

ANSA (PRESS AGENCY) 30-01-2006

FOOTBALL: PALERMO MODEL MANCHESTER IN A DEGREE THESIS

STUDENT FROM PALERMO SUBMITS COMPARISON WITH "ROSANERO"

(ANSA) - PALERMO, 30 JAN – Is it possible to apply Manchester United's management model to Palermo football club? Yes, it is, or at least, partly. This is the conclusion that emerges from Claudio Ballor's thesis in marketing, submitted to the University of Palermo, from the Degree Course in Communication Science. He was supported by the supervisor, Prof. Paolo Di Betta, and the tutor, Prof. Carlo Amenta (both of them professors in Economy and Enterprisers' Management).

The work, which is entitled "From Theatre of Dreams to Pink Power. Manchester United and U.S. Città di Palermo's Marketing Strategies", focusses on the comparison between the English club and the one governed by Zamparini. "The former – Ballor explains – has been rewarded as the highest earning football club in the world for years and is considered an example of virtuous football management. We compared it to the latter because it is a local, growing football reality and also because it has great potential. I would like to emphasise the fact that we didn't aim to make any classification of merit, as would be impossible between clubs with a 75% difference in turnover, clubs which operate in very different nations and regions, culturally speaking, and that have completely different histories, economic situations and traditions.

"We wanted to demonstrate, Ballor continues, that the model submitted by Manchester United's management was also suitable to a medium-sized football club with a potential of increase as Palermo has [considering that the management has been speaking frequently about the possibility of a self-sufficient club]. In order to carry out the thesis, I met commercial managers at Manchester United PLC [and Nike, as the two companies work in conjunction], and also managers from Palermo's Marketing Department. My work began in November 2004 and lasted 15 months". The 322-page volume, 88 of which are dedicated to the comparison of Manchester Utd and Palermo, was presented at the University of Palermo on 12 January, rewarding Ballor with a degree in Communication Science at the School of Education, with a mark of 110/110 "cum laude", the maximum final grade.

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LA REPUBBLICA 31-01-2006

**A study on club financing
Manchester Utd as Viale del Fante's model**

Finding proof that Manchester United's management model is also adaptable to a very different situation like Palermo's has been the aim of the degree thesis by Claudio Ballor, entitled "From Theatre of Dreams to Pink Power. Manchester United PLC and U.S. Città di Palermo's Marketing Strategies". The work, which was defended at the graduation ceremony of the Degree Course in Communication Science at the University of Palermo, was carried out thanks to Ballor's interviews with managers of the English club and Nike, and also with the Marketing Office of the "Rosanero" club. "I didn't want to put Palermo and Manchester Utd in direct competition - Ballor explains - given that "Rosanero" turnover is hardly 15% of that of the English club, but to give demonstrate that the mechanism of self-financing at MU was applicable in a similar way on various levels". The 322-page thesis was presented with the support of supervisor Paolo Di Betta, Professor in Business Economics and with the help of Lecturer in Business Economics, Carlo Amenta, finally achieving a mark of 110/110 "cum laude", the maximum final grade.

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CORRIERE DELLO SPORT 18-02-2006

Palermo as Manchester. Balls become business

Palermo as Manchester United. A deep and interesting analysis of the social-economic aspects of the football phenomenon carried out by the comparison of the "Rosanero" club with the English one, which is constantly referred to as an example of virtuous management and also the highest-earning football club in the world. This is the subject of the thesis presented and discussed several days ago by Claudio Ballor, who graduated with the maximum final grade, 110/110 "cum laude" in his Degree Course in Communication Science, supported by Associate Professor in Business Economics, Paolo Di Betta, and by Lecturer in Business Economics, Carlo Amenta.

Ballor, who is a keen "Rosanero" fan and journalist, chose to make his passion the subject of his studies, and carried forward his original work which began enthusiastically in November 2004.

He met commercial managers at Manchester United and Nike and also the Palermo Marketing Department, focussing his attention on the emergent "Pink and Black" football club. The result is a mass of information which merits being bookmarked as food for thought in order to estimate what the "Rosanero" club could become in the future, with or without someone like Zamparini at the helm.

Firstly, Ballor performed an estimation to establish the market potential of Palermo, examining the number of people who support the team worldwide, and then calculated Palermo's 2004 losses - their year of promotion into Seria A - through counterfeiting of brand equipment which amounts to, according to data provided by the Italian Financial Police, upwards of €67,000. The comparison with English football allows us to understand what the future could hold for the football business. For example, during the 2003/04 season, Manchester Utd made 36% of its own total turnover from match day income, not just from ticket sales but also from marketing all of its services at the Old Trafford stadium. Palermo, on the other hand, as with all Italian football clubs, is deeply tied to TV broadcasting rights.

The structure of the show is, however, totally different: every spectator at the Manchester stadium spent on average €55 per match (€15 at Palermo), which is not only down to ticket prices, but also because MU brings in revenue from restaurants, Megastore products, tickets to the club's museum and many other services. The English club has also become a point of reference outwith match days, which even includes outreach programmes for the less privileged. Moreover, the section dealing with the relationship between the club and its own territory is fascinating. A part of the thesis insists on the importance of youth programmes and on home-grown players' appearances in first team (33% at MU, while only 12% at Palermo). These are factors which experts in the football business consider important for success, because of the increase in confidence of local supporters, and in order to save money on the players market because they don't entail expensive footballers' contracts. Among the mainstays of football strengths is, of course, good management, that is club possession of property assets. That Old Trafford and Carrington training ground are worth €185m says it all. This is the reason development of Palermo football club cannot miss this opportunity to gain through stadium property.

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TUTTOSPORT 31-01-2006

Degree thesis on Palermo as Manchester Utd

Is it possible to apply Manchester United's management model to Palermo football club? Yes, it is, or at least, in part. This is the conclusion that emerges from Claudio Ballor's thesis in marketing, submitted to the University of Palermo, from the Degree Course in Communication Science. The work, which is entitled "From Theatre of Dreams to Pink Power. Manchester United and U.S. Città di Palermo's Marketing Strategies", focusses on the comparison between the English club and the Sicilian one, governed by Zamparini. "We wanted to demonstrate - explains Ballor - that Manchester United's model can also be adapted to a medium club with the possibility to grow, as in Palermo's case.". The 322-page thesis permitted Ballor to graduate with the maximum final grade, 110/110 "cum laude".

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GIORNALE DI SICILIA 31-01-2006

Degree thesis: Pink and black marketing

Is it possible to apply Manchester United's management model to Palermo football club? Yes, it is, or at least, partly. It's the conclusion that emerges from the thesis in marketing, submitted by Claudio Ballor for his Degree Course in Communication Science at the University of Palermo. He was supported by supervising Professor, Paolo Di Betta, and by Lecturer, Carlo Amenta. "We have demonstrated – explains Ballor– that Manchester United's management model could also be suitable for a medium-sized club with as much potential as Palermo".

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ITALPRESS (PRESS AGENCY) 30-01-2006

FOOTBALL: PALERMO. THESIS ESTIMATES PALERMO'S FANBASE AT €1.35M

PALERMO (ITALPRESS) - A marketing thesis at the University of Palermo has estimated a worldwide fanbase of Palermo football club of 1.35m. Claudio Ballor worked with reference to a 2004 Eurisko research, in which "Rosanero" fans ranked 7th in Italy (879,694 people), and was supported by supervising Professor, Paolo Di Betta, and assisted by Lecturer, Carlo Amenta, both lecturers in Business Economics at the University of Palermo's School of Education.

Using data provided by the Regional Emigration Department, they estimated an overseas "Rosanero" fan base of around 457,000 to 469,000 people. This is a market potential that, if adequately taken advantage of, could bring a powerful boost to the club. If each fan contributed by purchasing just €5 in merchandising, the income for the club would be equal to approximately €6.7m, a sixth of its total revenue collected in the three main areas (commercial, broadcasting and match day) during the last season. Subsequently, if Palermo followed the example of clubs like Southampton or Athletic Bilbao by creating a company which earns through sales of brand-related merchandise with no agreement with external companies, as is common practice, the entire flow of money would finish in Viale del Fante's accounts. It would be a gamble on the dedication of the fans, which could be advantageous for Palermo's management. The thesis focusses on a comparison between the Pink and Black club and Manchester United, which has been considered a model of virtuous management, as well as being named the world's highest earning club for the last 8 years by the international business agency Deloitte&Touche. The title of the thesis is simply "From Theatre of Dreams to Pink Power, Manchester United PLC and U.S. Città di Palermo's Marketing Strategies".

The data of Palermo's market penetration of the Italian and Sicilian supportership market (3.16% against 35.1% of the Italian market leader, Juventus, while 26.93% of Sicilians are Palermo fans, excluding people from Messina and Catania who are generally hostile to Palermo) confirms the theories of the thesis author. He, in fact, believes the regional market to be currently Palermo's most important, in the increase of the club's revenue. Thanks to the help of the Palermo Financial Police Department, Ballor estimates the club's 2004 losses through counterfeiting at precisely €67,556, whereas €16,129 went to the counterfeited product stands.

The work also aims to establish whether the United model could be, in any way, replicated by a growing reality like Palermo, and does not aim to make any improbable merit classification between two very different clubs. It then analyses the areas that bring in soccer teams' revenue: Sicilians, as with all Italian clubs are far too dependent on money generated by television (Palermo's broadcasting revenues are estimated at 61.5% this season), but in order to finally achieve self-sufficiency, they must increase match day returns which totalled just 29.2% in the last season, and, above all, they must improve the commercial area, which brought in little more than 10% in 2003/04. The example set by the Old Trafford stadium is illuminating: €90.5m against the €15.7m earned by Palermo on match days (€55 per spectator compared to €15.70). This difference is due to the endless series of services offered by MU, from the 18 kitchens capable of providing 4,500 meals, the stadium tour, the museum, MU product sales at the Megastore, rental of luxury seating, and finally the sale of match programmes. In relation to commercial revenue, the Red Devils earned €67m - ten times more than Palermo - thanks to club-related tours, the

use of Old Trafford as a wedding venue, the cinema, MU radio and television, and MU Finance, just to mention a few of the initiatives that the English club runs. Moreover, Manchester United has become more than just a territorial institution, thanks to the aid programmes for less privileged people. In conclusion, Ballor, Di Betta and Amenta used an outline developed by Professor Bill Gerrard of the University of Leeds, who wrote an essay on the four main resources within a successful club: playing, allegiance, coaching and general managerial resources. Hence, they discovered that only 12.26% of players who developed within the club had made appearances in Palermo's first team in the last thirteen years. Therefore the "Rosanero" club had, until now, overlooked an essential economic resource and also the value of "shared experience" among players.

Finally, the difference between the two clubs examined, with regard to property assets, is enormous. The Old Trafford stadium and Carrington training ground are worth €185m, while Palermo's tangible assets have recently been valued at €150,000. The new stadium planned in Palermo, and everything that will come with it, - one of the thesis conclusions - will be called upon to give new significance also to the sporting aspects at "Rosanero" club.

Download the original article at: <http://www.ballor.net/thesis/italpress1.jpeg>;
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(Journalistic on-line newspaper of Università degli Studi di Palermo)

“PALERMO AS MANCHESTER”

DEGREE THESIS ABOUT MARKETING ACTIVITIES OF THE “ROSA” CLUB

A student from Palermo enrolled at Communication Science Faculty presented a comparison between the English club and the “Pink and Black” one. The author of the thesis, Claudio Ballor, explains: “I didn’t want to make any classification because the turnover of the Italian side is equal to 15% of the English one”.

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