

Stadium revenues and Ticketing Strategies

FC Barcelona case + Benchmarking



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1 General overview

1.1 Introduction to FC Barcelona Case

FC Barcelona is a Football & Multi-Sport club based in Barcelona, Spain. The club is known as one of the most successful clubs in the history of football. Currently it has been named as the club which has won the most trophies in the 5 major leagues of Europe with a staggering 94 official trophies. In recent years, the club occupied the top spot in terms of revenue and one of the most valuable brands in the world.

The club has 144,000 members and are “The owners of the club”. The membership owner model is singular in the world of modern football nowadays, which is why the club has the slogan “Mes Que Un Club” (More Than a Club). “Mes Que Un Club” is the center of the idea of being a member-owned club that chooses the president and the board of directors every six years, democratically in a scene that attracts huge attention and coverage from the local and the international media.

The club has four main pillars representing the core focus on the FC Barcelona model: Sport achievements, economic growth, social impact, and the commitment in the club's member's scene and the local and international institutional influence.

On the 7th of March 2021, the club will celebrate the presidential election under a critical financial situation, mainly due to the effect of COVID-19 on the club's revenues, as well as due to the existent players' wage bill and fixed costs (mainly amortisation of player transfers) which are the highest in European football. The club recently announced a €97.33 M loss for the season 2019-2020, which would not be a major problem for a club with the highest budget in Sports (around €1,000 M pre-COVID) if not for the existent short-term debt with financial and sports creditors (clubs) which reaches a total of €730 M, hindering the future growth of the club, especially on the pitch, having to consider a future conservative strategy in the transfer market.

In that sense, all the candidates have avoided the traditional approach of promising big transfer names to attract the members' votes, focusing their electoral programs on how to tackle the current financial crisis, how to finance the future stadium renovation (estimated around €820 M) and how to improve the relationship with the club members and their involvement in the club decision-making.



Figure 1. Pictures of the candidates (Joan Laporta, Victor Font and Toni Freixa) - Source: MD.

The social area is of utmost importance in a club like FC Barcelona, since it is used as a channel to interact with the members to obtain their feedback and requests regarding important issues like the ticketing strategies and the matchday activities at the stadium.

It is worth mentioning that the matchday revenues of the club have been the most affected by the negative impact of COVID-19, since the first team has had to play behind closed doors since March 2020 (dropping the ticketing revenues to zero) and there has been a continuous lockdown in the city of Barcelona making it difficult for the fans to visit the official store or the museum.

The primary purpose of this report is to analyze the club's matchday revenues in the previous years, describe the strengths and weaknesses of the current strategy, and compare it to the one of the top 5 clubs in Europe, as base for defining the path that the club should follow on the short and long run post COVID, when fans are finally allowed to go back to the stadium and enjoy matchday activities.

1.2 Ticketing strategy

FC Barcelona has the biggest stadium in Europe with 99,500 seats, where the club celebrates local and international games. The club has almost 83.4% of the capacity for season ticket holders (84,000 seats), who can access all games in all competitions. The rest of the available tickets are partially reserved for VIP guests (around 3,000 seats), invitations (around 2,500 seats), UEFA representatives (around 1,500 seats during UCL games) and visiting supporters (around 5,000 seats), leaving a just a few tickets on sale for the general public.

Features	2018-2019	Ranking EU
Capacity	99,500	1 st
Av. Attendance La Liga	76,051	2 nd
Av. Attendance UCL	86,178	1 st

Table 1. Capacity and Attendance to the stadium.

In the 2018-2019 season, the last full season in attendance before COVID-19, the club had the second-highest average match attendance in the league competition with a total 76.051 people, which equals to the 76.4% of the stadium capacity. In the UEFA Champions League (hereinafter UCL), the club had the highest average attendance with 86,178 people (87% of the stadium capacity), just above Borussia Dortmund, which reached an average of 80,841 people which equals to 99% of the total capacity of the Signal Iduna Park in Dortmund.

Given the reduced number of tickets for sale to the general public, especially for important games in local and European competitions, the club launched a service called "Seient Lliure" (Free your seat) in the 2000s which was dedicated for the season ticket holders to release their seats in the games that they could not attend, leaving the club the opportunity to sell them. In compensation to the release of the seat, the season ticket holder received a credit (basically a % of the price of the ticket sold) which accumulated during the year for decreasing the cost of the season ticket of the upcoming

season. With that strategy, the club managed to maximize the revenue received per match and improved the attendance, because a lot of season ticket holders were not attending to the stadium due to the discomfort of the weather or the late timing of the fixtures.

In the recent years, the club improved its ticketing strategy by implementing a smart booking system for the official website that uses artificial intelligence to predict the "free your seat service in advance". This strategy allows the club to offer paired seats in different areas of the stadium (which was a problem in the past given that the general release was usually of separated seats), offering the purchasers the possibility of upgrading their tickets if the members in the area selected did not finally release their tickets as estimated in advance. Apart from this, the club also implemented a dynamic price management system that offers pre-order and last-minute special prices for the fans, which fosters the attendance and fights against black-market tickets sales.

1.3 Stadium Revenues

According to the club's official annual report, the stadium revenues (matchday and non-matchday) represent a 19% of the total revenues of the club, reaching a maximum of €194 M at the end of season 2018-2019. On top of that, the club annually receives around €18 M from the membership fees, reaching a total figure of €212 M, including season tickets, single tickets (regular and VIP), food & beverage, stadium tours, museum tours and other minor revenue sources.

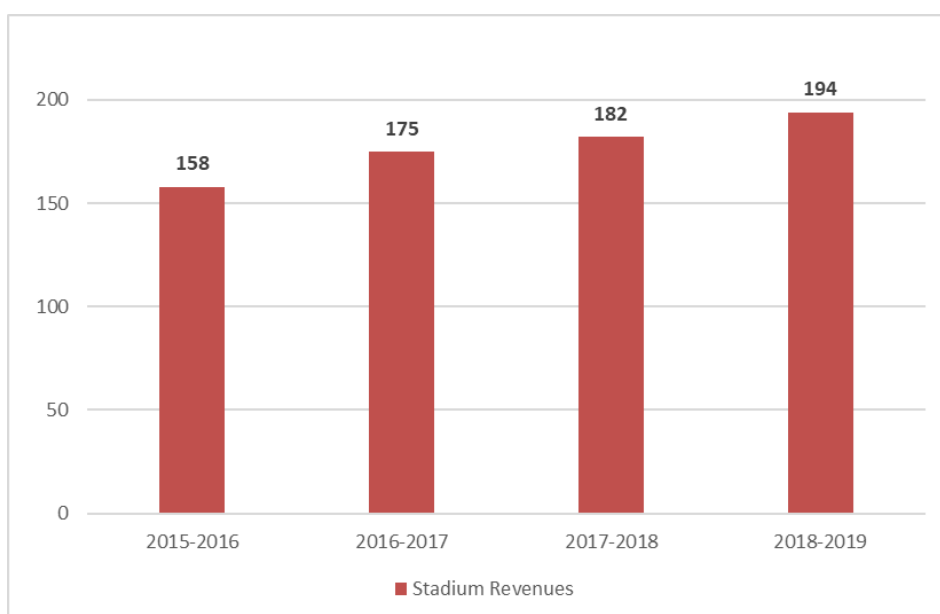


Figure 2. Stadium revenues per season (without membership fees) - Source: FCB annual report.

The successful performance of the first team in local and European competitions and the strategic position of the city of Barcelona in the tourism scene have contributed to promote the "Barça experience" among the football fans from all over the world. An example of the attraction of Barça for the tourists (even for those that are not die-hard football fans) is the number of visitors that go to the museum at the Camp Nou, which has a yearly average of 1.2 million people, being the most visited museum of the city, which is quite impressive given the extensive existing offer.

In terms of ticketing revenues, the turnover during season 2018-19 exceeded the figures of the previous season by 17%, reaching a total of €71.6 M, including only the single tickets sold for all the competitions (without counting the season tickets nor membership annual fees or the VIP Boxes).

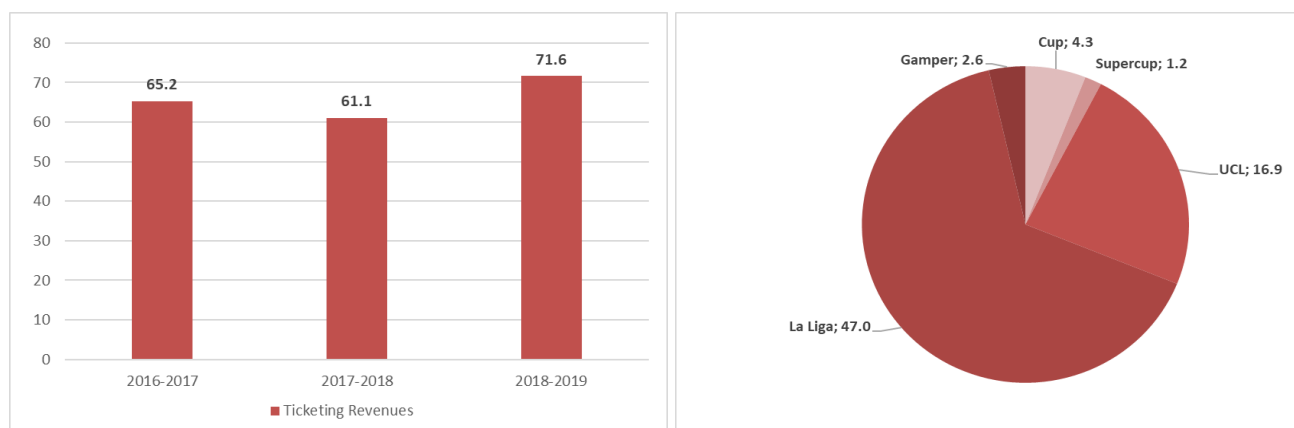


Figure 3. Single ticket total revenues per season + breakdown - Source: FCB annual report.

The breakdown of the sold tickets was following:

- €47 M from 19 home games played in La Liga, which represents 65% of the total amount.
- €16.9 M from 6 home games played in the UCL as the club reached the semi-finals, which represents 25% of the total amount.
- €8.1 M Euros from Cup, Super Cup and Joan Gamper pre-season games, which represents 10% of the total amount.

It is worth mentioning that the high demand of single tickets during the last years made the prices peak, becoming one of the most expensive stadiums in Europe, especially for the UCL games. As an example, the main stand ticket for the games against Real Madrid and other top UCL contenders exceed €300 euros per ticket.

Finally, with regards to revenues of the Hospitality Area, the club hit record during season 2018-19 reaching a total of €22 M, 16% more than the previous season. Ticket sales rose by 70% with a growth in both B2B and B2C sales.

1.4 Initiatives for the members

One of the main objectives of the social area of the club is to promote projects and activities during matchdays and non-matchdays to intensify the members' involvement and increase the commitment to the club's social model. On the other hand, the commercial are of the club is focused on increasing the match attendance to maximize the club's turnover. The meeting point between both sides raised the ticketing strategy that the club has followed during the last decade: affordable season tickets for members and expensive single match tickets for the general public, considering that most of the demand on single match tickets is requested and benefited from the tourism scene in Barcelona and the high value of FC Barcelona brand internationally.

The availability of released tickets oscillates per season, but it remains around more than 30% of the total capacity for season ticket holders. During season 2018-2019 the average per game was 26,035 released tickets which equals to 31% of the total 84,000 seats of season ticket holders.

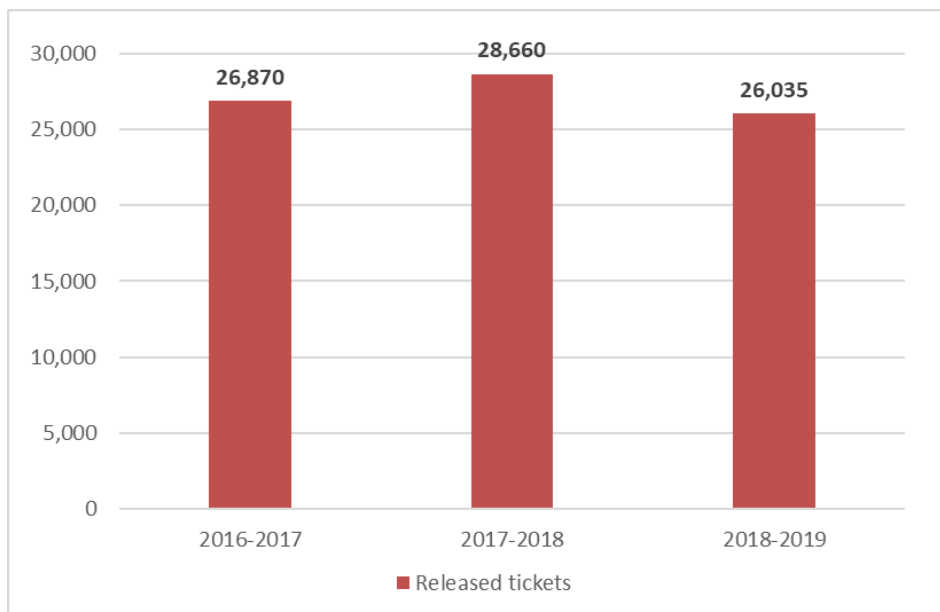


Figure 4. Average of tickets released per game each season - Source: FCB annual report.

It is worth mentioning that the season tickets are renewed automatically without any requirement on minimum attendance or maximum limit of using the "free your seat" service. Practically a member can release all games during the season and not be penalized by the club. The members secure an automatic renovation by only paying the corresponding fee minus the credits accumulated during the previous year for the release games.

This strategy has helped the club to maximize to the revenues but has negatively influenced the waiting list of members that want to have access to the season tickets. Currently, there are more than 20,000 requests and the yearly average of new season ticket collectors is only around 300 members. The other negative effect of this strategy is the low percentage of young local fans and supporters in the stadium due to the lack of accessibility to season tickets and the high prices of single match tickets, priced to the tourism scene targeted audience.

In the club's presidential elections in 2015, a group of members called Seguiment FCB promoted the idea of intensifying the board commitment to developing new strategies to balance between the commercialization focus and the club's commitment to the members. The movement got significant support from the member's scene and the influence reached a point where the club accepted to collaborate in a new project to create the singing stand and the club's official travel department.

1.4.1 Singing / Supporters Stand

The singing stand (known as “*Grada d’animació*”) is a reserved zone in the lower north stand that gathers the main registered FC Barcelona supporters’ groups in the stadium. The zone intended solely and exclusively for registered members the mission of creating an atmosphere to support the team.



The zone consists of 1,246 seats and has a special season ticket that includes all games in all competitions. The season ticket is for individual use and untransferable, the member only can pass this zone with its previously registered Season ticket card and a fingerprint pass. The cost of the supporter’s stand is €170 per season. Unlike the rest of season ticket holders, the members of the singing / supporters’ stand must commit to attend 85% of games of the season and if they do not comply with the regulation, the season ticket is not renewed, and the member loses the right to have access to this stand during one entire season.

1.4.2 Travel department

FCB Desplaçaments is a new department that works as an exclusive travel agency for the club's members to organize trips for all away games in all competitions during the season. The social area created the department in season 2016-2017, with the objective of promoting affordable away match trips and increasing the number of followers and travelers that attend local and international games away from Camp Nou whether by bus, train, or airplanes.

On some occasions, the departments offer the members several travel plans, and prices depending on the medium of transportation, with or without a hotel night staying. The department also has a points accumulation program for loyal travelers to away games that reserve 10% of their trip purchase to be saved as a credit for future bookings.

It is also worth mentioning that in 2018-2019, the department organized various trips for members to attend other FC Barcelona sports teams, such as Basketball in the Turkish Airline Euro League, The Final 4 of Handball, and the Women’s football UCL.



According to the annex of the annual report related to the social area activities, the travel department recorded a significant increase in the number of bookers in the season, especially for the important clashes in the European competitions, reaching a total of 7,997 travel packages sold. In terms of revenues, it is important to highlight that the social area subsidizes 35% of the total travel cost to guarantee affordable trip offers to the members.

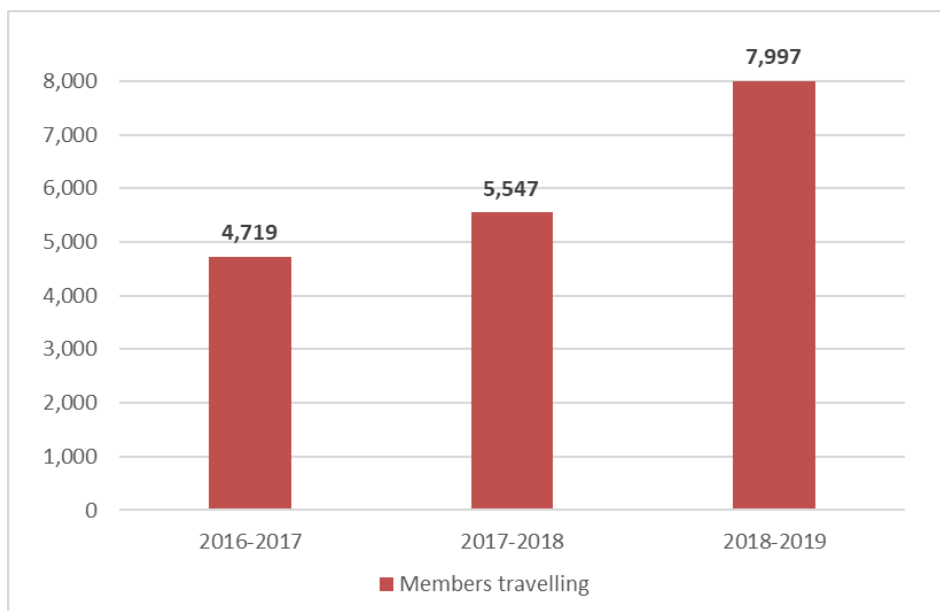


Figure 5. Member travelling with FC Barcelona agency to away games - Source: FCB social area.

2 Benchmarking of top European clubs

2.1 Stadium Revenues*

According to the Deloitte money league report that has been issued in January 2020, FC Barcelona is the club with the highest earning from the first team home games in Camp Nou with €159.2 M, which represents 19% of the total revenue generated per season. It is worth mentioning that this amount differs from the stadium revenues presented by the club in the annual report (see section 1.3), as Deloitte only considers the income from season tickets and single ticket sales (general and VIP), leaving other revenues aside (e.g., stadium and museum tours) as they are not comparable for all the clubs included in the Benchmark.

The key factors that played a major role in FC Barcelona match revenue is the brand value of the club that made attending Camp Nou to see Leo Messi and the rest of the squad one of the strategic attractions for the fans and the general public, as well as the high capacity of the stadium, not to forget the strategy development made by the ticketing and marketing department to maximize the revenue generated from selling single tickets during the season.

Club	Match day revenue	% of the total revenue
FC Barcelona	€159.2 M	19%
Real Madrid	€144.8 M	19%
Manchester Utd	€120.6 M	17%
Bayern Munich	€92.4 M	14%
Dortmund	€59.6 M	16%
<i>Top 10 average</i>		16%

Table 2. Capacity and Attendance to the stadium – Source: Deloitte Money League Report 2020.

Real Madrid is in the second place with €144.8 M. Although the stadium capacity and the match attendance are lower than FC Barcelona, Real Madrid has the highest prices in season tickets for members and a similar approach to FC Barcelona's single ticket pricing. Like FC Barcelona, the matchday revenues of Real Madrid represent 19% of their total revenues, a 3% higher than average of the top 10 European clubs.

Due to Bundesliga teams' projection that focuses on achieving high attendance records instead of high earning from match days, the German giant has one of the most modern and high-capacity stadiums in Europe with one of the best match attendances during the season. Their strategy is focused more on achieving high attendance and accessibility to their members and fans to attend their games with a moderate season ticket and single ticket price strategy. The Bavarian club has a total turnover of €92.4 M from matchday revenue, which represents 14% of their total revenue.

With regards to Borussia Dortmund, the club created a known international brand from the value of his supporters which has brought a significant exposure of the club's representation locally and internationally, being the club with the highest attendance in Europe in the league competition. The club only generates €59.6 M from match day, which equals 16% of the total revenue and puts the team in position number 12 in the top 20 of clubs with the highest revenues from match day.

2.2 Pricing of the Membership programs and Season Tickets

2.2.1 Membership programs

The economic value of the membership card varies from one club and another. In that sense, the differences in the prices between the members-based clubs and the rest are due to the involvement and influence of the club members' decision-making.

Club	Membership price
FC Barcelona	€185
Real Madrid	€150
Dortmund	€62
Bayern Munich	€60
Manchester Utd	€40

Table 3. Cost of membership programs per club – Source: Official websites.

In a members-based model like FC Barcelona and Real Madrid, the membership card is the legal document that can put the supporter in the position of being one of the owners of the club. The FCB members can get involved in the decision making and can vote for the election of the board or for extraordinary decisions such as the renovation project of the Camp Nou or the no-confidence motion against the board of directors. In addition, the members have other organizational benefits such as accessibility to get season tickets, away games, and discounts.

It is worth mentioning that becoming a member of FC Barcelona is not accessible to everyone. The club gives accessibility to the membership programs to those who have first-class relative members. On the other hand, the general public can become an official member in FC Barcelona after obtaining a loyal card that costs the same price as the membership for three years without benefiting the official members. There is an alternative way to become an official member, which is by being a member of an official fan club (known as “Penya”) for three years in a row.

Real Madrid has a different strategy. The club has a waiting list to get an official membership. The procedure may take several years and needs an annual request renovation from those who want to become members.

On the other hand, like Bayern Munich, B. Dortmund, and Manchester United, the rest of the top European clubs have membership programs that facilitate only facilitate to access season tickets, away games tickets and merchandise discounts.

2.2.2 Season tickets

As mentioned previously, FC Barcelona reserves 84,000 seats for the season ticket holders. The price range goes from €170 for the cheapest ticket "dedicated to singing stand" to €1,270 euros for the most expensive season ticket in the middle of the main stand, having an average cost per member (average season ticket + membership fee) of around €907 euros.

Club	Capacity	% Season tickets
FC Barcelona	99,500	83%
Real Madrid	81,044	75%
Dortmund	81,365	68%
Bayern Munich	75,024	100%
Manchester Utd	74,879	71%

Table 4. Capacity and % of season tickets – Source: Official websites.

Club	Cheapest ST	Most Exp. ST	Av. ST	Total Av. Cost
FC Barcelona	€170	€1,274	€722	€907
Real Madrid	€355	€2,622	€1,489	€1,639
Dortmund	€248	€923	€586	€648
Bayern Munich	€145	€765	€455	€515
Manchester Utd	€618	€1,047	€833	€873

Table 5. Prices per season tickets and memberships – Source: Official websites.

Real Madrid offers 61,000 season tickets to its members, which equals 75% of the total stadium seats. There are two types of season tickets, the local competitions season tickets and the “Euro Abono”, which includes all competitions. Real Madrid season tickets' price range is higher than their eternal rivals and one of the highest in Europe. The price range of the “Euro Abono” goes from €355 in the lower stand behind the goal and to €2,622 in the main stand. The average cost per member per season equals €1,639, which is 45% than the one of FC Barcelona.

The German clubs are known as the clubs that follow economic ticketing compared to the rest of Europe. Bayern Munich offers its members 100% of the stadium's capacity to a Season ticket, including all League games. At the same time, they provide a pre-sale window with a discount to the UCL and German Cup games. The price range goes from €145 to €765 for the main stand, while the average annual cost is €515, covering the membership fees and the season tickets for the League games.

Borussia Dortmund offers 55,000 season tickets to its members, which equals 68% of the total capacity. There are two season tickets, the League season ticket and an upgraded season ticket that includes all league home games and the UCL games' first round. The price range goes from €248 for the cheapest ticket to €923 for the most expensive ticket of the League and the first round of UCL. The average annual cost including membership fee and season ticket is €648.

Finally, Manchester United offers 53,000 season tickets to its members, representing 71% of the total stadium's capacity. The price range goes from €618 to €1,047 and includes only the league games. Members can apply for other competition tickets such as the Cup and the UCL in a separate process. The average annual cost per member equals €873 for the league games.

2.3 Match attendance trends

Comparing the match attendance between the top 5 clubs in Europe, there is a common trend between FC Barcelona and Real Madrid, that have higher attendance during UCL games. In contrast, we notice the opposite in Manchester Utd, Bayern Munich, and B. Dortmund, which have a higher attendance during League games.

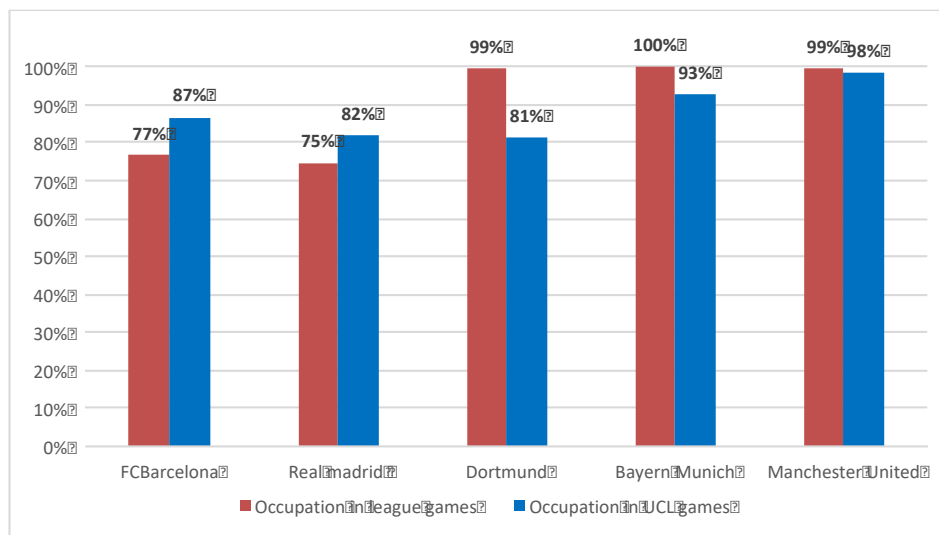


Figure 6. Stadium occupation during league and UCL games - Source: Worldfootball.net.

One of the main reasons for this trend is the cultural aspects in the Spanish football scene, whether it is for the season ticket holders or the general public, which only attend the important games and the important competitions rather than all rest of the games during the season. Another reason that impacts FC Barcelona and Real Madrid's average match attendance is that La Liga does not announce the date and time until two weeks before the match. This affects the club and the fans to know which games they can and cannot attend during the season, especially for the members and fans who live outside the Barcelona and Madrid city, knowing that in most cases, La Liga uses its prime time (9 to 10 PM) as the kickoff time for the most followed broadcasted games. On a secondary level, except for the main stand, the rest of Camp Nou and Santiago Bernabeu seats are not covered. Bad weather also becomes a key indicator of the estimated match attendance.

With regards to the rest of the club, the selected data shows the opposite phenomenon, probably because regular season tickets only include the league games, while having to apply separately and pay an extra price for each UCL clashes.

3 COVID and the effect on stadium revenue

FC Barcelona revenues depend on an important percentage on the stadium’s activities during matchday and non-matchday (i.e., stadium tours and museum visits and purchases in the official megastore). Since the beginning of the pandemic in March 2020, playing the games behind closed doors has had an immense negative impact on its activity, representing a major drop in the club’s books compared to the rest of the sources of revenues.

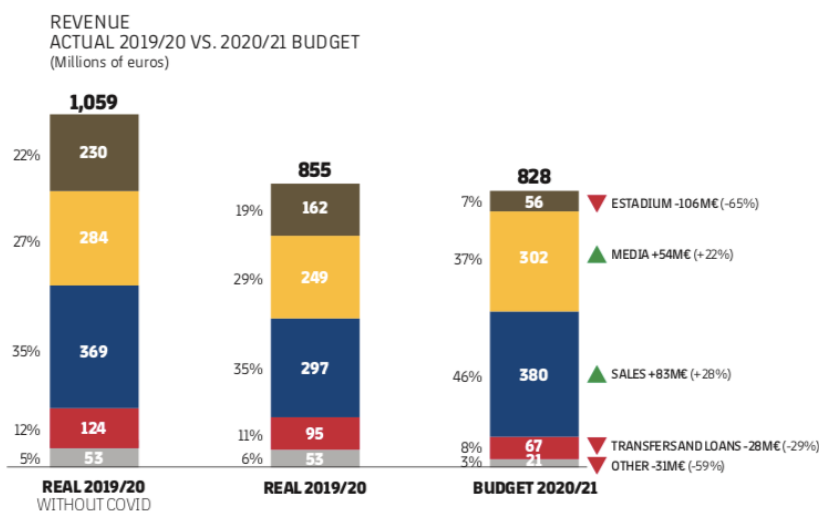


Figure 7. Revenues Split per season - Source: FCB annual report.

According to the club's 2019-2020 annual report, the club had a decrease in the total stadium operations by 42% as a result of operating with full capacity during the beginning of the season in 2019 and only playing behind closed doors the last three months of the competition since March 2020.

In addition, the graph shows that the estimated budget of season 2020-2021 contemplates a total of €56 M for stadium revenue, which implies a drop of 65% compared to the previous season. It is worth mentioning that the club built the estimation based on a prediction that the stadium will be able to host the fans up to 25% of the total capacity during February and March and up to 50% of the total capacity during the last months of the season, which cannot be achieved on a practical level. In that sense, due to the negative impact of the second and the third wave of COVID-19, the club's projections should be adjusted.

On top of that, the club will be obligated to return the season ticket holders the season ticket fees at the end of the season if the team keeps playing behind closed doors for the rest of the season, which is the most probable scenario. This concludes that the real impact of playing behind closed doors for the whole season may cause a possible drop of up to 100% of the projected 2020-2021 budget.

3.1 Post-COVID considerations

The club's strength as one of the most successful sports organizations with strong roots and heritage plays a guarantee for future growth. However, after analyzing stadium revenue strategy before the Covid-19 impact, it can be observed that the club depends on several factors to continue being the top stadium revenue generator in Europe:

- A stable growth in the results on an off the pitch and off the pitch, promoting the brand value of the club and its stadium as the main commercial asset in Barcelona.
- A guaranteed high average attendance of fans for the whole season regardless of the external factors.
- A prosperous influence from the high tourism scene in the city of Barcelona.
- A high % of usage of the "Free your seat "application from members to release their seats to be sold by the club to the general public as a single ticket.
- Tolerating the high price range that is offered by the club to the general public and tourists as the main targeted audience.
- A maximum optimization of the rest of matchday and non-matchday activities.

Based on the current situation of the new normality during and after COVID, it is unlikely that FC Barcelona can guarantee the compliance of the variable factors in the near future, representing one of the main challenges that the newly elected board needs to overtake. In that sense, to confront the challenges, the club needs to reconsider its approach and prepare new strategies for recovering the stadium revenues, using a more realistic and practical approach that meets the upcoming scenario's expectations.