


Business model innovation for sustainable operations in professional football: How supporters gain more control of the Beautiful Game

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ABSTRACT

We aim to explore whether ongoing digital innovations in Premier League clubs may substantiate a prospective change in their business model and potentially lead to a solution to the financial sustainability issue in professional football. Our exploratory study is to identify ongoing digital innovations and what changes can be foreseen in future years. The empirical analysis is based on information collected from club webpages, their selected social media pages, and top sports business journals. Our results indicate that despite the numerous digital innovations already implemented in the clubs, their utilisation has not reached a level to justify a more complex business model innovation. However, several changes indicate that such a fundamental transformation will likely happen in the foreseeable future. Our work's scholarly contribution is exploring a novel field of study concentrating on the digitally focused business model innovations of professional clubs, unlike most football business model analyses that focus on leagues. We have concluded that clubs can and should apply business innovations to look for more financially sustainable operations, even without necessarily waiting for changes to be made in the generic competitive structure they perform in.

KEYWORDS

professional sport, digital innovation, business model innovation, stakeholder approach, premier league

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1. INTRODUCTION

The prevailing business model of professional football in Europe is widely understood as unsustainable. Even the most popular and successful clubs are actively looking for alternatives, as indicated by their recent effort to establish a European Super League. The transfer fees spent on players follow an alarming trend of steady increase, which does not show signs of abatement despite the pandemic's disruptions (Statista 2020). The total value of the ten most valuable players is over EUR 1 billion (Transfermarkt 2021), close to the estimated market value of the most popular football club, Real Madrid, with EUR 1.29 billion (Statista 2021). This significant market value of players compared to the clubs reflects an imbalance. The detrimental consequences of this were temporarily mitigated but not sustainably solved when many of the valuable football clubs were acquired by ultra-high-net-worth individuals. Meanwhile, UEFA's Financial Fair Play regulations aimed to address the clubs' overspending on players with questionable results shown over the last ten years.

Our research aimed to *explore whether and how ongoing digital innovations in the club-level operations may substantiate a prospective change in the business model and lead to sustainable operations*. We presume that if the current business model is unsustainable, isolated innovations of selected model elements may not solve the problem. However, a more systematic approach can provide a basis for a change in the business model, potentially leading to sustainable business operations. For this to happen, the current imbalance between the market weight of players against the rest of the actors in the football ecosystem needs to be mitigated. By providing more control to critical stakeholders like supporters, club management and corporate partners, clubs could steer themselves out of continuous financial challenges. For this article, we excluded any significant changes at the regulatory level. Hence alternative leagues and changing licencing requirements, etc., were disregarded as potential options. Our empirical focus is on the clubs of the English Premier League due to the league's dominance in market size, the private ownership of clubs and their assets, and the consequent penchant for business innovations. We aimed to explore what digitally focused business innovations have prevailed more recently and if there is more expected soon.

2. THE UNSUSTAINABILITY OF THE FOOTBALL BUSINESS

The business history of professional football clubs in the English Premier League is the history of unsustainable operations. In their seminal article, Szymanski and Smith (1997) confirmed that despite the top-rated product and the low substitutability of English football, most clubs had made losses and faced successive financial crises for over ten years before the establishment of the Premier League. More recently, analyses do not strike a more optimistic tone either, as they conclude that the financial situation in English football remains poor, except for the "Big 6" clubs that appear to be sound mainly due to their size (Plumley et al. 2021; cf. Evans et al. 2019). Szymanski (2017) argues that while clubs exist in a "hypercompetitive" environment where they can be relegated, *profit generation is not a realistic option*. Insolvency is always part of the potential trajectories of clubs, even under the most rational and disciplined management. The situation is not fundamentally different in other European countries, as Sánchez et al. (2020) conclude that better financial performance negatively affects on-the-field performance.



Analyses show that in light of the risk of a possible turning point in European football's continued revenue growth (Richau et al. 2021), the industry may face further financial difficulties.

The primary reason for the loss-making operations at most football clubs is the excessive spending on player transfers and wages. Early analyses of English football confirmed the relationship between player spending and results on the field (Szymanski – Kuypers 1999). More recently, Carmichael et al. (2011), in their analysis of the Premier League, also concluded that sporting performance is directly related to players' skills and abilities, which in turn is reflected in wage expenditure. Beyond the Premier League, Perechuda (2020) analysed European clubs' financial reports between 2012–2019 and established that the wage/revenue indicator is one of the most significant drivers of sporting performance. As a consequence, *clubs tend to overspend their abilities*, which may not always be justified by the increased revenues expected due to the increased spending. Pérez González et al. (2020) identified a recently emerging pattern that there is no statistical relationship between revenues and the value of the team squad, potentially explained by the inflation of transfer fees in the market. Other studies confirm that finding a sustainable pattern of player transfers can be the key to strategic success in the future (e.g. Dimitropoulos – Scafarto 2021). Beiderbeck et al. (2021) presented a scenario analysis with over 100 expert interviews regarding future perspectives in light of the pandemic crisis. They concluded that *a limit on player spending (e.g. a salary cap) would have the most positive impact on the professional football ecosystem*.

UEFA's Financial Fair Play (FFP) regulations aimed to address financial unsustainability at the regulatory level to force limits on the club's player spending. At a more strategic level, it had two fundamental objectives: protecting the long-term financial stability of European club football and restoring the competitive balance between clubs (Vöpel 2011). It introduced the "breakeven requirement", stipulating that "relevant expenses" of each club may not exceed "relevant revenues". This requirement should be fulfilled for an annual moving average over three consecutive years. A supporter of the scheme, Storm (2012; 2022), found substantial evidence of soft budget constraints in professional football clubs and argued that financially well-managed clubs are disadvantaged. Later, in their study of 300 European clubs, Birkhäuser et al. (2019) critically concluded that the Financial Fair Play regulation amplified the competitive imbalance due to raising barriers to new investors. Plumley et al. (2019) provided a more refined view of a decline in competitive balance for leagues in Spain, Germany and France but not for England and Italy. In their cross-league comparison, Francois et al. (2021) found that player expenditures, the key reason for financial unsustainability, have significantly decreased in the English Premier League since the introduction of the FFP. In terms of the positive impact on the profitability of clubs, Ahtiainen and Jarva (2022) found that the effect has been "modest, at best", calling upon UEFA to enforce the breakeven requirement more fiercely and reassess the efficacy of the Financial Fair Play regulations.

3. BUSINESS MODEL INNOVATION IN FOOTBALL – ON THE HORIZON?

The innovations currently shaping the football business landscape may be identified separately, but a broader perspective can provide additional insights if their implications for the clubs' business models are explored. According to Osterwalder et al. (2005), *a business model describes the value a company offers to its customers while clarifying the links between the elements*



that express the business logic pursued. The concept of business models has gradually gained popularity, both among practitioners looking for competitive success and among business scholars (Wirtz et al. 2016). A coveted scholar of the field, Zott identified (Zott et al. 2010) four emerging themes related to business models: (1) it is a novel unit of analysis for future research, (2) they emphasise a holistic view of how firms operate, (3) organisational activities play a critical role in the conceptualisation of business models, (4) value creation by the firm and value capture by customers are crucial components of the concept.

Business model-level innovations are more complex and wide-ranging than product or process innovations within the firm. Zott et al. (2010) identified three elements of a firm's activity that can individually or jointly stimulate business model innovation: (1) the content of activities, (2) the structure of activities, i.e. how they are linked through sequences and exchange mechanisms, and (3) the governance of activities, i.e. who performs them. In turn, Giesen et al. (2007) produced a different typology of business model innovations, including (1) industry-related change, where the firm redefines industries, (2) change in the revenue model, i.e. introducing a new product-service value mixing or a new pricing model, and (3) enterprise model innovations, where the firm's role in the network of stakeholders transforms. The more the examined innovation changes in any or all of the above elements, the more substantial business model innovation the firm would experience. According to Spieth et al. (2014), volatile environments may drive business model innovation. Firms may find synergies between business model innovation drivers of technology push and pull, while bringing them together in organisational strategy. This approach to the concept is but one of many options for the heterogenous comprehension of business model innovation. Still, in our view, it is highly relevant to the analysis of the sustainability efforts of professional football clubs.

There are reasons to expect that a significant change in the business model of professional football in Europe is likely to happen soon. In the case of the dominant business model for sports in the USA, the sole ownership model, clubs typically generate steady profits (Pittz et al. 2020). By contrast, clubs adopting any of the three types of business models in the English Premier League (the ownership group model, the supporter trust model, and the stock market model; see Chadwick – Hamil 2009), are often loss-making, mainly due to the inflated payments on players. The roots of this problem, typical in football, can be traced back to traditions, increasing hyperconsumption, and ambivalence in the underlying values of the sport (Llopis-Goig 2015). In the meantime, several ongoing innovations, mostly technologically driven, have started to change the power balance between English football's key stakeholders, primarily to the benefit of consumers. As early as 2000, Beech et al. (2000) noted the rising importance of the internet in increasing the commercial size of the football business while providing more direct contact to supporters, even outside match days. Ginesta (2017) claimed that newly developed sports stadia allow supporters to consume football-related services all day, even when no live event is ongoing at the facility. There is a trend of moving live sports content to a pay-TV platform from free TV. That change serves the increasing need for consumption on demand, though this is a volume business that is not particularly attractive for niche sports (Meier et al. 2020).

Further to the above, the COVID-19 pandemic added more weight to digital innovations already in the offing. The crisis enticed more creativity, for example, in German football coverage by TV broadcasters and clubs as they struggled to provide alternative formats and content for supporters (Schallhorn – Kunert 2020). They emulated the feeling of live matches by



broadcasting historical games while offering up-to-date commentary. Clubs also participated in the Bundesliga Home Challenge, a video game tournament, and covered the content on social media and their web pages. In the context of parallel investments into the development of smart stadiums, where visitors' experience can be improved (van Heck et al. 2021), the constant pressure on football players to provide entertaining content can be eased. Value is co-created by players, clubs, and supporters (Ratten et al. 2021), giving potential for balancing out the bargaining power of stakeholders in professional football's ecosystem in the medium term. It is yet to be seen *whether professional football clubs' business models will shift their value proposition from being focused on sporting results on-the-field to community involvement on and off the field, on matchdays and beyond.*

4. RESEARCH FOCUS

Based on the literature review above, we have understood how and why the financial unsustainability of football prevails and what league- or association-level initiatives have been introduced to address that. We have also explored the current body of knowledge related to business models, which can provide a valuable framework for analysing sustainable operations at different levels of abstraction. Profit-oriented business models of football clubs are supposed to guard fiercely competing clubs from bankruptcy (c.f. Szymanski 2017; Storm et al. 2022). Nevertheless, we have found few results about club-level efforts to reform the existing business models, which can justify our research endeavour. Our research aimed to *explore whether and how ongoing digital innovations in the club-level operations may substantiate a prospective change in the business model and potentially lead to a solution to the sustainability issue in professional football.*

Our focus was on identifying clubs where potential good practices are more advanced, which can lead to innovating the business models with more clubs to follow suit in the future. Our definition of sustainability reflects UEFA's interpretation of what financial sustainability means in football: clubs should have (1) no overdue payables, (2) stable football earnings, applying a break-even requirement for a rolling three-year period, and (3) squad costs under control, i.e. below 70% of club revenues (UEFA 2022).

Proposition #1 of our work states that *“ongoing digitally focused business innovations at club level do not substantiate a business model innovation in England's Premier League yet”*. In our approach, we interpreted digitally focused business innovation as any innovation with a potential commercial impact that is fundamentally built on digital infrastructure. We used the concept of business model innovation in line with Zott et al. (2010) as a *holistic innovation within the firm that addresses substantial changes in the content, structure or governance of the focal firm's activities*. In our approach, English clubs may find synergies between business model innovation drivers of technology push and pull, and bring them together in their strategy. When the scope and scale of such changes reach a critical level, clubs will take the process to a change in strategy that will be reflected in their value proposition to consumers.

Based on our literature review, we expect this new value proposition to be less focused on matchday experience and sporting performance, and more on the community experience supporters may gain beyond matchdays and live events. Innovations to be identified are expected to change the content of the services provided by the clubs, how transactions are



sequenced, and who performs the services. While signs of this change are gradually ongoing, we presume it has not yet manifested in a new business model. At what stage this process was at the time of conducting our research was what we expected to be revealed through the empirical investigation addressing our first proposition.

Proposition #2 claims that “*there is a tendency in the number and scope of digital innovations that supports the emerging business model innovation by English Premier League clubs*”. Like in the previous proposition, we used the definition of business model innovation based on Zott et al. (2010). When assessing the tendency in the number and scope of digital innovations introduced at clubs, we looked for decisive facts and revealing insights from our data collection. According to our expectations, *this positive tendency, if identified to exist, would support a likely change in business model innovation at clubs in the foreseeable future.*

Our literature synthesis has revealed signs that *club owners increasingly feel the pressure to end the hypercompetitive cycle of continuous investments* required for keeping the club in the league (e.g. efforts to establish the European Super League abruptly could be interpreted as such a sign). New technological platforms (e.g. 5G) gain popularity, allowing for novel revenue channels and additional ways to relate to clubs’ consumers. Supporters’ consumption behaviour is changing in the new digital environment they are increasingly exposed to in most areas of their lives (e.g. the incessant flow of free content through social media and various web platforms). Radical environmental changes (e.g. the COVID-19 pandemic) facilitate the proliferation of more digital transactions and novel communication norms. *Will these developments synthesised from our literature review be reflected in our empirical sample in such number and scope to support the emergence of a new business model for Premier League clubs?* We intended to understand this situation better by examining the data collected in our research.

5. METHODOLOGY

Our current study is of an *exploratory nature* to identify the ongoing business innovations and the changes that can be foreseen in future years. Due to the *diverse and often implicit nature of innovations*, the methodology of our empirical investigation put significant limitations on what we could expect as a result of our research. While those limitations are restrictive, we decided to perform the investigation as we understood this as an initial stage of our research programme that will be followed by additional scholarly work with more complete and refined methodologies. Expected findings from our exploratory research may guide the development of future analyses, based on a wider scope of data collection.

We applied a *qualitative research approach of content analysis* with limited scope for quantitative elements. Our empirical analysis is based on three types of data collected about innovations in English Premier League’s clubs: (1) information systematically collected from club webpages; (2) their selected social media pages, as well as from (3) the top three sport business journals that feature relevant content. By evaluating the content found in these three sources, we aimed to provide a *snapshot of the current landscape of digitally focused business innovations in English football, which are receiving attention through these public information channels.* Our discussion section will compare and contrast our findings with tendencies discerned in the sports business and economics literature.



Data collected from the three channels mentioned (webpages, social media and sport business journals) were applied to *specific assurance measures of scholarly validity and reliability*, as detailed in Table 1. Following the review of the literature, clubs' web pages were systematically searched for business innovation content with a digital focus (clubs were included if they participated in the Premier League at least once in the last five seasons). The types of innovation identified were then used to analyse the other two sources of content. As revealed by our initial analysis of sports business innovation content across different platforms, Facebook was selected as Premier League clubs' most popular social media channel. The content of clubs' Facebook posts during 2016–2021 was systematically searched and categorised, relating to the type of

Table 1. Sample description and quality checks

	Clubs' webpages (May 2021)	Clubs' Facebook pages (2016–2021)	Top sport business journals (2016–2021)
Why did we select this source?	Content on club pages shows a conscious approach to innovations.	Clubs emphasise this content towards supporters and other stakeholders.	Content in these journals indicates the current state of general understanding of innovations in the industry.
How was data collected?	A systematic search of business innovations mentioned, May 2021, types of innovation identified. These were used for the search in the other two sources of content.	Facebook was selected as the most popular platform with sports business innovation content (initial analysis). A systematic search of FB-post content related to business innovations since 2016 counted the frequency of different types (identified on web page analysis).	The initial search revealed the top 3 journals to include in the sample: SportsPro, Stadium Business, and Insider Sport. A systematic search of articles related to sports business innovations since 2016 counted the frequency of different types.
Concept validity check	The digitally focused business innovations we searched for were conceptualised from the literature review we performed before the empirical analysis.		
Internal validity check	We applied initial testing before committing ourselves to a clear sample focus. The selected social media platform and the industry journals to be included were selected based on the preliminary exploration of the options and the assessment of test results. Following this, a control check was performed to ensure that the coded content in the main search of the innovations was related to the specific content we looked for (e.g. fan applications of the club, not just applications of any kind mentioned).		
External validity check	Three different data sources were selected to increase our findings' external validity. Even so, we applied a conscious approach to acknowledging the limitations of the validity of our findings in terms of how they represent a potentially full range of innovations in use.		
Reliability check	A systematic approach was applied in terms of recording the time and the operational details of how data of different kinds were collected and how quality checks were performed to allow for the reproducibility of our results.		

Source: authors.



innovation initially identified. The frequency of relevant post content was registered. In the following data collection stage, our initial search revealed three sports business journals with the highest frequency of relevant innovations: SportsPro, Stadium Business, and Insider Sport. The content of journal articles was systematically searched and categorised, relating to the types of innovation previously identified. The frequency of relevant innovations found was registered.

Limitations of our methodology include the nature and size of the data collected, i.e. information on web pages, social media platforms, and sport business journals *may not and indeed are not expected to reflect a comprehensive range of innovations* ongoing at Premier League clubs. Certainly, a range of additional innovations cannot be reflected in the public sources we examined. In our approach, the level of consciousness about the business innovations applied at the clubs can be related to how clubs communicate about them in the channels selected. Hence the validity of the collected information is considerable. *We did not examine the actual impact of the identified innovations* on the business performance of clubs. It cannot be excluded that some of the innovations may make a lower than expected impact or even reverse impact due to particular circumstances at the given club.

Nevertheless, the validity of our research can still be significantly improved if *interviews are conducted* with subject matter experts and additional sources of information involved in the future stages of our research. Furthermore, another significant limitation of our approach is that we have disregarded potential association and league-level regulatory changes and their likely impact at this stage. When such changes may materialise, they can significantly facilitate or hinder the business model innovations addressed in our current research. The reason why we excluded these options is that the unit of analysis would be different than in our current scholarly approach.

6. FINDINGS

Our findings are first *shown in an analytical approach to explore the relations between different general parameters before they are reflected upon*, in the discussion section, regarding the two research propositions and the findings in the literature.

Our analysis of the web page content of the clubs *revealed 15 different types of digitally focused business innovations*, the popularity of which varied greatly, as illustrated in Fig. 1. The most widespread type of business innovation appearing on club web pages is the mobile app clubs offer for supporters. Only three of the 30 clubs in our sample (clubs that played in the Premier League at least once in the last five seasons) did not mention the app on their web page.

A relatively low number of relevant business innovations appeared across all teams involved in the analysis. Results were compared across the top six clubs (based on their top 4 final positions in the league over the last twenty years: Arsenal, Chelsea, Liverpool, Manchester City, Manchester United, Tottenham Hotspur) and the rest of the clubs. On average, the top six clubs have four times as many types of business innovations (1.67) represented on their web pages than the 24 other clubs that have played in the league in the last five years together (0.42), as shown in Fig. 2. This probably reflects that *major clubs are more exposed to business innovations* made by other major European clubs they face in international competitions. They also have more resources available to apply innovations, the return on which may only be realised in the longer term.



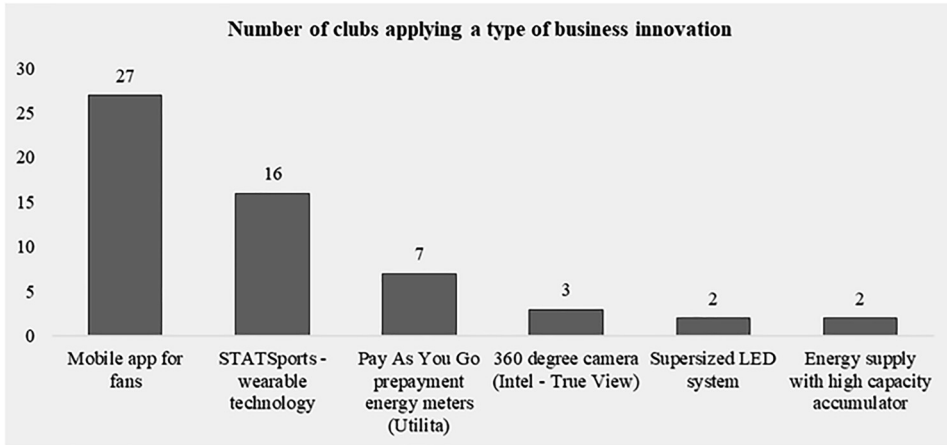


Fig. 1. The most widespread business innovations
 Source: collected by the authors.

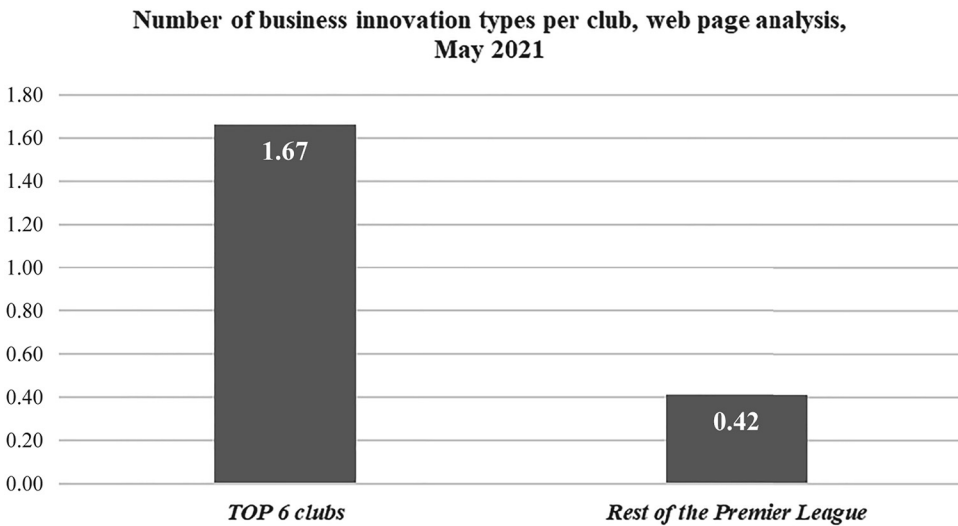


Fig. 2. The diversity of business innovations between top clubs and other clubs
 Source: collected by the authors.

Considering the frequency by which the identified innovations were found in our sources, the top six teams are still dominant, but not as much as in terms of the diversity of innovations. The top six teams, on average, had 77 registrations of the identified innovations mentioned on their platforms compared to the rest of the Premier League clubs in our sample, which had, on average, a record of 26 registrations, as shown in Fig. 3.



**Average frequency of innovations mentioned by groups of clubs,
2016–2021**

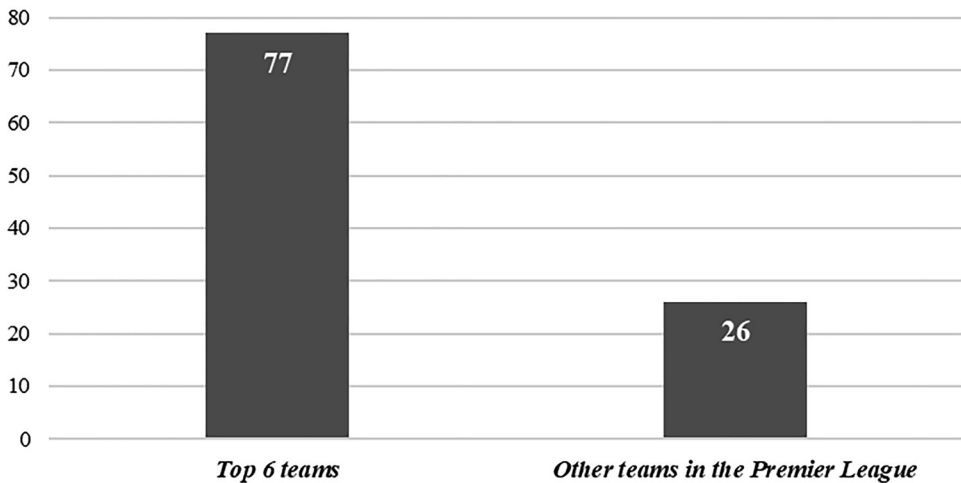


Fig. 3. The frequency of innovations by groups of clubs

Source: collected by the authors.

The identified business innovations were categorised in terms of which stakeholder groups they primarily address. We found that the innovations mentioned in the three platforms analysed mainly addressed supporters, club owners, managers and staff, and sponsors of the clubs. Regarding the variety of innovations for the different stakeholder groups, the distribution varied greatly, as shown in Table 2. *Supporters were by far the most involved stakeholders*, as 10 of the total 15 types of innovations benefit them directly. Most of these were related to different kinds of convenience payments, virtual experience solutions, and sustainability solutions that mitigate clubs' environmental impact. Four types of innovations were identified as serving the interests of club owners/managers/coaching staff more directly, focusing on data-driven game planning and cost-saving solutions for operations. Only one type of innovation appeared to focus on corporate partners and sponsors of the clubs analysed, as supersized LED systems allow more room for them to interact with on-site supporters effectively.

Let us also consider the frequency by which these innovations appeared on social media and sports business journal platforms. The dominance of supporter-related innovations is even more significant, as shown in Fig. 4.

Major clubs appear to pursue different strategies in terms of their abilities and willingness to apply business innovations of various types. The top six clubs were differentiated in terms of their sporting success over the last twenty years (number of top 4 positions in the Premier League) and their size (robustly reflected by their stadium capacity). Regarding sporting success, it shows that the top five clubs finished within the top 4 more than ten times, whereas the sixth-best club (Tottenham Hotspur) finished there six times. These results are significantly better than those of the other clubs in the league. The diversity of business innovations they apply, broken down by these two parameters – sporting success and stadium capacity – reveals an exciting landscape of their relative standing, as shown in Fig. 5. Two of the most successful



Table 2. The categorisation of business innovations by stakeholder interest

Types of innovation by primary stakeholder interest				
		Supporter focused	Owners/management/ staff focused	Sponsor focused
1.	Contactless payment wristband	X		
2.	Payment with season pass	X		
3.	Payment with digital wallet (Skrill)	X		
4.	Payment with e-wallet (Jeton)	X		
5.	360 degree camera (Intel - True View)	X		
6.	Sustainable Food Waste Management (iugis)	X		
7.	Energy supply with high capacity accumulator	X		
8.	Biometric payments provider (Fingopay)	X		
9.	Virtual stadium tours (Imagineear)	X		
10.	Mobile app for fans	X		
11.	STATSports - wearable technology		X	
12.	pay-as-you-go (PAYG) prepayment smart energy meters (Utilita)		X	
13.	Retractable pitch (SCX)		X	
14.	Data-driven game planning (Acronis)		X	
15.	Supersized LED system			X

Source: collected by the authors.

clubs, Manchester United and Chelsea, apply the fewest types of innovations, while a similarly successful club, Arsenal, applies significantly more. The other three teams, the challengers, use an equally high number of business innovation types, as shown by their last six-year record in social media. A tentative explanation for this distribution may be that *the challenger clubs try harder to innovate to catch up with the two leaders*. At the same time, the outlier value for Arsenal could be explained by their relative dearth of success in the last five years, unlike in earlier years.

A more refined view can be seen if we consider the frequency of business innovations mentioned by the different clubs in their social media activity. Manchester United quickly becomes the leader of the field, as they promote their app for supporters very intensively, albeit it is one of only two business innovations featured. This leaves Chelsea the least innovative of the top six clubs, while *the challenger clubs appear to pursue a more diversified strategy of business innovations*, as shown in Fig. 6.



Frequency of business innovations by stakeholder interest

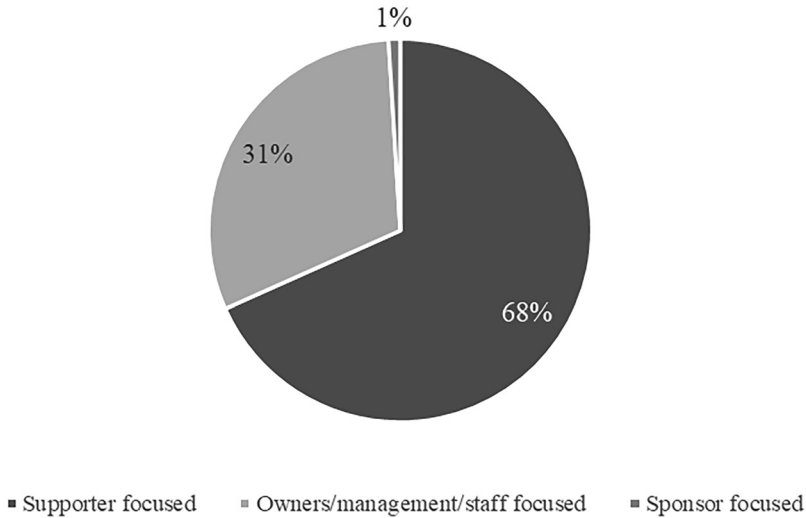


Fig. 4. The breakdown of innovation frequency per stakeholder groups
 Source: collected by the authors.

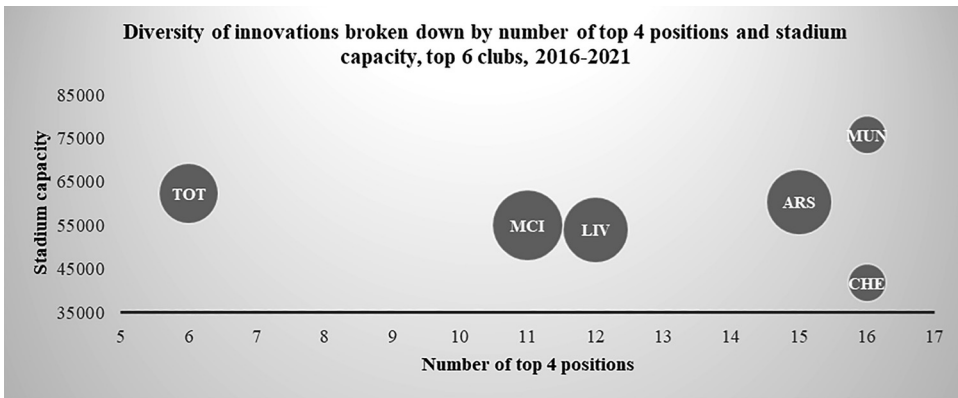


Fig. 5. Diversity of innovations applied by the top 6 clubs
 Source: collected by the authors.

The distribution of the launch of innovations from a temporal perspective shows that most of them debuted in our sample in the last 3–4 years of our research period. Innovations such as the 360-degree camera, the supersized LED system, virtual stadium tours, and the installation of high-capacity accumulators have all been introduced in recent years, according to the data collected. Our analysis shows (see Fig. 7) an increasing trend in the number of business innovations launched over the research period.



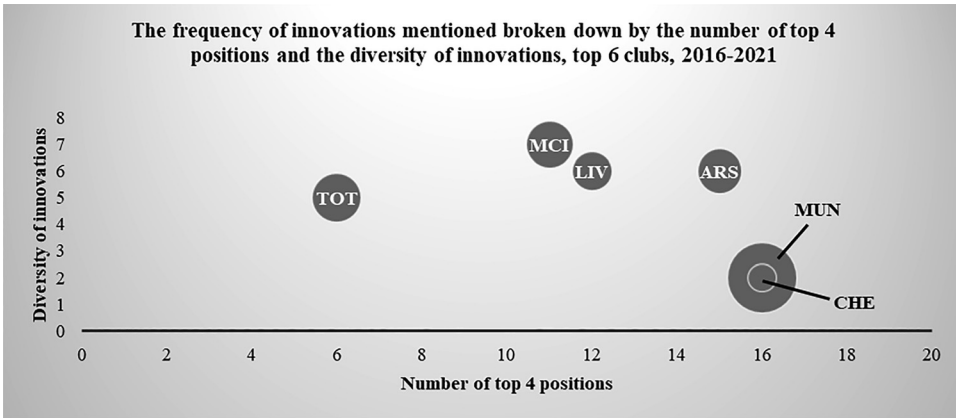


Fig. 6. Frequency of innovations mentioned by the top 6 clubs
 Source: collected by the authors.

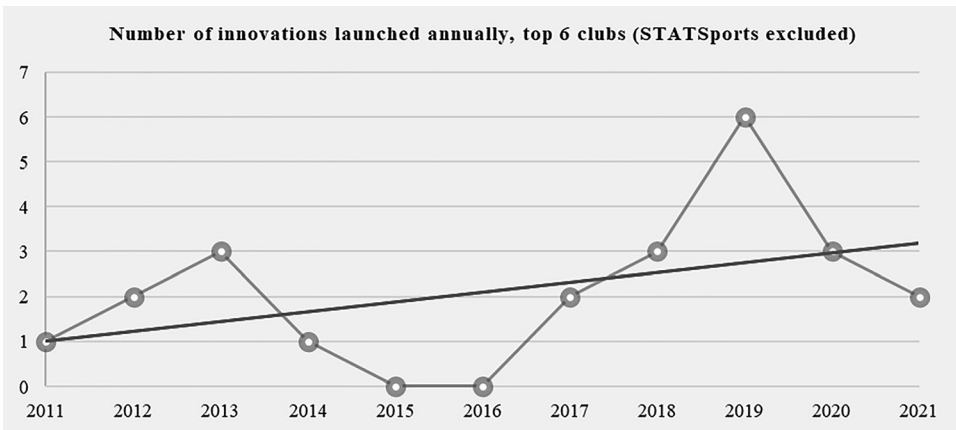


Fig. 7. Number of innovations launched annually by the top 6 clubs
 Source: collected by the authors.

7. DISCUSSION OF THE RESULTS

Our first proposition stated that “ongoing digitally focused business innovations at club level do not substantiate a business model innovation in England’s Premier League yet”. In our empirical investigation, several business innovations were identified, most related to emerging digital solutions. We understand that these innovations potentially lead to a more sustainable way of football club operations as they reflect a gradual shift of bargaining power from players towards other stakeholders, most notably supporters. Our interpretation is in line with the findings from our literature review. Still, the proof of such innovations having a positive impact on long-term



sustainability goes beyond the extant body of knowledge on the topic; hence our moderate interpretation that follows.

In our analysis, *supporters were by far the most involved stakeholders in the digitally focused business innovations explored*. Ten out of the total 15 types of business innovations analysed bring benefits primarily to supporters, even if other stakeholders are involved. Most of these were related to different kinds of *convenience payments and virtual experience solutions*, like 360-degree cameras and virtual stadium tours. In our understanding, as long as *clubs keep investing in entertaining their customers in diverse channels*, this process allows for a more complete experience on-site and virtually on non-matchdays (cf. Bajpai – Bagchi 2020; van Heck et al. 2021). A more direct relationship with the club (the brand) will result, even in activity areas that are less directly related to players and sporting performance, e.g. non-football events and services in stadia, engagement programmes between matchdays, or online community entertainment opportunities (cf. Ratten et al. 2021). In our interpretation, the more a club can build a stable fan base, the less dependent it will be on on-field performance, and the more independently they can run the club, the better deals they can strike with players. A more moderate player agreement *could help the clubs' finances break even* (cf. Beiderbeck et al. 2021).

Other types of digitally focused business innovations are meant to mitigate clubs' environmental impact, *addressing environmental sustainability*, an emerging topic across industries. We assumed that these innovations are more related to supporters than other stakeholders, as supporters are more likely to care for the environment than institutional stakeholders. Furthermore, clubs may also enjoy efficiency gains in resource usage due to innovative solutions, like advanced energy systems. Third, clubs may pursue sustainability goals, even if not directly for meeting customer expectations (cf. Yüce et al. 2020). All of these solutions *strengthen the club's brand in supporters' eyes*, which will again provide more bargaining power when deals with players are to be made. *Loyal supporters* will not turn away from the club with a substantial brand value and robust relationship with the community even if sporting performance may temporarily drop (cf. Bodet – Bernache-Assollant 2011).

Four additional types of innovations were identified that could be interpreted as serving the interests of club owners/managers/coaching staff more directly. These were mainly focused on *data-driven game planning and cost-saving solutions for clubs or stadium operations*. In our interpretation, in line with our literature review (e.g. Chen 2021; Navaneeth – Nimkar 2020), data-driven game planning *provides an information advantage to coaches and management over players* who do not have access to all this information before they negotiate their next contract with their employers. In addition, using the data collected and the advanced data management systems, the profiles of players of different kinds can be built up by the clubs for supporters as sub-brands, which themselves are related to the brand of the club as the main brand. These player profiles will be less dependent on sporting performance and generic media appearances and *more controlled by the club* than traditional media activities. Furthermore, business innovations aiming cost saving solutions *allow for more investment by the clubs into value-generating activities*. Depending on how the clubs use that opportunity, e.g. spending on player wages or digital entertainment solutions, they may or may not be directly relevant to our current research objectives.

Only one type of business innovation explored in our research could be interpreted as focusing on the direct interests of clubs' corporate partners, i.e. the sponsors. Supersized LED systems allow more room for them to interact with on-site supporters effectively. These lead to a more complete supporter experience on-site on and off matchdays. Also, there are applications



of the system related to viewers' experiences via various media platforms. The new LED systems *empower the clubs as they may strengthen their relationship with corporate partners* by offering this equipment as a new platform. Again, clubs' economic performance will be less directly related to players and the team's sporting performance, which supports long-term financial sustainability (cf. [Beiderbeck et al. 2021](#)).

Reflecting on what we have learnt through our empirical investigation about the question addressed in our first proposition, we have identified digitally focused business innovations that are in use and appear to be increasingly utilised by clubs. To gain a more complete understanding of the situation, we would need to know the revenue breakdown of clubs related to the emerging new digital platforms and additional services, which are beyond our current research scope. However, *the relatively low frequency of the appearance of the identified business innovations on clubs' web pages, their social media pages, and in sports business journals indicates that their embeddedness in clubs' business model is not in a mature stage as yet*. Instead, they appear to be considered by clubs as extra opportunities to the core value proposition they offer to customers. *The core value proposition focusing on matchday experience and sporting success does not seem to have fundamentally changed yet*.

The second proposition of our research claimed that *“there is a tendency in the number and scope of digital innovations that supports the emerging business model innovation by English Premier League clubs”*. Now that we have better understood the current stage of related business innovations in English football, the question is how much we can know about the *prospects of developments*. Are there signs of *tendencies that support a more fundamental business model change* occurring in the foreseeable future? Based on our empirical investigation, we have found that the digital revolution is spreading within the football industry intensely. Almost all clubs have already introduced such innovations. Club managers are getting more familiar with emerging digital opportunities and learning how to use them more effectively for the club's benefit.

Meanwhile, the Premier League has a strong demonstration effect as clubs see how their competitors apply the new solutions; the top six clubs show the lead. *Challenger clubs, like Manchester City, Liverpool, and Tottenham, teams with more recent successes appear to excel in business innovation*. Whether their leading position in applying business innovations is related to their recent sporting success is yet to be investigated in the future.

In our understanding, supporters are at the forefront of digitally focused business innovations, and so they should be. This pressure of increasing customer expectations faced by football clubs will likely increase further in the coming years. Our findings related to both the nature and the increasing frequency of innovations identified in our sample confirm that trend. In this environment, clubs have little choice but to *build a stronger relationship with consumers in novel, alternative ways* (cf. [Gong – Wang 2021](#); [Park et al. 2021](#)). Significant changes in the environment have further supported these generic trends. The digital pull for business innovations caused by the COVID-19 shock, as well as the abrupt effort of top European clubs, including five from the Premier League, to establish the European Super League, make *teams look for novel business opportunities and more sustainable operations* in the future (cf. [Fühner et al. 2021](#); [Lopez et al. 2021](#)).

8. CONCLUSIONS AND IMPLICATIONS

Our propositions directed our research interest toward a better understanding of business model innovation in professional football. We focused our empirical investigation on the



English Premier League clubs. We learned about *how and why supporters may gradually gain more control over football*, unlike in the last few decades, which were characterised by media and star players dominating the fundamental operational processes and changes. We understand that *customers gaining more power in the business model of clubs over star players* will potentially lead to more bargaining power for the clubs against players, not only at the league but also at the club level. This may *mitigate the critical issue, excessive payments to and on players, at the root of the currently unsustainable operations*.

Despite the numerous digitally focused business innovations already implemented at the clubs examined, *we infer from the data collected and analysed that their utilisation has not reached a level of intensity and comprehensiveness to justify a more complex business model innovation*. However, we have understood that the *trends in innovations support such a fundamental change* in how professional football clubs are run in the coming years.

The scholarly contribution of our work is exploring a relatively novel field of study focusing on the business model innovations of professional clubs, unlike most business model analyses that concentrate on leagues. We have confirmed that *clubs can, and we propose they should apply business innovations themselves to look for more financially sustainable operations*. Their efforts should not be directly contingent upon changes to be made in the league-level competitive structure they operate in.

The management implications of our research are to drive more attention to how and why clubs' management needs to improve their *awareness and consciousness about the business innovations* they apply. Professional clubs in the Premier League need to prepare for ongoing changes and innovations shaped by several environmental forces that will set a new playing field for them in business terms. In this new playing field, shaped by the powerplay between key stakeholders, there will be winners and losers, like customers or star players. *Clubs need to prepare for a more vital role* they aspire to play.

The policy implication of our research is that whatever changes will be made at the league or association level will complement, but not replace those at the club level. In an ideal scenario, innovations at both levels will reflect an understanding of novel technological solutions and shifting consumer needs. Consequently, they are likely to join forces in *creating a more financially sustainable model for participating clubs*. As a specific question, selling media rights in their current form could be reconsidered soon. *More flexibility will be needed* to achieve the desired effects for leagues and clubs. The competitive balance and the financial redistribution will remain critical issues at the league level; their regulations will probably need to be amended accordingly.

Regarding future research perspectives, we plan to conduct qualitative interviews with subject matter experts to strengthen the validity of our findings and add further analytical depth to our conclusions. Comparable international patterns of applying business innovations could be established with additional research performed involving scholars studying business models in professional sports. Finally, there is a strong case for doing similar research where the unit of analysis could be the football leagues in countries with mature football and strong economies.

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