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## A Case Study of Analyzing Internal and External Environment in Barcelona Football Club

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### Abstract:

**T**he study title is “the case of internal and external analysis of Barcelona FC” which is empirical nature of study that is used qualitative approach for the data analysis. This study main purpose is to identify internal and external environment of Barcelona FC in terms of club objectives. This study is mainly based on secondary data, which are collected by related academic report and websites. This study is used non probability sampling method for select the research sample. The data is analyzed by SWOT and PEST analysis. The findings of this study are: the club has poor management system between from 2000 to 2003 which is badly effect to club goals, the club has poor relationship with other club and political institution, the club main strength is loyalty of Catalonian people and their major threat is real Midrate. In this context, researcher recommended, the club should have maintains good relationship with the other organization, the club should be change their managerial style suitable for the effectiveness, and club should be implementing new community project close to people This study is only focused internal and external factors that are influenced to Barcelona FC, further researchers could be done research finding out the solution for practical problem of Barcelona.

**Keywords:** *BarcelonaFC, Strategic Management, PEST and SOWT analysis, and organization Changes, Soccer*

### I. INTRODUCTION

Soccer is one of the most popular team sports in the world, with approximately 200.000 professional and 240 million amateur players. Soccer in Spain generates over 8000 million €, around 1.7% of the gross national product of the country, according to studies carried out by the Spanish Professional Soccer League (Gay-Escoda *et al.*, 2011). The Barcelona FC is one of world popular soccer team in Spain. FC Barcelona was founded in 1899 by a Swiss businessman, Hans Kamper which he has been acknowledged as the founder of FC Barcelona. According to many texts which detail the club's history, his identification and devotion to a Catalan nationalism ensured that the club became a symbol for Catalan society. After the restated of club president from 1908 to 1925, Gamper regenerated the past spirit the club and ensured that it became the most important sports' institution in the city. More importantly, he developed the club's cultural identity and laid the foundations upon which FC Barcelona's current identity and myths have been founded by exploiting the links between the football club and the Catalan nationalist movement. Through his aggressive search for funding, Gamper promoted the team as a 'Catalan' club in order to garner support from Barcelona's professional middle class who were increasingly mobilizing behind a nationalist ideology in the form of the Catalan nationalist and conservative Lliga Regionalista. Consequently, through cultivating a distinctly Catalanist identity, connections with the Lliga and the local government were developed and reinforced (Hamil, Walters, & Watson, 2010). Since it was constituted in 1994, the Foundation FC Barcelona has been an eternal source of civilian participation through the numerous social, cultural and sporting activities that the club has organised, and which reflect the advanced society in which the club is located and the way that the Foundation is such an ideal vehicle for promoting them. It would be conclude that it is not Catalonia's politics, economy, culture, family life, art or religion that take up most of its people's mental and physical spaces, but BFC – popularly known as Barca that chief captures and monopolizes definitions of Catalan identity. This not only enters into every area of the lives of many people but into every area of society as a whole and the fact that members, supporters and fans are aware of this is what gave rise to the maxim that best conveys what Barca is to them: “More than a club” (Xifra, 2008b).

The FC Barcelona is part of the Society which is mix with Catalonian people blood. Barcelona has the mission which is created including their vision, values, and rhythm of Catalonian people. The mission of the Foundation Barcelona is, ‘to promote an emblematic social model through the development of its own educational, cultural and solidarity action that can consolidate Barca's social commitment to being “more than a club” in Catalonia, Spain and the world’ (Crolley, 2008a). In the season 2010-11 FC Barcelona has established a new project for implementing their mission. For that they have been established new objectives which are as follows:

- Sport as focal point
- Promoting Catalonia via Barça
- Children and young people as main beneficiaries
- Promoting values and education

Barcelona FC has prepared an action plan for achieving these objectives which is included several strategies. Those are:

- Bringing members closer to the club, in terms of activities and communication
- Transparency in management, both on an economic and technical level
- Supporting the strategic plans of the club
- Exploring new areas of financing
- Willingness to lead or co leads projects with counterparts with greater experience and knowledge

This study is aim to identified internal and external environment of Barcelona FC according to one objective of them by using SOWT and PEST analysis.

## **II. METHODOLOGY**

This study is qualitative approach which has used empirical data for the analysis. The data in this study is mainly based on secondary data, the data has collected using from secondary data sources in terms of websites, journals article, and official website of the Barcelona FC. The main data collection method has used thematic review of literature. To select a sample to this study, researcher has chosen to use judgmental sample which is a non-probability sampling method that allows us to select the case that seems most suitable to answer our research questions. Finally, data has been analyzed by PEST and SOWT analysis according to research purpose and got the final results.

## **III. DISCUSSION**

Barcelona dose need to develop symbolic social model through their own educational cultural and solidarity action, their ultimate goal is being to “more than a club”, for the achieving that purpose they are implementing multiple strategies by the time (Crolley, 2008a). They have to face lot of difficulties and treats when they are going to success this purpose as well as they have lot of strength and opportunities. The club has not only needed to develop their Catalanian identity however it has increased its specificity and exceptionalism in the overall Spanish panorama (Roy, 2007). As a result of that they have been implemented several values for realizing their goal in terms of helping to bring meaning to an ever unfinished society with all its fears and contradictions, building a humanly meaningful world (Berger, 1967 cited in Xifra, 2008b); (2) bestowing a social energy upon the group that allows them to create the bonds needed to carry forward collective projects; (3) meeting the need for community belonging that is apparently present in all individuals today; (4) and, at the same time, satisfying the minimum demand for emotional unity that all nation-states also need to exist today (Salvador, 2004 cited in Xifra, 2008b). These converging interests are found today in national identity reference points such as BFC more so than anywhere else.

However they have several environmental hazards for achieving their particular objective, in political point of view club continuously change in the management board which there is no clear roles defined. In this context managers have neglected their responsibilities that environment destabilized the club. Barcelona FC has invested €199 million for new players between 2000 and 2003; however the football team did not win any cup whereby economically the club was close to bankruptcy and the fans were divided and asking for the president to resignation. The club has technical managerial style as well as improvisation and continuous changes in the organisation structure and no clear defined criterion thereby which has barrier for creating symbolic social model. In addition the club has conflicts with other football club and bad relationship with the political institution, where upon they have lost their star players, no titles in 3 years and position gone to 23 in the IFFHS World Clubs ranking in 2003 (Casals, 2011b). Furthermore Roy (2007) argued that has important to realist a prevalent assessment of the globalization trend in which football is enmeshed advises a touch of caution. The good feeling is probably attributed to the spectacular sporting success. Analytical voices point out that local loyalty for the home team, in the absence of local players, is closely link to winning. Loosing with a majority of alien players is something that the European clubs are not accustomed. However Barcelona has not won the European titles and victories against Real Madrid which is shown the ultimate objectives, never came in the expected way. Simultaneously national and local identity suffered, leaving a negative sports balance and serious economic losses. Economic stability and club image do primarily importance for the success of the organization’s goals, nevertheless Barcelona FC could not have to protect their financial and image. It is shown from losing the world titles. Ferrand& Pages (1999) and other authors have pointed out that brand equity is a set of brand assets and liabilities linked to a brand, its name and symbol, that add to or subtract from the value provided by a product or service to a firm and/or to that firm's customers. The marketing success of international Olympic committee, there are four keys to the success management of sports organization in terms of total control, integration of all the different programs together, a positive relationship with the business community partners and professionalism. Successful sports management must also take account of pressures and barriers both internal and external as sports organisations are operating in an increasingly complex and competitive environment. Thus the image can direct both behaviour and communication activity as it works towards the establishment of a common vision of reality in a given social or cultural group. This understanding of image lends itself to the symbolic fields specific to a sport, a club or an event. Barcelona has to manage their image and other management factors for success their objective of more than a club whereby they can achieve their ultimate goal. However most of the time they are unable to protect their managerial success in competitive environment. Roy (2007), Hamil, Walters, & Watson (2010), Crolley (2008a) and other authors have mentioned that Barcelona main strength is loyalty of Catalanian people because the club does promote Catalanian identity and Spanish nationalism throughout the world. However the Barcelona fan loyalty has been gone away from club by the time due to loss of the several title and haring foreign players as well as that environment has been created corruptions within the organization (Goig, 2008b). Thus, Barcelona has advance communication system which is good strength of the club. Their website is providing basic information and

news effectively, increase revenues and enhance the image and identity of the club successfully news, thus Barcelona FC have renewed their website which are the logos of the club's eight main corporate sponsors, and above the surfer has the option to choose in which language they wish to view the site (English, Catalan, Castilian or Japanese). Some of these features are characteristics of the club's identity which are present throughout the site as well as the club recently promotion of Unicef on its shirt that had famously resisted the commercial pressures to bear a sponsor's logo for so long. This caring and humanitarian Barca needs to be globalized.' Thus Barcelona's first sponsor is one which underlines its image as a caring and global club and certainly reinforces its Corporate Social Responsibility efforts, while conveniently reinforcing the club's identity as men's queue club, global, democratic and ambassadorial. This encourages surfers to become familiar with the club's community programme activities, and thus strengthens its claim to being 'more than a club'. Secondly, the Foundation Barcelona is promoted on its website and forms an integrated part of the aforementioned identity. The link to information on the Foundation is again easily accessible from all parts of the site by Crolley (2008a). These communication and promotion activities are towards to Barcelona on their objective. However Barcelona FC is conveying their objective through the marketing in competitive environment. Therefore Barcelona has to do their marketing look like a business rather than the sports competition. In this context, other clubs are doing their marketing campaigns to reach their objective. Those marketing campaigns are trying to go beyond the other competitors. As an example Real Madrid is using aggressive marketing model to reach their objective which is increase and maximize its profits. This Real Madrid marketing campaign has been badly affected to Barcelona FC (Casals, 2011). Nowadays football has become a professional rather than amateur sport. Therefore all the football clubs are trying to make more profits like a profit oriented business. Their success is based on the titles victory which is directly connected to their profit. Therefore in this competition environment all clubs are using every strategy that has able to win the leagues. In that sense Barcelona FC has hired star player in to their club paying millions of dollars as well as the club has signed commercial agreement with NIKE for next 10 years. NIKE helped FCB in significant marketing campaigns, which has increased market presence until being one of the most popular clubs in the world. In this era club has to become attractive destination for other stars that increased the level of the team and helped F.C.BARCELONA to win the league championship in his second year. The following year, the team successfully defended the league and won its second European Champion League (Casals, 2011). At present the club is more focused on winning of leagues rather than creating symbolic social model for more than a club.

#### **IV. FINDING**

The Barcelona has conflict with other football clubs and no good relationship with the political institutions whereby club was lost their star player and could not gain environmental advantages which are barriers to achieve their objectives. Barcelona is changing their management board time to time thereby no one gets the responsibilities of failure as well as managers who have no clear criteria of the job roles which are basic managerial problems whereby there is no unity of order, it is main barrier for organization to achieve a goal. The club has a technical managerial style which is not concerning about the human resources; it is just like scientific management, always thinks about the outcome of the company that is main reason for conflicting employers and managers. Human resource is important factor for achieving organization objectives. At present Barcelona club is more commercialized due to the more competitive environment. Therefore they are competing with other club for becoming top of the league, for that they are investing more money to buy star players, due to that club has to face corruption and financial instability as well as Catalonian people are move away from club. The club has good image and social power within the Catalonian people because the club is promoting Catalonian identity and Spanish nationalism through the club as well as good relationship with NIKE, they are promoting club culture throughout the world, the club has strong communication system that is communicating their identity and enhancing brand image around the world which are strong strengths of club. The club has good social image and brand within the society as well as they have good communication mode for promoting their identity therefore they can attract star player for the club and club can move to new market due to their multi languages website which are good opportunities of club to enhance the club identity. Real Madrid is one of leading football club in the football world which is competing with Barcelona FC. They are using aggressive marketing model for combat Barcelona marketing strategies which is the major threat of Barcelona FC.

#### **V. RECOMMENDATIONS**

The club has to build up good relationship with other clubs as well as the necessity to consider power and politics before starting change project in order to ensure lack of conflict in future. The club has to be clearly clarifying the roles of each other that can be help to maintain unity of order and responsibility. In past the club has been faced to financial instability however at present club has overcome the financial instability by strategies, those are building up new relationship with sponsors and enhancing brand image, the club should be maintain those strategies in stable way as well as they should be use their opportunities in effective way. The club should be transparent in term of financial side, player hiring process, and community project. The club should be implement new code of ethic for the players to engaging agreement with sponsors to ensure the club identities. The club should be move to employers oriented management system that can be help to achieve objective effectively. Barcelona should be implementing a new community project which should be help to close to people and achieve their major objective.

## VI. CONCLUSION

To conclude, the case of FC Barcelona analysis of internal and external environment that is revealed that to club mainly based on Catalonian society, they are promoting Catalonian identity through the club. Therefore people do more fascinating to the club. FC Barcelona is passed several special situation in past to present. In that journey, they have success and failure due to internal and external environment factors. Their major strength is loyalty of Catalonian people as well as their multi languages communication tool that is enhancing their brand image. The club has several weaknesses such as managerial style problem, more commercialization, no good relationship with other clubs and poor relationship with political institution and bit of go away from people identity. Nowadays they have good brand image that could be advantage for attracting more people and star player to society. Real Midrate is the major threat of FC Barcelona. Barcelona should be rearrange the their organization structures and need to implementing new strategies for save their market share as well as need to be do more community project to success their objective of more than a club.

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