

Chapter 1

Golden Medals: The Impact of Individual Social Responsibility on Sports Corporate Reputation

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ABSTRACT

This chapter conducts an in-depth study regarding European football clubs' marketing strategies and brand management approaches in order to evaluate customers' perceived ethicality and how consumers value corporate social responsibility activities. Specifically, the case of European football clubs is evaluated during the 2013-2018 period. The evolution of the value of the top 20 football teams in 2013 were considered as they are the most valuable ones, and most renowned in terms of worldwide supporters and revenues. Furthermore, the success of the top three teams, Manchester United, FC Barcelona, and Real Madrid FC, were studied. The findings highlight how European football clubs should incorporate corporate social responsibility into their marketing strategy, combining it with their own players' approaches, in order to increase their value and reputation.

INTRODUCTION

Global society has become increasingly more aware of firm's actions in terms of social accountability, including not only environmental matters but also social problems. Among these, we find social inequalities, analphabetism, poverty, lack of access to clean water, waste disposals, pollution endangering human life, and a large etc. Accordingly, corporate social responsibility (CSR) has become increasingly prevalent in the sports industry. In 2018, this is even more relevant considering it is the year that the World Cup was disputed in Russia, an event followed by approximately 3.4 billion viewers worldwide

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(Roxborough, 2018) and increasingly more relevant across media elements (TV, social media, traditional media, etc.). The exposure of information, such as the corruption scandals involved in the Russian organization and FIFA, caused certain companies not to sponsor the event due to ethical differences (e.g. Johnson & Johnson).

This shows the commitment some firms have towards their involvement in sports, aside from sports clubs and their franchises. Considering football is one of the most global sports and the influence it can have in all social classes, the impact of the firms operating in this sector is significantly more relevant. Nelson Mandela's averment that sport can change the world holds much ideological sway and is becoming more and more relevant as the spread of information and actions is ever more global.

In addition, former United Nation Secretary-General Kofi Anan once commented that he was interested in the power of football to teach lifelong lessons about playing against other rivals, not enemies (Smith & Westerbeek, 2007). That is, sport can spread understanding and tolerance through the introduction of new cultural values in fan and many other ways. In particular, literature has identified a positive association between the efficiency of a firm and the way it invests in CSR to create and enhance a sustainable competitive advantage (Jones, Felps & Bigley, 2007).

Implementing CSR actions is also positively associated with corporate brand awareness (Mattera, Baena & Cerviño, 2014), and brand love (Baena, 2016; 2017a). We can then argue that sports CSR takes the perspective that teams are members of society, who are expected to support the communities in which they operate (Mazodier et al., 2016). Nevertheless, little academic attention has been paid to the relevance of supporters' awareness of the responsible initiatives implemented by their clubs, and how these initiatives help develop an emotional attachment between supporters and the team.

Specifically, previous literature has identified a positive association between investing in business efficiency and investing in corporate social responsibility (CSR) to create and enhance a sustainable competitive advantage (McGuire et al, 1988; Shepard et al, 1997; Buchholtz et al, 1999; Quazi & O'Brien, 2000; Jones et al, 2007; among others). However, in many cases it has been identified that a lack of appropriate diffusion of this information can mislead consumers or undermine the efforts conducted in terms of their real corporate social responsibility efforts. Consequently, it is deemed essential to conduct marketing actions specifically oriented towards notifying all the firm's stakeholders regarding their CSR policies and activities (Mattera, Baena & Cerviño, 2014).

According to the above discussion, it is also important to denote that the firm shall first hold strong ethical values related to CSR activities upon which their strategies are based. In the event this does not happen, consumers will view the corporate marketing activities as a way of masking the image and reputation, without any true substance, commonly referred to as "greenwashing" (Lydenberg, 2002). In the sports sector, and especially in football, this is especially true as the club's brand is one of the most important assets. Therefore, sports managers need to concentrate their efforts on managing this key business asset. However, strategic brand management has only become a key issue in the last decade (Blumrodt, Bryson, & Flanagan, 2012).

In an attempt to contribute Literature, and based on Blumrodt et al. (2012), the present chapter conducts an in-depth study about two of the most relevant European Football club to analyze its brand management approach and evaluate their fans' perceived ethicality and how supporters value CSR activities. Specifically, the case of Real Madrid F.C. and Barcelona F.C. (also named Barça) is analyzed. We have focused on these football teams as they are two of the most successful sports teams in terms of worldwide supporters. With this objective in mind, we have structured the paper into various sections. The first one analyzes provides a Literature Review and discusses the role of CSR in sports. Subsequently, the

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