

The Impact of Global Sponsorship on Football Club Operating Models: A Case Study of Manchester City

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Abstract: This study examines the multifaceted impact of global sponsorship on the operating model of Manchester City Football Club reflecting the challenges and opportunities of globalization and the digital age. By analyzing partnerships with globally recognized and Chinese brands, the research explores how global sponsorship affects brand exposure, market expansion, fan engagement, and corporate social responsibility. The findings suggest that such sponsorship significantly boosts Manchester City's global brand exposure and market penetration, drives digital transformation, and enhances social responsibility and sustainable development practices. The study also highlights that customized regional strategies are key to success in emerging markets such as China. Through collaborations with global sponsors, Manchester City has not only enhanced its global brand influence but also achieved deep market penetration in specific regions. The conclusions provide valuable insights for football clubs with single-source operational models, especially Chinese clubs, on how to optimize their operations through diversified sponsorship and localized strategies.

Keywords: Global Sponsorship, Operating Model, Football Club.

1. Introduction

With increasing globalization, global sponsorship plays a critical role in football club operations. Manchester City Football Club is a prime example of this trend. Since its acquisition by the Abu Dhabi United Group in 2008, the club has seen rapid growth, not only in competitive performance but also through its strong network of international sponsors. Major global brands such as Etihad Airways and Puma have signed sponsorship deals with Manchester City, providing substantial financial support and media exposure. This has helped the club expand its fan base and maintain competitive strength in both financial and sporting aspects.

In contrast, Chinese football clubs face significant operational challenges. Due to capital withdrawal and changes in the domestic economic environment, many clubs have seen a decline in funding and brand sponsorship, with some even withdrawing from professional leagues or disbanding entirely. The primary reason is the heavy reliance on local government or single enterprise funding, leading to severe financial losses. Without a global sponsorship network, Chinese clubs struggle to secure sustainable commercial income, limiting their competitiveness and audience reach. This domino effect contributes to the decline of the Chinese football league's quality and viewership.

This research aims to analyze the impact of global sponsorship on Manchester City's operating model, focusing on changes in financial structure, market strategy, and brand management. Using

literature review and social media analysis, the study delves into the specific impacts of global sponsorship on market expansion, regional customization, digital transformation, and corporate social responsibility, and provides comparative insights with the current operating models of Chinese football clubs.

2. Brand Exposure and Market Penetration

Global sponsorship has enabled Manchester City to expand its brand exposure and market reach globally, particularly in key regional markets.

2.1. Global Brand Exposure

Manchester City, through its partnerships with globally renowned brands such as Etihad and PUMA, has effectively leveraged co-branding strategies [1]. These collaborations not only increased Manchester City's global exposure but also enhanced brand equity by associating the club's image with the high recognition of its partners through jersey sponsorships and stadium naming rights. The deep partnership with Etihad Airways is a prime example; Etihad sponsors the naming rights of Manchester City's home stadium, Etihad Stadium, and features its logo prominently on the front of the club's jerseys, making the airline's branding widely recognized globally. During match days at Etihad Stadium, digital advertising boards display the names of global brands partnered with Manchester City, further enhancing the sponsors' worldwide visibility.

According to the Customer-Based Brand Equity (CBBE) model, the core of brand equity lies in building brand awareness and brand image [2]. Brand awareness refers to the degree of recognition a brand has in the consumer's mind, while brand image involves the associations and perceptions that the brand evokes. Co-branding and Integrated Marketing Communications (IMC) effectively enhance both brand awareness and image, thereby increasing brand equity [2,3]. This multi-faceted, high-intensity sponsorship and co-branding strategy enhances the brand salience of Manchester City, boosting its recognition and market impact on a global scale. Global brand sponsorship facilitates Manchester City's entry into broader consumer markets and helps establish strong brand associations, thereby enhancing brand awareness. This success highlights the importance of strategic planning and management practices as key organizational factors [4]. Manchester City's success lies in its effective use of co-branding strategies, which have elevated the club's brand equity and laid a strong foundation for future commercial activities.

2.2. Regional Market Penetration

In key markets such as China, Manchester City has implemented a customized marketing strategy through partnerships with local brands like Jian Nan Chun and Yili. Jian Nan Chun, a premium Chinese liquor brand, sponsored Manchester City's "Champion Trophy Tour" in China. This tour allowed Chinese fans to experience Manchester City's historic achievements up close, significantly increasing the brand visibility of Jian Nan Chun while leveraging Manchester City's international influence to expand its market share among high-end consumers in China. Yili, as the official dairy partner of Manchester City in China, launched a series of dairy products featuring the Manchester City logo and carried out extensive promotional campaigns in the Chinese market, capitalizing on the club's global reputation. Through these product marketing activities, Yili successfully boosted its brand exposure among Chinese consumers. This collaboration not only strengthened Manchester City's market position in China but also created an emotional connection with local consumers through culturally resonant activities, such as the "Champion Trophy Tour." These tailored initiatives have deepened the club's market penetration in specific regions.

According to the Customer-Based Brand Equity (CBBE) model, building brand awareness and brand image is key to enhancing brand equity [2]. While a global branding strategy emphasizes consistency, clubs must adapt their approach when entering culturally distinct markets, such as those in Asia, by aligning with local cultural values and preferences [3]. Manchester City has successfully enhanced its brand recognition and established strong brand associations in the Chinese market through co-branding efforts that resonate with local cultural elements.

3. Fan Engagement and Digital Interaction

Global sponsorship has not only boosted Manchester City's brand exposure but has also enhanced fan engagement, particularly through innovative interactions on digital platforms.

3.1. Social Media Engagement

Through its partnership with Midea, Manchester City launched activities like the "Home Challenge," leveraging social media platforms to engage with fans worldwide. These activities have strengthened the connection between the brand and its fans, enhancing fans' sense of belonging to the club. Additionally, OKX, by integrating cryptocurrency platforms and blockchain technology, offered a digital currency experience that attracted a younger fan demographic.

3.2. Esports and Gaming Interaction

During the COVID-19 pandemic, Manchester City collaborated with Jian Nan Chun to launch esports tournaments, capturing the interest of young Chinese fans. These esports events demonstrated how digital interactions could effectively attract a new generation of fans and use technological means to expand the club's influence [5]. EA Sports partnered with Manchester City in the FIFA game series to host esports competitions, appealing to young football enthusiasts and gaming fans globally, which increased fan engagement and interaction. Furthermore, Midea and Manchester City introduced the "Midea Cup Mobile Game," allowing fans to participate in virtual penalty shootouts and interact with other fans worldwide in a shared digital experience, thereby enhancing fan interaction and engagement while boosting brand visibility and user participation.

The collaborations with OKX, Midea, and others have not only increased fan engagement but have also opened up new revenue streams through digital initiatives. According to consumer behavior theory, maintaining interaction with fans through social media and digital platforms can effectively enhance fan loyalty and engagement [6]. This digital transformation strategy was Manchester City's swift response to market changes during the pandemic. By launching online activities such as the "Home Challenge," the club tapped into fans' interest in social media and esports, creating a new brand value chain. Additionally, Manchester City's partnership with OKX highlights the club's efforts to explore the emerging field of digital finance, aligning with the trend of modern enterprises seeking diversified revenue streams and innovative business models [7].

4. Corporate Social Responsibility and Sustainable Development

Global sponsorship has helped Manchester City promote corporate social responsibility (CSR) and sustainable development projects globally, enhancing the club's social image.

4.1. Environmental Projects

Manchester City's partnership with Xylem demonstrates how a football club can promote the sustainable use of global water resources. These projects not only boosted Manchester City's commitment to social responsibility but also improved its positive brand image through tangible

environmental initiatives. This type of international cooperation, combined with philanthropic efforts, has helped the club gain greater recognition among non-traditional fan groups. Nissan utilized Manchester City's platform to promote electric vehicles, advocating for environmental protection and sustainable development, showcasing the club's efforts to reduce carbon emissions. Nissan's electric vehicle displays supported the club's sustainability goals and promoted green transportation initiatives, encouraging fans to focus on sustainability and environmental issues. This partnership has provided new commercial opportunities and helped the club connect with diverse stakeholders. Such collaborations not only yield short-term financial benefits but also enhance the club's long-term brand value. These projects have increased the club's brand reputation and achieved concrete social impact through community initiatives. The CSR partnership model has proven effective in boosting fan loyalty and engagement, thus enhancing brand equity [2,8].

4.2. Health and Sports Promotion

Through its partnership with Manchester City, Yili has promoted health and sports, especially in China and Southeast Asia. This collaboration combined Yili's health products with Manchester City's sports image, strengthening the brand's influence in the health and sports sectors [9,10]. QNET supported youth football projects in Asia and Africa, utilizing Manchester City's global influence to enhance its social responsibility profile. PUMA, in collaboration with Manchester City and AC Milan, launched the "City and Milan for Change" community football project, showcasing the brand's role in promoting community sports and youth development. Gatorade, as the official sports drink partner of Manchester City, not only provided professional hydration support for the players but also promoted sports science through match-day interactive events, increasing the brand's influence in the health sector.

5. Comparative Analysis

When examining the impact of global sponsorship on football clubs' operating models, existing literature provides several valuable theoretical frameworks and case studies, which help understand the complexity of this topic. By comparing the findings of this research with existing studies, a deeper understanding of Manchester City's success in global sponsorship collaborations can be achieved.

5.1. Global Brand Exposure and Regional Customization Strategy

Existing literature consistently highlights that global sponsorship provides football clubs with significant global brand exposure opportunities. Collaborations with international brands through jersey sponsorships, stadium naming rights, and global media coverage have allowed clubs to expand their international influence and revenue streams [11]. Similarly, Manchester City's partnerships with global brands like Etihad and PUMA have enhanced its global market image and increased income sources through brand recognition. However, unlike other clubs, Manchester City places a stronger emphasis on regional customization in its global sponsorships. Collaborations with Chinese brands like Jian Nan Chun and Yili demonstrate how localized strategies can help build a brand presence on a global scale. Jian Nan Chun engaged deeply with Chinese fans through esports events and cultural activities, while Yili integrated health concepts with Manchester City's image to successfully penetrate the Chinese and Southeast Asian markets. Such localized operations are less discussed in traditional literature, which tends to focus on unified global brand strategies.

5.2. Fan Engagement and Digital Interaction

Digitalization and fan engagement have been widely discussed in existing literature, especially following the pandemic, as clubs relied on digital platforms to maintain connections with fans. Football clubs have used social media and digital platforms to interact with global fans and explore new revenue models, such as memberships and virtual merchandise. Manchester City's collaborations with Midea, including activities like the "Home Challenge" and "World Class Awards," exemplify this trend, bringing fans closer to the club through digital means. However, Manchester City's digital engagement strategy goes beyond mere fan participation and extends into exploring emerging technology fields, such as its partnership with OKX in cryptocurrency. While the trend of blockchain collaboration with football clubs has been preliminarily discussed in literature, Manchester City's deep integration of virtual currency and digital experiences is relatively rare, showcasing how football clubs can open up new revenue streams and brand connections in the digital finance sector.

5.3. Corporate Social Responsibility and Sustainable Development

Corporate social responsibility (CSR) and sustainable development have become crucial topics for modern football clubs. Existing literature often mentions how clubs enhance their social image through environmental protection and community projects [8]. For instance, clubs like Liverpool and Chelsea actively participate in charitable activities and promote environmental protection and community development through brand partnerships. Manchester City's collaboration with Xylem aligns with this global trend of promoting water resource protection projects. While CSR is already a key element in football club operations, Manchester City's partnership with Xylem is unique. Xylem implements concrete water projects globally, going beyond awareness campaigns and supporting communities with real infrastructure projects. This deep involvement not only enhances Manchester City's brand image but also showcases how football clubs can achieve genuine social impact through global brand partnerships. Compared to traditional sponsorship models discussed in literature, Manchester City's strategy demonstrates greater diversity and innovation, combining global branding, digital engagement, CSR, and regional customization, setting a new direction for the global operations of football clubs.

5.4. Insights for Chinese Football Clubs

Chinese clubs should follow Manchester City's example by actively expanding international sponsors and introducing global brand collaborations to enhance the club's global recognition and brand image in foreign markets. Additionally, adopting a similar customized market strategy by partnering with local brands in specific international markets and promoting the club through localized activities aligned with local culture can boost international visibility and market penetration. This approach can attract international fan memberships and reduce reliance on a single funding source. Manchester City's integration of virtual currency and digital experiences is a rare example of exploring new revenue streams in the digital finance sector. In reality, few Chinese clubs are advancing digital transformation. Amid financial difficulties, Chinese football clubs often focus on increasing profits through core business activities, such as ticket sales, rather than evolving with industry trends. Chinese clubs could emulate Manchester City by collaborating with tech companies and media firms, leveraging social media, esports, and VR technologies to enrich fan interaction and enhance brand influence, ultimately generating profit through diversified revenue channels.

In the emerging financial sector, there are ample opportunities for exploration, especially with the rise of tokenized memberships in the era of big data. Such tokenized membership models are becoming increasingly popular in the football market and can impact other internal activities of football clubs. Chinese clubs could collaborate with blockchain firms to launch virtual fan tokens and

implement tokenized memberships, creating new revenue models and enhancing fan engagement and loyalty. In terms of CSR, Chinese football clubs have limited initiatives. They could partner with environmental companies or charitable organizations to launch sustainable development projects and promote health and sports culture, thereby increasing their social influence and brand reputation. Collaborating with health brands, similar to Manchester City's partnership with Yili, can help promote a healthy lifestyle and sports spirit, improving the club's image and public recognition.

6. Conclusion

This study analyzes the impact of global sponsorship on Manchester City Football Club's operating model, focusing on brand exposure, market expansion, fan engagement, digital transformation, and corporate social responsibility. The findings indicate that global sponsorship has significantly enhanced Manchester City's global brand recognition, especially through collaborations with global brands like Etihad Airways, Puma, and OKX, effectively expanding its global market reach. Additionally, the partnerships with Chinese brands Jian Nan Chun and Yili showcase the success of a regional customization strategy. Collaborations with brands like OKX demonstrate the club's approach to digital transformation and engagement. Partnerships with Xylem, Yili, and QNET highlight the specific operational models for CSR and sustainable development, boosting the club's social influence.

This research reveals the profound impact of global sponsorship on modern football clubs, particularly through innovative strategies that combine globalization and localization. Social media analysis and literature reviews offer rich case studies and data, illustrating the crucial role of global sponsorship in brand communication, digital interaction, and market customization. This provides new perspectives and insights for football clubs on how to leverage global sponsorship to optimize their operating models, especially in addressing challenges in emerging markets.

In the future, the impact of global sponsorship on football club operations will deepen, particularly in integrating globalization with regional customization, CSR, and sustainable development. New technologies and digital interactions will play an increasingly important role. Future research could delve deeper into how football clubs can establish sustainable revenue structures and business models through diversified sponsorship, digital transformation, and CSR initiatives to mitigate operational risks caused by changes in the economic environment. For Chinese football clubs, whose current operating models are relatively single-sourced and reliant on local government or a few enterprises, global sponsorship could offer new revenue streams and global expansion opportunities, transforming the current operating models and expanding into global markets. By learning from Manchester City's successful experience, the operating models of Chinese football clubs will have more profound research directions in the future.

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