

Manchester United F.C : Marketing strategy of a global brand in Asia

International Marketing



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I. Manchester United: the global brand

If our world can be considered, as Ohmae (1985) explains it, as a global village with “instant communication”, and that football is epicentral to contemporary globalization process (Robertson and Giulanotti, 2004), it can be said that the most valuable football brand¹ is a global brand. Even if Rugman (1986) criticized this fact because he considered football was more regional than global due to its position in American society as a women sport, nowadays “soccer” as it is called in this country is also a men sport with a MLS championship that brings more and more people in stadiums.

Actually Manchester United is a medium-sized enterprise composed of nearly 600 employees with an annual turnover of circa £300million. But as a service firm, Manchester United operates in each country of the Triad as defined by Ohmae and even in emerging countries. Levitt (1983) said that consumers have worldwide the same tastes. It is also true for football if we consider the hegemony of Manchester United: a community which is a “fandom” of 333 million people (and more than 190 million in Asia) and its 200 branches of Manchester United supporter clubs in 24 countries². Finally, there is only a lack in South America where the football market is saturated by the very loyal fans of legendary teams like River Plate in Argentina or Santos F.C in Brazil.

To reach this first place off the pitch, Manchester United gains more revenues from media than from match day. Media are becoming more and more important in football (Beech and al, 2000) and Manchester United marketing directors have understood it for a long time. First the MUTV is received by 190 million homes worldwide, MU mobile application is available in more than 16 countries (latest are Bulgaria and Bangladesh)³, MU website has grown from 40% per year for the last 5 years and even in social media, Manchester United tends to be the first with more than 22 million Facebook fans, only Real Madrid makes better. Manchester United has also developed juicy partnerships with 20 global partners as Nike, Aon, Audi or DHL paying £110million to be affiliated with the club. And finally, even the cons of “hyper globalization” underlined by Korten (1995) are fought by MU foundation, the corporate social responsibility of the brand which is a “new battleground for competition” for sports brand (Rouvrais-Charron and Durand, 2009).

If Manchester United has become the first football global brand, it is also due do its understanding of fans’ needs. Here global fans are viewed as customers and the marketing

¹ Forbes Fab 40 : The world most valuable sports brand available on: <<http://www.forbes.com>>

² All Facts and Figures from Manchester United official website : <<http://www.manutd.com>>

³ All Facts and Figures from Manchester United financial website :< <http://www.mufplc.com>> and Manchester United official financial reports

strategy of glocalization, a mid-path between globalization and local marketing is the best way to attract fans from abroad (Quelch and Hoff, 1986). The next part of this discussion will develop the marketing strategy of Manchester United in Asian market.

II. Interests in Asian market

Sport business has reached the maturity phase of the lifecycle in the European and North American markets (Nys, 1999). So, football brands have to increase the number of consumers via new marketing targets. Asia seems to be the ideal market thanks to its emergent middle class, its high population (Desbordes, 2007) and its football fans (44% of football players are playing in Asia, Fifa official survey, April 2001).

Manchester United has been a pioneer in Europe to target the Asian market (Hill and Vincent, 2006) and thanks to their global vision; they now still keep their first entry advantage which “sets the pattern of consumer preference” (Johnson and Tellis, 2008). This advantage is essential because now Arsenal, Chelsea for English teams or even Real Madrid, the main competitor of Manchester United among European football brands are lagging behind MU. According to a study (Bridgewater, 2007), Manchester United is the international football club which shirts are the most seen in Chinese streets, and also the team the most shown in news. The question is: How do they win the off-pitch game in Asian market?

They focus on strategic marketing, on a long-term view of the marketing-mix (Place, Product, Promotion, Price) and not on one shot marketing operations; and that allows them to create strong brand equity. In order to analyze marketing success of football brands, the conceptual framework of Customer-Based Brand Equity (Keller, 1993) is often used by researchers (Bodet and Chanavat, 2010). This framework is based on four dimensions: Perceived quality, brand loyalty, brand awareness and brand association.

First, to improve its perceived quality, Manchester United perfectly defined its identity, made of glorious history (Busby Babes, epic Champions League win in 1999) and current big wins. They also developed very good operational marketing: Club shops are available everywhere (best example is the MU Megastore in Malaysia), as well as restaurants or Red Cafes. To develop their range of restaurants, Manchester United created a joint-venture with FJ Benjamin Holdings which is called Manchester United Food and Beverage, and finally 16 restaurants are opened or will opening soon in Asia. Then, they developed strong partnerships with local brands (Aigo, Chinese electronics) and co-branded in sector of finance for example by launching credit cards with Public Bank (Malaysia) in 2009. This type of strategic alliances is very profitable for Manchester United who sells rights to use the brand (Johnson and Tellis, 2008).

Then the brand awareness is maybe the strongest point of Manchester United strategy and it is based on PR and media. They were the first to organize regularly tours in Asia during preparation in summer but also recently (1st February 2012) launched the “Trophy Tour” in partnership with DHL for the 19th Premier League win, in order to show the trophy to Asian fans. The MU foundation is also present in the region with a soccer school in Singapore for example. Finally, where the global strategy is the most developed, it is in media. The Manchester United Chinese website was launched in 2002 (with specific features such as live cam with David Beckham); the first Chinese version of “Inside united”, the Red Devils official magazine was launched in 2007; and MUTV and mobile application are available and well spread in the region. This strong promotion of the brand is clearly essential for the development of a specialized service as Manchester United wants to offer (Välikangas and Lehtinen, 1994).

Brand associations are closely linked to results on the pitch. And Manchester United is seen as a team who always win. “Everybody loves a winner” is a sentence that seems to be particularly true for Asian people (Sicco van Gelder, 2003). Their past success and their regular excellent results in Premier League and Champions League are essential for this brand association. Some players can be very important for this point and recently, star players like David Beckham and Cristiano Ronaldo participated in the strength of Manchester United brand image.

Brand loyalty in football is based on Day’s attitudinal and behavioral dimensions (1969). “One main feature concerning brand loyalty relies on the fact that for many respondents the reason why they are attached or loyal to a particular brand is because this is the first football brand they were aware of” say the results of Gobet and Chanavat study (2010) about Chinese fans and Premier League. To keep their first entry advantage, the goal for Manchester United is to create an emotional and social link with their fans in order to generate an attitudinal and behavioral loyalty. Many Asian fans can’t attend to football match for geographic reasons but they are “e-loyal” (Bridgewater, 2010) by following their favorite team thanks to television or internet.

Finally, the fact that except Ji-Sung Park, the Korean star player, no Asian player is as good to play for Manchester United (even if they tried by recruiting a Chinese player called Dong Fangzhuo in 2004) is the lack in Manchester United strategy. Indeed, Yao Ming, the Chinese star of NBA playing for Houston Rockets has made basketball more popular in China and recently, the emergence of Jeremy Lin, the first Asian American to become a star in NBA has enhanced this competition between American sports and European football in Asia market.

III. Challenges for these five next years

Especially in China, Manchester United is facing a continuing issue for its trademark which is counterfeits of all goods from magazines to shirts (Yang, 2003). According to Manchester United Deputy trade marks manager Ben Houston, these counterfeits are even more sold in less-developed areas of Asia: during the 2007 summer tour, they seized £500,000 of counterfeit MU products and only 4% were coming from Hong-Kong, a more developed place where owning an authentic product is the most important for fans.

Then, the fandom of Manchester is obviously being more and more global. But Manchester United local fans must not be put on the backburner and the current American owner, Malcolm Glazer, is already criticized. These traditional fans are afraid of the “disneyisation” of their football team (Duke, 2002), which consists in copying American sports brand marketing strategy in merchandising (franchised products, replica shirts, sale of Stadium name), themeing (introduction of mascots), dedifferentiation of consumption (standardization of entertainment) and emotional labour (excessive cheerfulness). Manchester United marketers will have to balance their strategy to increase their fandom without losing the support of their true loyal fans. The club has announced the future launch of the MU social media⁴, a kind of Facebook for MU fans, and all these different types of fans will have to be taken in account in its development.

To conclude, if we refer to Leavy and Wilson (1994), the strategy of Manchester United will be an inheritor. Actually, the club is on top of the European stage on the pitch and the next five years should see Giggs, Scholes or Ferdinand stop their careers, as well as the man who has ruled the team for 25 years: Sir Alex Ferguson. The legacy will be hard to follow.

⁴ Marketing Magazine,(2011) *Manchester United to unveil global social media network*, November 2nd, p.23

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