

# FOOTBALL INDUSTRY MANAGERIAL ELUCIDATIONS AND STRATEGIC DEVELOPMENT: THE CASE OF CYPRUS, EU

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## **Research Context**

Transcending the confined perspective of football being a mere sport or activity, football is, at the very least, a business with massive financial influence (Morrow, 2013; Buck and Ifland, 2022). In Cyprus, football is considered a social phenomenon with a massive impact on public life and an essential part of its culture (Kartakoullis, Kriemadis and Pouloukas, 2009). The industry presents certain traits, which, even though not unique to Cyprus, are heavily and more intensely exhibited than in most other countries. Over the past years, the industry has been through major changes, not only on the playing field but in the business context as well (Yiapanas, Thrassou and Kartakoullis, 2018; Union of European Football Associations, 2020). However, regardless of its growth, the industry is facing numerous issues and challenges that, if not recognised, assessed, and resolved, will affect its sustainability. Consequently, it is imperative to examine particular critical elements that affect the industry, identify several

applicable choices and implement a strategic plan for improving the industry (Anagnostopoulos, 2011; Manoli, 2014).

## **Research Aim and Value**

This research seeks to examine specific parameters of the football industry in Cyprus. In particular, the research aims to empirically decrypt the existing management structure and legal status of the football clubs in Cyprus, decode and analyse their revenue stream sources, recognise a number of current issues and challenges, identify the competition level. and introduce a framework of strategic choices for redeveloping and improving the football product.

The research findings contribute significantly to knowledge, presenting scholars and practitioners with a comprehensive understanding of the existing attributes of football in the specific context. The research generates valuable insights, equipping executives and policymakers with practicable, valid knowledge for developing and improving the football product in Cyprus.

## **Methodology**

The research was conducted in the football industry of Cyprus, selecting the top clubs in the league as the units of analysis Methodologically, the research adopted the qualitative research approach, gathering data through 23 semi-structured, face-to-face interviews with several key high-level industry stakeholders. In particular, data and information were collected from 7 football clubs that are highly and extensively involved in the industry and have participated the most in both local and European competitions. Employing the purposeful sampling strategy, 15 high-ranked board members and senior staff were interviewed. Additionally, 7 key industry stakeholder organisations with high activity within the industry were identified. These stakeholders involve the international and national football associations, the national sports authority, and a number of high-value broadcast and commercial partners. Overall, 8 individuals who hold senior positions at those organisations were approached.

## **Findings**

It is proven that the examined industry is going through a long period of uncertainty and insecurity, and its sustainability is threatened. The industry is dominated by strong political and ideological beliefs and localism issues that create a rather antagonistic environment. Clubs adopt a rather unusual management style, and this generates a variety of liability, financial and accountability issues. Due to bad governance, the large majority of clubs are “in the red”, facing serious financial difficulties. It appears that they heavily depend on the revenues coming from

UEFA competitions and domestic TV rights, and they are planning for short-term success, miscalculating the element of long-term sustainability.

Football clubs are affected by a variety of risks and challenges such as limited commercial activations, corruption, match-fixing, and football violence. Additionally, there is a strong feeling that the referees are prejudiced. They are constantly in the public's gaze, and persistently criticised by media and fans for being biased.

Finally, the industry demonstrates a severe lack of competition, which exacerbates the industry's financial crisis. Out of 87 championship seasons, only 9 clubs managed to win a title and 13 won a cup tournament. At the beginning of each season, only a few clubs have a serious chance to compete for the title.

If these challenges are not properly assessed and resolved, they could create an unstable situation leading to a financial collapse. Summarising the results of this research, a framework is introduced, offering a series of valuable recommendations/choices for each examined pillar, for the strategic development of football in Cyprus.

### **Contribution to Knowledge and Practice**

The findings contribute significantly to knowledge, presenting scholars and practitioners with a comprehensive understanding of the existing attributes of football in Cyprus, and allowing the formation of hypotheses to be tested for other countries. Additionally, the findings carry a practical value for the industry practitioners and policymakers across the examined context, and they help to improve the business of football in Cyprus as an industry and as a social phenomenon. In outlining the participants' beliefs and perspectives, this research proposes a series of recommendations, aiming to improve the football product in the specific industry and contribute towards its strategic development.

**Keywords:** Football industry, Strategic development, Contextualisation, Football management, Cyprus

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