

The Impact of Financial Investment on Game Results: A Comparative Study of Manchester

Zhaoqin Yang^{1,a,*}

¹*Xi'an Tieyi International Curriculum Centery, Shaanxi Province, China*

a. miaozenyi@ldy.edu.rs

**corresponding author*

Abstract: This article explores the impact of financial investment on the performance results of Manchester United and Manchester City in the Premier League in the past decade, aiming to reveal how financial strategies affect the success of the club. Manchester United is known for its long history and commercial income, and Manchester City has significantly improved its financial strength through strategic investment in recent years. The study compared the spending of the two clubs on player recruitment, facility construction and coach salaries, and analyzed the direct impact of these investments on the performance of the season. Through an in-depth analysis of financial reports, transfer records and performance data, the study found that Manchester City's investment strategy was more effective than Manchester United's traditional method, which led to greater success on the field. Finally, this article emphasizes the importance of effective financial planning and resource allocation for modern football clubs to gain advantages in a fiercely competitive environment. This discovery is of great significance for the financial decision-making of clubs in the future.

Keywords: Financial investment, Premier League, Manchester United, Manchester City, match results.

1. Introduction

1.1. Forward

In recent years, the impact of financial investment on the performance of sports teams has become an important topic, especially in top football leagues such as the Premier League. Financial investment includes expenditure on player recruitment, facility construction and overall operating expenses. This study focuses on two famous Premier League clubs: Manchester United and Manchester City. Manchester United used to dominate in terms of commercial revenue and field performance, but its financial and competitive position has declined in recent years. Manchester City, on the other hand, has achieved remarkable success through large-scale financial investment.

The purpose of this study is to analyze and compare the financial strategies of Manchester United and Manchester City, focusing on the impact of these investments on the performance of the game. Understanding these developments is important for club managers, investors and sports analysts, and helps to optimize financial strategies to achieve better performance and competitive advantages. Through systematic analysis, this article will provide valuable insights for relevant stakeholders and promote them to make wiser decisions in a complex market environment.

1.2. Research Methods

This study adopts the second-hand data analysis method, mainly reviewing financial reports, transfer market data and performance statistics. By comparing and analyzing the investment strategies and effects of the two clubs, the impact of financial decision-making on the team's performance is deeply explored. In addition, the research is combined with a literature review to place the research results in a broader theory of finance and sports management to provide a more comprehensive perspective.

In the specific research method, the case analysis will serve as an important tool to make an in-depth comparison of the financial expenditure and performance of Manchester United and Manchester City. By analyzing specific cases, the research will reveal the strategic considerations and implementation effects behind various investments. This method will help to understand the application of different financial strategies in practice and their success.

1.3. Structure and Framework

This article first reviews the literature on the importance of financial investment and sorts out the existing theories and research results. Then, compare the financial expenditure of Manchester United and Manchester City and analyze their respective investment strategies. Then, we will discuss the reasons for the change in investment level and its impact on the team's performance. Finally, put forward suggestions for efficient financial investment, and summarize the research findings and future research directions to provide practical references for club managers and relevant stakeholders.

2. Literature Review

2.1. The Importance of Financial Investment in Sports Teams

Financial investment is crucial to the sports team because it directly affects player recruitment, infrastructure development and overall operational efficiency. Studies have shown that high investment in player recruitment and facilities is usually associated with the improvement of team performance. Therefore, it is important to understand how financial resources affect sports training, recruitment strategies and competitive results to optimize club management.

2.2. The Help of Sufficient Financial Resources for the Team

Sufficient financial resources can be used to purchase advanced training equipment and improve training facilities, so as to improve the training effect of athletes. High-level coaches usually need higher salaries, and abundant financial resources enable teams to attract and retain excellent coaches and improve the quality of training. The amount of financial resources of the team directly affects the team's recruitment ability. A team with a sufficient budget can introduce top players, improve its overall strength, attract excellent talents, cultivate future star players, and form a benign talent cycle, so as to improve the overall strength and increase the chances of winning the game. Sufficient financial resources can also invest in top training facilities and technologies, such as modern training grounds, rehabilitation centers, sports science laboratories and high-end medical equipment. These facilities and technical support help to improve the physical quality, recovery speed and overall competitive condition of players. Manchester City's "City Football Academy" is a typical example, which provides world-class training and rehabilitation facilities for first-line and youth teams. Such investment can significantly improve the overall level of the team. Financially strong clubs can attract more high sponsorship and business cooperation opportunities, thus further increasing revenue. These incomes can be reinvested in player recruitment, facility construction and other strategic projects to form a virtuous cycle. A well-funded club can build a team with depth, which is crucial in a long

season. Sufficient financial resources enable the club to cope with challenges such as injury and tight schedule and ensure that the substitute players are as competitive as the main team, so as to maintain the stability of the team in the league and cup.

2.3. Overview of Financial Investment in Major Competitions

This section analyzes the financial pattern of major football leagues (including the Premier League, La Liga and Serie A), and discusses the trend of club spending, sources of income and the impact of financial regulations (such as the Financial Equity Act) on investment strategies.

2.3.1. Premier League

The revenue of the Premier League mainly comes from broadcasting rights (the largest proportion), sponsorship, tickets and merchandise sales. Thanks to the international influence of the Premier League, the club has earned a rich global broadcast revenue [1]. In recent years, especially the investment of large clubs in citation has continued to increase. For example, in the 2022 season, the total expenditure of Premier League clubs reached 600 million pounds, and the proportion of salaries and transfer costs increased year by year. Although there is no strict financial fair competition law, the club has received close attention from the media and fans in the operation of funds and tends to increase revenue through commercialization. (Data from: The Athletic)

2.3.2. La Liga

The expenditure of La Liga clubs is mostly focused on player transfers and salaries, especially in rich clubs such as Barcelona and Real Madrid. In recent years, with the implementation of the Financial Fair Competition Law, club spending has begun to be restricted. According to the data of 2022, the total expenditure of La Liga is 400 million euros, of which Barcelona and Real Madrid account for nearly 70% of the investment. Although La Liga also has broadcast rights income, it is relatively low, mainly relying on the brand effect of the rich family, as well as sponsorship and ticket revenue.

2.3.3. Serie A

The spending of Serie A clubs is relatively conservative, and many teams face financial pressure, especially in terms of naming sponsorship and sources of income, which makes them less active in citing the Premier League and La Liga. Serie A's sources of income are relatively diverse, but the overall income is low, mainly relying on local sponsorship and ticket revenue. Many clubs are relatively lagging behind in marketing and branding. Serie A is also subject to the financial fair competition method. Many clubs adopt a more conservative strategy in the transfer market, tending to strengthen the team's strength through internal purchases and youth training systems.

3. Financial Investment Between Manchester United and Manchester City: Comparative Analysis

3.1. Manchester United's Financial Investment

3.1.1. Player Expenditure

Manchester United has always been very active in the transfer market and is willing to pay a huge transfer fee to bring in top players. For example, in 2016, Manchester United signed Paul Pogba for a record 89 million pounds. In recent years, clubs have generally spent a high level on introducing players, especially when rebuilding the team's lineup, they often introduce multiple high-level players.

In addition to the transfer fee, the player's salary is also another important part of Manchester United's expenditure. The weekly salary of top players can be up to hundreds of thousands of pounds, or even more than 1 million pounds. For example, Cristiano Ronaldo's salary on his return has attracted wide attention. Manchester United's salary structure not only needs to maintain competitiveness among players, but also to ensure the attraction and retention of excellent players.

3.1.2. Expenditure on Facilities

Manchester United's home stadium, Old Trafford, is a symbol of the club and an important asset of its operation. As one of the largest football stadiums in the United Kingdom, the maintenance and upgrading of Old Trafford requires continuous investment. In order to provide a better viewing experience and comfort, the club regularly remodels the venue facilities, including improving seats, security systems and catering services. Manchester United's investment in training facilities cannot be ignored either. Carrington Training Base is the training center of the team, with modern facilities and a high-quality training environment. The club's expenditure in this regard ensures that players can train under the best conditions while attracting young players to join.

3.1.3. Employee Expenses

Manchester United's coaching team includes a head coach, assistant coach, technical analyst, etc., and their salary expenditure is also an important part of the club's budget. Top coaches often require higher salaries, so clubs need to make reasonable arrangements in this regard to ensure that the team can take the lead tactically. The operation of Manchester United depends not only on players and coaches, but also on a huge logistics and management team, including medical teams, marketers, financial staff, etc., and the overall salary expenditure is quite considerable. The club needs to ensure that the professionals in each department can operate efficiently to support the team's daily management and business activities.

3.2. Financial Investment of Manchester City

3.2.1. Player's Expenditure

Manchester City's investment strategy is characterized by strategic spending and focuses on long-term sustainability and efficiency. In recent years, Manchester City's financial expenditure has increased significantly, which is inseparable from the strong consortium support behind it. As a team that has emerged in the Premier League and Europe, Manchester City is active in the transfer market, often signing top players for high transfer fees. For example, they introduced De Braune for about 57 million pounds in 2017, and then introduced key players such as Rodry and Harland. These investments have greatly enhanced the competitiveness of the team [2].

3.2.2. Expenditure on Facilities

Manchester City also spares no effort in the infrastructure of the training base and home field. The expansion and modernization of the Etihad Stadium has greatly increased the club's income on the day of the game and provided a better fan experience. The club's continuous investment in facilities not only improves the overall operational efficiency but also enhances the attractiveness of the team and provides a better environment for fans and potential sponsors.

3.2.3. Employee Expenses

Manchester City often pays top salaries to ensure the attraction and retention of excellent players, and the weekly salary of star players in the team is generally hundreds of thousands of pounds. This high-paying policy ensures that the team does not lose key talents in the fierce competition. In addition, the salary expenditure of Manchester City's coaching team and logistics managers also accounts for an important proportion. The club focuses on the professional operation of the team to support the team's daily management and competitive performance.

3.3. Comparison between Manchester United and Manchester City

3.3.1. Manchester City's Centralized Investment Strategy

In recent years, Manchester City has signed top players with a large amount of money to build a highly competitive lineup. The introduction of star players such as De Braune and Harland has directly improved the team's competitive level. And Manchester City invests in top coaches, such as Guardiola, to ensure tactical advancedness and adaptability. The coach's philosophy and tactical execution have greatly enhanced the overall performance of the team. Manchester City has invested a huge amount of money in the modernization of training facilities and home stadiums, improving the training conditions and game experience of players. This centralized investment strategy has enabled Manchester City to rise rapidly in a short period of time, winning many domestic and foreign championships, especially the success in the Premier League and European competitions in recent years, which has significantly improved its brand value. (Data from BBC Sport)

3.3.2. Manchester United's Broad Spending Strategy

In the 2015-2016 season, Manchester United's commercial revenue was as high as 689 million euros, setting a new high in Manchester United's history and a new high in football. In the subsequent 2016-2017 season, Manchester United received 676 million euros in commercial revenue. Although it was still ranked first, its total revenue had fallen compared with last season. In the second year of Mourinho's coaching of Manchester United, Manchester United won the runner-up in the league. However, Manchester United's total revenue only reached 665 million euros, which has declined for two consecutive seasons. In the subsequent 2018-2019 season, because Manchester United participated in the Champions League, Manchester United's total revenue soared to 711 million euros, once again setting a record in Manchester United's team history. However, Manchester United is still ranked third, and the gap between Manchester United and Barcelona, the first in revenue, has widened to 130 million euros. Right. In the 2019-2020 season, the first full season coached by Solskjaer, Manchester United tried to return to the top four positions with a lot of money. Last season, Manchester United once again achieved a record total revenue of 745 million euros, but Manchester United's ranking has fallen to fifth place, and Manchester City and Paris Saint-Germain have begun to exceed Manchester United, their business income is almost the same as that of Manchester United. (Data from The Guardian and Sky Sports). Although Manchester United's revenue has reached a record high, its total revenue ranking is declining. Considering the impact of socio-economic factors and inflation in football, Manchester United has experienced many coach changes in recent years, which not only affects tactical stability, but also makes it impossible for the team to form a clear tactical system, which in turn affects the team's table. Present. Despite the extensive expenditure, the lack of effective financial management and long-term planning leads to the waste of resources. Compared with Manchester City's concentrated investment, Manchester United's extensive expenditure has failed to generate a corresponding competitive advantage. (Data from BBC Sport)

4. Reasons for Changes in Financial Investment

4.1. The Impact of Management Changes

4.1.1. Management Structure and Decision-Making Process of the Club

Changes in ownership may affect the management structure and decision-making process of the club. The new management style of ownership and understanding of team culture directly affect the working environment of coaches and players, and then affect the performance of the team [3]. For example, frequent management changes may lead to a change of coach, thus affecting tactical coherence and team stability. Different owners may have different concepts of financial management. Some investors may pay more attention to short-term profits, while others may be willing to invest in long-term success. This change in concept may lead to significant differences in the club's financial planning, budget allocation, and expenditure decision-making.

4.1.2. Team Performance

Changes in team ownership will also have an impact on the team's performance. New owners usually hope to quickly improve the team's performance by bringing in well-known coaches and players. If their goal is to win the championship, they will usually increase investment in the team to enhance their competitive strength. For example, after the acquisition of Abramovich, Chelsea quickly introduced a group of star players and won many league and cup championships. And successful ownership changes usually increase the brand value and market attractiveness of the club, which in turn brings more sponsorship and business opportunities. This brand promotion can bring additional income and further support the team's activities in the transfer market. It can be seen that the change of club ownership not only affects the financial strategy, but also directly affects the team's performance. Successful transformation is usually accompanied by an increase in funds, optimization of management style and improvement in competitive ability, while adverse changes may lead to waste of resources, poor management and a decline in competitive performance. Therefore, the change of ownership is a key turning point in the development of the club.

4.2. Strategic Adjustment of Investment Focus

A perfect youth training system can train young players more effectively, enabling the club to cultivate high-level local talents and reduce dependence on the external transfer market. Although the initial investment is large, excellent youth training can bring long-term economic benefits to the club, including the transfer income of youth training players and the performance in the first team. In addition, the local players trained by youth training are often more likely to win the support of fans, enhance the cohesion and loyalty of the team, and have long-term stable performance. And a good reputation for youth training can enhance the brand value of the club and attract sponsors and partners. Through these ways, infrastructure and youth training investment can bring more stable and sustainable competitiveness to the club.

4.3. The Influence of External Factors

Manchester United has long relied on its global brand influence to obtain huge sponsorship contracts through commercial cooperation with large companies (such as Chevron, Adidas, etc.). This strategy helps Manchester United maintain a strong source of revenue, even in seasons when the team performs poorly. This sponsorship relationship is also affected by global market trends, especially the expansion of Asian and North American markets. Manchester City, on the other hand, relies on the financial support of the Abu Dhabi consortium, while improving its brand image and source of

income through strategic cooperation with relevant companies (such as Etihad Airways) [4]. In recent years, Manchester City has gradually moved towards globalization, seeking to expand the market and establish a global brand.

The global economic recession or growth has an important impact on the financial strategies of the two clubs. During the economic boom, clubs can increase revenue by raising ticket prices, expanding global markets and increasing sponsorship contracts. On the contrary, the economic recession may lead to a decrease in broadcast revenue, and sponsors to reduce spending, affecting the financial flexibility of the club. Manchester United and Manchester City need to adjust their budgets and expenditures when the global economy is turbulent, especially investment decisions in the players' transfer market.

5. The Impact of Financial Investment on Performance

5.1. Impact on Players' Performance

The expenditure of financial investment on high-priced players has different impacts on the team's performance. This section examines how players' investment is transformed into the success of Manchester United and Manchester City on the field.

5.1.1. Manchester United

Player investment is one of the key strategies for Manchester United and Manchester City to achieve success on the field. By introducing top players in the transfer market and developing existing players, the club can enhance the competitiveness of the team and improve the performance of the game. In the history of Manchester United, Manchester United has invested heavily in the transfer market many times, such as signing Paul Pogba for a record 89 million pounds in 2016, (Data from transfermarket) to strengthen the midfield strength. Although Pogba's performance is not always stable, this investment strategy shows Manchester United's goal of improving the team's competitiveness by bringing in star players. In Ferguson's era, Manchester United succeeded by signing and training young players, such as the rise of Cristiano Ronaldo, Wayne Rooney and so on. This model of improving players' performance on the field helps Manchester United maintain its competitiveness for a long time by training and guiding players. In recent years, despite the ups and downs of Manchester United's investment in players, with the introduction of players such as Bruno Fernandez, Manchester United's offensive organization and game rhythm have been significantly improved, allowing the team to rise rapidly and qualify for the Champions League in the 2020-2021 season. The arrival of top players can immediately improve the overall performance of the team.

5.1.2. Manchester City

Since Manchester City took over from the Abu Dhabi Consortium, it has significantly increased its investment in the transfer market, such as the introduction of players such as Kevin de Braune, Ruben Diaz and Erlin Harland. These citations directly improved the overall strength of the team and helped Manchester City win the Premier League many times. Manchester City's lineup in recent years is particularly deep, especially the competition of top players in multiple positions. For example, Manchester City signed Ruben Diaz for 62 million euros in the 2020-2021 season, (Data from Spotrac) greatly enhanced the team's defensive ability, helped them win the Premier League and reach the Champions League final. The direct effect of this kind of investment is immediate. Manchester City has also increased its investment in the youth training system in recent years and has cultivated local talents such as Phil Forden to help the team maintain a high level of competitiveness in the coming years [5].

Through investment in the transfer market and the youth training system, Manchester United and Manchester City have significantly enhanced the team's competitive level and tactical depth, thus succeeding in the game. These investments are directly transformed into on-site performance, and also bring long-term economic benefits and brand value improvement.

5.2. Impact on the Team's Success and Championship

5.2.1. Manchester United

Investment is directly related to the team's ability to introduce top players, which in turn affects the strength of the lineup. By introducing high-quality players, the team can gain a competitive advantage in key competitions. During Manchester United's coaching of Ferguson, Manchester United often introduced top players through high investment, such as Cristiano Ronaldo, Van Persie, etc., which helped them achieve great success in the Premier League and Europe. However, in recent years, although Manchester United's investment is high, the performance of the players has not met expectations, which has affected the team's stable competitiveness in the Premier League and the Champions League. Despite the introduction of players such as Pogba and Bruno Fernandez, Manchester United's performance on the international stage is relatively average due to the lack of balance in the overall lineup. Since Ferguson's retirement, Manchester United's performance in the Champions League has been ups and downs. Despite the investment, the team has failed to make a significant breakthrough in the Champions League. In recent years, Manchester United has relied more on secondary competitions such as the UEFA Cup to win European honors.

5.2.2. Manchester City

Since Manchester City acquired Manchester City by the Abu Dhabi consortium, the club has quickly improved the strength of the team through large-scale citations, such as Kevin de Braune, Erlin Harland and Ruben Diaz. This high-level investment has helped Manchester City win many championships in the Premier League and continuously become a strong competitor in the Champions League. In the 2022-2023 season, Manchester City won the Champions League with a strong lineup, proving the effectiveness of the investment. Manchester City has built an extremely deep lineup through heavy investment, which allows them to maintain a high level of performance at any stage of the season. Guardiola can rotate efficiently in the league, Champions League, domestic cup and other competitions, so as to reduce the risk of injury for players. For example, in the 2021-2022 season, Manchester City successfully defended the Premier League title and reached the semi-finals of the Champions League with a strong lineup. In recent years, Manchester City has focused on the Champions League. After several years of lineup construction, Manchester City finally won the Champions League in the 2022-2023 season. This shows that Manchester City's large investment eventually turned into success on the international stage, which also consolidates their position as a top club in Europe [6].

The investment level of Manchester United and Manchester City directly affects their success in domestic and international competitions. Manchester City's high-level investment has brought them continuous domestic success and a breakthrough in the Champions League by introducing top players, developing youth training and ensuring the depth of the lineup. Although Manchester United's investment in the market is huge, it has failed to achieve the expected success due to the lack of depth and tactical adaptability of the team's lineup. In general, investment is not only the introduction of big-name players, but also closely combined with the team's overall strategy, long-term development and tactical needs, so as to achieve sustainable success in the domestic and international arenas.

6. Efficient Financial Investment Advice

6.1. Strategic Allocation of Resources

Player recruitment is often one of the main parts of the club's expenditure, including the payment of transfer fees, signing fees, broker fees and player salaries. The high fees of top players need to be matched with the club's budget to ensure financial sustainability. The club needs to strike a balance between introducing star players and developing young players. At the same time, a good operating model and industry pattern should be accepted for the future of digitalization, globalization and professional sports [7], training potential players through the youth academy can reduce high transfer expenses and ensure the long-term competitiveness of the team. Secondly, bringing in young players for long-term training is a future investment, while signing mature stars is a short-term strategy that can immediately improve the team's performance. And according to the team's current competitive needs, the club may choose to focus on investing in a certain type of players while maintaining long-term plans for the future. In Europe, many clubs must comply with UEFA's Financial Fairness Rules (FFP), which require clubs to control spending based on income. This means that the club cannot rely solely on the funds of external investors but must balance competitive spending and revenue growth [8].

6.2. Invest in the Development of Youth Training

The training of local talents by the team club has a profound impact on its financial sustainability and team performance. Relying on the local youth training system to train players can reduce the dependence on the high-priced transfer market, enhance the long-term competitiveness of the team, and bring multiple benefits at the economic, competitive and cultural levels. Training local players can reduce the club's high investment in the transfer market. The transfer fee and salary costs of top players are usually very high, but local youth players are gradually promoted from the club echelon and can fill the vacancies in the lineup at a lower cost. In addition, the club's investment in youth training facilities is a long-term investment. The players trained can not only play for the first-line team, but also bring rich transfer income in the transfer market. This enables the club to maintain financial health and avoid over-reliance on external financial support. Youth players tend to have a lower starting salary. Compared with the introduced star players, the club can better control the salary structure. As local players grow, although salaries will increase, the cost savings in the early stage can greatly improve the overall financial situation of the club.

7. Conclusion

This article examines the financial investments of Manchester United and Manchester City and reveals the impact of these investments on the team's performance. Manchester City's strategic and efficient resource allocation has brought greater success on the field, while Manchester United's broad spending strategy is not effective. Despite the high overall expenditure, Manchester United's lack of sustained success reflects the inefficiency of its financial strategy and management decision-making, which has a significant negative impact on its competitiveness.

The research is limited by relying on second-hand data and public financial reports and does not take into account the internal decision-making process or undisclosed financial arrangements. In addition, paying attention to a specific period of time may ignore long-term trends, resulting in insufficient comprehensive evaluation of overall financial performance.

Future research may include interviews with club officials or financial analysts to gain more in-depth investment decision-making insights. At the same time, comparing other top European clubs and exploring the impact of the Fiscal Equity Act on financial strategy can also provide a further

understanding of financial strategy. This will help to more comprehensively assess the long-term impact of financial investment on the team's performance.

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