this article aims to analyze the impact of the pandemic on the amounts paid by the most important football clubs in Europe. The research is based on a quantitative research method. The paper contains four other sections as follows: literature review, research methodology, results and discussion, and conclusions.

## 2. Literature review

European Football has significantly changed especially over the last 20 years, following an intense process of trading and marketing, a process that has brought important sums of money (Dima, 2015).

The phenomenon of concentration is found in sports. Today's football has become a real industry in which large sums of money are circulated (Toma, et al., 2014). The biggest clubs on the planet concentrate the best footballers in the world, the most financial resources, the best coaches, the most modern training bases, etc.

European football club is a business with more and more attractive numbers for investors, shareholders or partners throughout the planet (Dima, 2015).

Starting from these ideas, in the literature review there are presented different patterns in order to feature the financial structure of contemporary professional sports (Andreff and Staudohar, 2000; Bourg and Gouguet, 2012; Bastien, 2013).

In professional football, teams from European leagues have three different options to acquire their players (Hacking, 2019):

- o teams can train young players to a professional level;
- o teams can sign players whose contracts expire or who are currently without an employer and therefore free of charge;
- o teams can compensate competing teams to sign one of their players with an ongoing contract. In this case, transfer fees are paid.

### 3. Research methodology

In order to attain the aim of the paper the authors used a quantitative research method. The quantitative method deals with measurable data and is based on gathering, processing and summarizing information from various secondary sources of data (Toma, et al., 2020). First of all, the authors identified the sources of information and searched for data in scientific articles and books from the areas of business and football management. Then, they analyzed the data regarding the player transfers made by the European football clubs, in the last three years. Thirdly, they performed the literature review. Finally, the authors analyzed, synthesized the information and composed the paper.

### 4. Results and discussion

This article aims to present and analyze data on player transfers made by the 10 most valuable football clubs in Europe, as well as data on the most important transfers made by the most important European championships in 2018-2020.

According to UEFA (Union of European Football Associations) data, analyzing the association club coefficients, the five most important football championships in Europe are the first leagues in the following countries: Spain, England, Germany, Italy and France (UEFA, 2020).

The following table shows the total amounts allocated to the transfers of players of the clubs from five most important championships in Europe in the last 3 competitive seasons (2018-2019, 2019-2020 and summer window from the 2020-2021). Considering the fact that the number of clubs in the first leagues differs from one country to another, in order to be able to compare the data in a unitary way, in the following table (Table 1) are presented the total transfer amounts of the 20 most spending clubs in each country:

Table 1: Top 5 most important championships in Europe – expenditures for player transfers in the last 3 competitive seasons

Rank	Country	Total expenditures in 2018-2019 (millions EUR)	Total expenditures in 2019-2020 (millions EUR)	Total expenditures in 2020-2021 -summer window (millions EUR)
1	Spain	1,031.85	1,524.94	428.3
2	England	1,702.44	1,868.59	1,476.89
3	Germany	589.86	979.81	326.25
4	Italy	1,340.46	1,439.92	778,69
5	France	541.08	648.34	437.13
<b>TOTAL</b>		<b>5,205.69</b>	<b>6,461.6</b>	<b>3,447.26</b>

Source: data provided by Transfermarkt (Transfermarkt, 2020)

As can be seen, in all the five football championships presented, there is a significant decrease in costs with player transfers in the 2020-2021 competition season (summer window), compared to the amounts from the previous two competitive seasons. On the other hand, it should be

mentioned that for the current competition season (2020-2021) the winter transfer window (2021) will have to be taken into account. Even with this in mind, major differences between last two seasons and the current one can be observed.

Based on the last five years club coefficients, the best ten football clubs from Europe are: FC Bayern München (Germany), Real Madrid CF (Spain), FC Barcelona (Spain), Club Atlético de Madrid (Spain), Juventus (Italy), Manchester City FC (England), Paris Saint-Germain (France), Sevilla FC (Spain), Manchester United FC (England) and Liverpool (England) (UEFA, 2020). In most cases their brand value is worth hundreds of million USD (Toma and Catana, 2020).

The following table (Table 2) shows the amounts allocated to the transfers of players of the ten most important clubs in Europe in the last 3 competitive seasons (2018-2019, 2019-2020 and summer window from the 2020-2021):

Table 2: Top 10 most valuable football clubs – expenditures for player transfers in the last 3 competitive seasons

Rank	Club name	Total expenditures in 2018-2019 (millions EUR)	Total expenditures in 2019-2020 (millions EUR)	Total expenditures in 2020-2021 -summer window (millions EUR)
1	FC Bayern München	10	139.5	62
2	Real Madrid CF	162.75	352.2	0
3	FC Barcelona	129.1	284	124
4	Club Atlético de Madrid	167.5	245.3	65.5
5	Juventus	263.2	223.5	110.2
6	Manchester City FC	78.59	159.52	163.3
7	Paris Saint-Germain	217	95	61
8	Sevilla FC	80.05	177.75	64.5
9	Manchester United FC	82.7	214.78	83.5
10	Liverpool	182.2	10.4	79.7
<b>TOTAL</b>		<b>1373.09</b>	<b>1901.95</b>	<b>813.7</b>

Source: data provided by Transfermarkt (Transfermarkt, 2020)

The data presented above show that, taking into account the top ten football clubs in Europe, it is observed that the transfer amounts increased in the competitive season 2019-2020 (on average an increase of 35%), compared to the amounts in the 2018-2019 season and in the case of each team the amounts expenditures recorded a dramatic decrease (on average a decrease of 50%) in comparison with the last season.

The data in the two tables (Table 1 and Table 2) reflect the fact that the COVID-19 pandemic influenced the transfer market in Europe. Also, considering these data, it is found that the vision of the clubs has been changed, they prefer to acquire free contract players or players for whom they do not have to pay large transfer amounts.

## 5. Conclusions

The management of European football clubs in the COVID-19 pandemic has changed radically in terms of investments in the acquisition of new players. In changing environments such as the pandemic, traditional management may not be an efficient solution and football clubs must have a more flexible style. For that reason, the paper presents the fact that the amounts spent on the transfer market in the summer window of the 2020-2021 competition season have decreased dramatically compared to the amounts spent in the last two competitive seasons. Without claiming to be an exhaustive research, the paper tries to highlight some major differences in football club management in the context of COVID-19 pandemic.

Considering the limitations of the article, it should be mentioned that the analysis was performed in Europe, being considered the most important 5 championships and 10 clubs. Therefore, the future research could include the actions taken by the other football clubs in Europe or in the world.

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