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**Improving the Football Industry in Ghana through Franchising, Licensing and
Merchandising: A Focus on Domestic Football Teams.**

By

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Undergraduate thesis submitted to the Department of Business Administration, Ashesi University College. Submitted in partial fulfilment of the requirements for the award of Bachelor of Science Degree in Business Administration

Supervised by: Dr. Stephen Emmanuel Armah

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Declaration

I hereby declare that this undergraduate thesis is my original work and that no part of it has been presented for another degree in this university or elsewhere.

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I hereby declare that the preparation and presentation of this undergraduate thesis was supervised in accordance with the guidelines on supervision of theses established by Ashesi University College

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ABSTRACT

Football as a sporting discipline has a large fan following in Ghana. However, Ghanaians patronize European Leagues more than the Ghana Premier League. This phenomenon has given rise to problems like low stadia attendances and high levels of player migration. In defining the sports industry and identifying its primary stakeholders, this study describes the nature of local football landscape. It hints at the drawbacks and flaws that have arisen due to current industry structures and management practices of domestic clubs. Franchising, licensing and merchandising are concepts that have become a fabric of sports innovations. Some benefits of their successful implementation include the increased avenues for capital acquisition and augmented brand enhancement campaigns.

By acquiring qualitative data from 3 Accra based teams, this study identifies their current management practices and gauges the place for franchising, licensing and merchandizing in their operations. Also, qualitative data is gathered from 201 respondents with interest football. This data is analyzed to ascertain demographics domestic clubs can target in their merchandizing schemes and suggest viable avenues of commerce. Ultimately, this study proposes ideals local football teams can adopt to improve capital acquisition and augment their brand enhancement campaigns. Correspondingly, the study identifies mediums of commerce and advertising local football teams can utilize in merchandising. Lastly, the role of the media and the GFA in the successful application of suggested tools is discussed in this study.

Key words: football, franchising, licensing, merchandising, commodification, media, football club, Ghana premiere league

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Definition of terms and abbreviations.

GFA- Ghana Football Association

NBA- National Basketball Association (America)

NFL- National Football League (America)

NASCAR- National Association for Stock Car Auto Racing (America)

FIFA- Fédération Internationale de Football Association

IAAF- International Association of Athletics Federations

PLB- Premier League Board (Ghana)

GPL- Ghana Premier League

GAFCOA- Ghana Amateur Football Club Owners Association

Sports franchise - means the contractual right granted to any person or persons to own or operate a sports team in a specified location

Sports licensing- is a contractual agreement by which a sports team or organization gives a company a license to use its name, logo or trademark on the company's products.

Sport merchandising- is the promotion of goods and/or services that are available for retail sale.

Football Club- a group of players selected to play together in the various team sports known as football

Commodification- the transformation of goods, services, ideas and people into commodities, or objects of trade.

CHAPTER 1: INTRODUCTION

1.1 Overview and background

1.1.1 Defining the sports industry

Pitts and Stotlar (1996) define the sports industry as a market in which products offered to buyers relate to sport, fitness, or leisure. These products come in the form of activities, goods, services, people, places, or ideas (as cited in Ko, 2013). Stakeholders in the industry include governing bodies, sporting clubs and the media (Richardson and McGlynn, 2010). Sports presents a wide scope for participation ranging from the school and collegiate level up to the professional ranks.

This existing link between grass root or foundation sport to the elite level qualifies as the driving force for the growth of the industry (Andreeva, Balogh, Baumann, Brasseur, Cardoso, Chappelet and Watson, 2016). Football (soccer), American football, baseball and hockey are all examples of some disciplines currently practiced in sport. These terrain competitions for these sporting disciplines are either domestic or continental. The expected outcome of all these events is to win laurels and offer entertainment to expectant fans in a bid to create and capture value (Prakash, 2015).

The sport industry has capitalized on the desire by fans to affiliate with sports teams and personalities. The industry grows in a commercial sense year after year contributing about \$700 billion annually to global GDP (Collignon & Sultan, 2014). The private sporting sectors are the primary contributors to such increases in revenue and popularity worldwide. It is requisite for these outfits to develop viable innovations that satisfy shareholders and fans alike. The success of these innovations is measured by how they facilitate acquisition of capital investment and offer improved distribution channels (Collignon & Sultan, 2014).

Also the capacity to push for the establishment of a sport business environment can be identified as another contributor to industry growth. Splitting the industry into several distinct segments (e.g. sports tourism, sporting goods (manufacturing and retail), sport brand and clubs) has increased opportunities to commodify a typical sport product irrespective of the form (Pitts, Fielding and Miller, 1994). In this context form refers to tangibility of the given sport product.

These new branches of sports business mentioned above allow a more productive undertaking of the administrative aspects of the game. They amplify aspects like sport journalism and coaching which focus more on the playing body (Pitts et al, 1994). Sport clubs can now operate as more organized and marketable business entities without distorting the entertainment value. Ultimately, this fragmentation into segments continues to give rise to new markets. Existing disciplines like eSports seek to legitimize and sanitize their avenues of governance and be recognized as competitive sport (Klavan, 2010).

1.1.2 The sports value chain

In a bid to offer a viable product or service, *Figure 1* below epitomizes critical tasks a sports club or brand must focus on in establishing a substantiated value chain. These dimensions should be the basis for processing inputs such as money, team athletes and team infrastructure. This ensures that the value created can be sustained and turned into a competitive advantage. In essence, these pillars are pivotal to growing the value of any sports related product.

Four Pillars of the Sports Value chain

The four pillars of the sports value chain

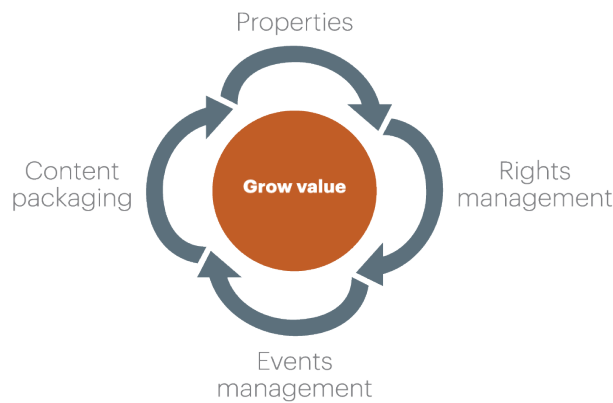


Figure 1. *Source: AT Kearney-The Sports Market (Collignon, Sultan, & Santander, 2012)*

Properties refer to the various assets of the club or organization. Whether tangible or intangible, these properties can attract fans and inferably more money if properly managed. Properties for an entity like a league organization would include its logo and the name. For a sports team, its properties would include its logo or signed athletes (Lionel Messi). Upon identifying these assets, a corporation must consider how to properly manage the rights to use these properties. Current trends of monetization of assets via right management heavily involve the media and third parties (e.g. apparel designers)

Events are also vital when setting out to create a value chain for its sport related product. Offering an enjoyable experience for fans can create additional opportunities for revenue generation. It also enhances effective rights management as properties grow more pervasive and become associated with excellence. Also, in offering a valuable sports-related product one must consider the provision of superior contents to consumers. For products that are physical but not necessarily tangible (e.g. a football game) the era of

primarily selling the venue experience to fans is outmoded. Sporting clubs and brands that aim to maximize revenue generation are required to arrive at means to create content to be distributed via media or other facility providers.

To further illustrate the pillar of content packaging, one can point to the institution of the National Basketball Association (NBA) League Pass. This product offers live NBA matches on multiple viewing platforms. A fan with a subscription and access to the internet can stream games on multiple viewing platforms including mobile phones at their convenience (NBA, 2017). In doing so the NBA dwells less on the patronage of arena tickets and turns to capitalize on media and the internet to keep consumer in tune and interested.

The same example can be used to highlight the concept of efficient rights management. In establishing their own network, the NBA ensured that not all games had their broadcasting rights sold to cable television networks. This means the league pass remained a relevant substitute to subscribing for cable. In fact, the League Pass offered a range of “selected NBA games” not available to the ordinary package available on cable TV. Ultimately these practices of rights management would have been irrelevant if the NBA did not invest in operating functional and exciting live events. These 3 practices: franchising, licensing, and merchandising should be imbibed in the operational cycles of sporting clubs and brands to increase likelihood of being more marketable and well managed via enhancement of the steps in the sports value cycle.

1.1.3 Hierarchy of the governance in the sport industry

In sporting competitions teams emerge as winners or losers and in some disciplines, there is the possibility of a draw. For stakeholders like fans, athletes and team

investors these results greatly affect their positions in the industry. Therefore, there is the need to ensure the regulation of the industry is devoid of all prejudice and external influence to create a level playing ground for all teams and athletes (Miller, 2015).

An example of a policy that ensures a level playing field is the UEFA Financial Fair Play. This rule sets out to limit the expenditure of private sporting clubs with aspirations to play in UEFA competitions (i.e. losses over a period of 3 years cannot exceed £35.4) (UEFA, 2015). This policy mainly focuses on ensuring teams live within their means and do not face financial meltdown and cease to operate (Farrell, 2010). Also, it is important to ensure equity in terms of representation and access to the necessary resources for effective organization and administration of the football discipline.

Pyramid ranking levels sports governance

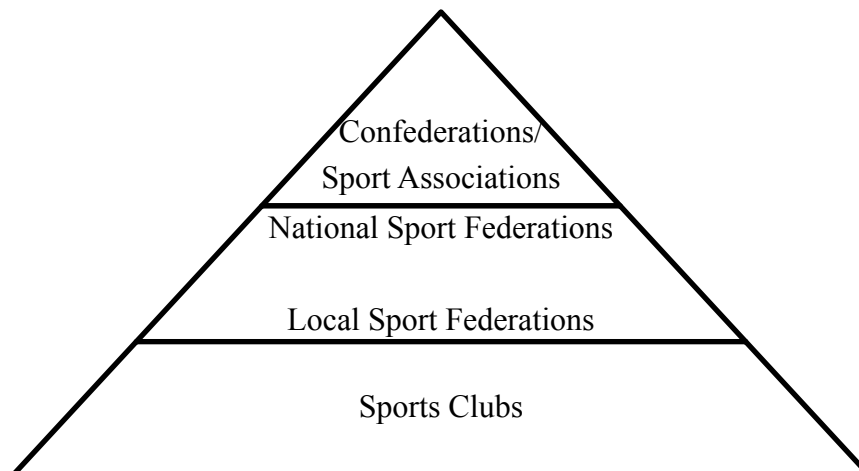


Figure 2. *Source: The Movement towards Non-Governmental Organization of Sports: The Case of Turkey (Erturan, 2010)*

The pyramid in *Figure 2* represents the various level of sports governance that oversee the participation in sporting competitions. By employing a bottom-up approach,

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this section describes the nature each specific cluster. At the base of the pyramid one can see the unit sporting clubs (e.g. Beskitas (Football)). These are private, or province owned clubs which secure and nurture athletes for competitions. Their operations also present them as established channels to identify and develop talents through grass root sports initiatives.

Overseeing these sporting clubs are the local and national sport federations which come second off the base. Local federations are niche specific and respond to only sporting clubs within the scope of a specific competition or geographic location (e.g. Ghana League Clubs Association) whereas national federations act as nationwide coordinators (e.g. GFA). Ultimately the decisions of the national federations are informed by the collated actions of local federations.

At the apex we have the global confederations or associations which are regarded as the superseding bodies that sanction all activities and procedures that can affect the discipline (e.g. FIFA). For some disciplines there exist regional bodies that operate on behalf of the global federation (Erturan, 2010). Majority of these regional bodies tend to operate on a continental basis (e.g. CAF and UEFA for football in Africa and Europe respectively).

It is vital to note that this hierarchical view of sport government is not practiced with exclusivity. One can find each level bearing interlocking administrative and executive duties that affect the final output of the playing body. Maintaining the relevance of each stage, irrespective of its organization, is key to the sustenance and survival of a sporting discipline.

1.2 The sports industry in Ghana

In Ghana it is impossible for one to ignore the reality of administrative frailties. Many sports organization are not aware of their marketable assets to sell to sponsors (Kankam, 2017). The path to a progressive sector lies in the ability to lay more emphasis towards providing sustainable developmental plans for the various disciplines.

Government has dedicated a National Sports Council to monitor and control the resource dissemination to the sport sector. Also, several private entities and individual have ventured into establishing social enterprises and NGO's geared at creating a healthy sporting environment (e.g. Right to dream, Rite Sports Limited). This section explores the roles these institutions play with regard to the sports industry. Also an illustration ranking the various mentioned institution.

1.2.1 Public administrative structure of sports in Ghana

In highlighting the specific roles of public institutions, one can envisage the possible effects when there is inefficiency or mismanagement. Also, one can better understand why overdependence on the government by various sport associations is dangerous to the local sports industry.

The Ministry of Youth and Sports is the executive arm of government dedicated to overlooking the dissemination of key resources and infrastructure to the various sporting disciplines. Presently, the ministry implements its goals and objectives through the agency called the National Sports Authority (NSA) (Ministry of Youth and Sports, n.d.). Besides initiating and executing policies, the NSA ensures that industry stakeholders uphold the value of professionalism in their pursuit of sustainable wealth creation (Ministry of Youth and Sports, n.d.).

Level of public institutions that govern football

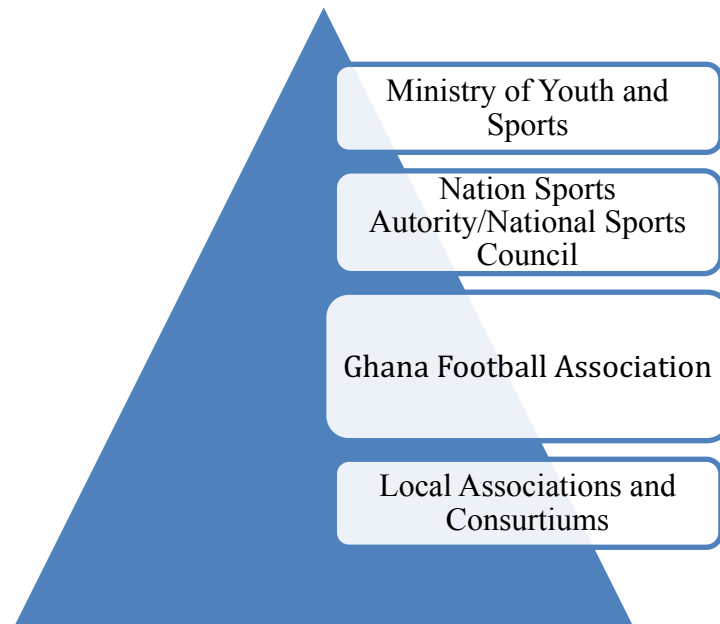


Figure 3. *Source: Authors Construct*

Primarily the NSA controls the administrative activities of sport in the country. The ministry's role is to acquire the required resources from government for the sports sector. However, there is a need for sports disciplines to have federations and associations that regulate the competitions organized in the nation. Using the case of football, The Ghana Football Association represents the global administrative body which is FIFA. It sets out its structures and procedures to ensure all football related activities and adhere to global conventions.

Closer to the playing body, there exists local associations and consortiums. These represent the athletes and are formed through the ranks (grassroots to professional level) of every discipline in the country. An example of such a union would be the GHALCA, it represents local football clubs and players that participate in premier division of domestic

football in dealing with GFA. Outside this traditional structure there are some small unions structured to address the needs of some special contributors to the sporting sector (e.g. Ghana Amateur Football Club Owners Association (GAFCOA)).

These institutions play a very important role in the development of the sports industry. The efficient execution of their activities aids in the provision of infrastructure and formation a national sports market. Full capacity involvement by the public sector is one of the primary ways in which the sports industry will develop better and faster (Wang & Wang, 2010). However, sports federations must also limit their dependence on the government as to prevent politicization (Lutan & Hong, 2005). This could cause neglect of a discipline or sporting organizations when the mandate of government changes from one political party to another.

1.2.1 Private Sector Involvement

In 2013, the then deputy minister for youth and sports, Hon. Joseph Yammin, stated that private sector participation in the organization and promotion of sports is crucial to the industries development (Ministry of Youth and Sports, 2013). These assertions remain relevant presently as till date, levels of involvement by individuals and corporate bodies remain low in the country.

As at 2016, the nation's premier league was without a headline sponsor following the decision of Capital Bank to terminate its contract with the Ghana Football Association (Nketsia, 2016). The company believed they were not getting enough advertisement mileage from the partnership with the Ghana Premier League. Meanwhile current trends reveal that sports sponsorship is a means to drive exponential growth in brand awareness and affinity (Miller & Cave, 2016).

China is an example of a nation that has turned to its private sector to drive the relevance of its sport industry. Chinese entities or individuals continue to acquire and invest in both their local sports clubs and sport properties across Europe (Lovett & Townsend, 2016). Increased popularity of their industry has seen them plan to establish a billion-dollar industry by 2025 capitalizing on the attention to attract premier talent and encourage foreign investment (Lovett & Townsend, 2016).

Ghana is still taking baby steps towards creating a sports business environment that induces private sector involvement. Chief Executive Officer of 2017 Ghana Premier League champions Aduana Stars has hinted that several corporations have approached him to sponsor and affiliate with the club (Agyeman, 2017). These are encouraging signs for football clubs who know they present salable brand once they are able to win more.

1.3 Problem description

1.3.1 Stating the problem

The Ghanaian sports industry is generally stifled and has struggled to meet world standards in terms of revenue generation. Football is the nation's staple sport and has been the benefactor of primary attention by the state. This phenomenon has proven detrimental to the growth and improvement of lesser known sports like table tennis and golf (Amenyo, 2016).

Despite being the focal sporting discipline, the premier division of domestic football, the Ghana Premier League, is struggling to attract locals to stadia (Fosu, 2015). Blame has been placed on structural deficiencies, poor marketing and the influx of European football leagues like the La Liga, EPL and Bundesliga on television channels. These leagues are perceived to offer better quality of football and more entertainment

value than Ghanaian football teams. This coupled with the GFA's weakness in the creation of exciting and well organized live events has proven to affect the value growth of products related to the football industry.

Local football teams are forced to compete primarily for television viewership and attention of citizens. Yet, Ghanaian clubs do not employ mediums that can be used to improve their brand visibility, so their affiliated trademark can reach the masses. This happens because of the gap in free-flowing information and maximum use of the complementary resources e.g. media (Okine, 2015). This paper suggests how specific principles, if employed by unit local football teams, can positively affect the football industry in Ghana. The problem this study seeks to address is described in paragraph below.

Football is the most popular sport in Ghana, but the nation's premier football division continues to suffer dwindling stadia attendances (Fosu, 2015). As such, there is the need for simple but efficient marketing and management strategies that are tested and proven. Exploring the concepts of franchising, licensing and merchandising can develop or improve systems aimed at promoting attractiveness of Ghanaian domestic football teams as they compete with European leagues gracing television screens.

1.3.2 Establishing the failures of current structures of football

Football in Ghana transitions from the foundational levels through to professional football teams. In Ghana, the foundation leagues come in the form of interschool competitions (e.g. Milo U-13 Championship) and the Cones league. The latter is a community-based league for juvenile players. Ideally, most teams that participate in the nations professional leagues have a Cones league affiliate.

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Up the ladder are the third and second divisions that have teams aimed at grooming players for the top-flight division. At the apex of domestic football is the Premier league. Here the nation's best teams are meant to compete and earn the honor of entering continental club competition (CAF Champions League, CAF Confederations Cup). Across these ranks, several committees exist to protect the interest of team owners, clubs and the footballers. Also, they ensure that the objectives of the league competitions are met.

For second, third and juvenile divisions, the GAFCOA is the body that pursues welfare and development of the unit clubs. For the first division and premier league, GHALCA is the body that oversees the interest of domestic teams. They also ensure that the GFA is fair in the regulation and rewarding of various league teams. Though sporting clubs are private, they do very little in terms of devising strategies to maintain profitability (Okine, 2015). The decision to depend on the prize monies associated to the domestic league has certainly affected how they offer football patrons value.

Rex-Danquah (2015), suggests that the role of the central government must be restricted in the remuneration regime for the domestic football league. A major threat of increased levels of overdependence is less focus being given to commercial activities by football teams. Individuals capitalize on this neglect and benefited wrongfully of club assets and intellectual property. An example of such an occurrence is the presence 'Goro' boys at the Accra Sports stadiums who sell club merchandize at very low prices. Also, socio-economic vices like corruption are likely to be transposed from the government into the administration of football (Luiz & Fadal, 2011). This will affect the disbursement of resources and proper organization of the football in the country.

Outside the defined roles of the public and private sector in football, the media and technology are also critical to football in Ghana. The lack of certain instruments in the dissemination of finished goods and services puts domestic football in Ghana on the lower end of the quality spectrum. Media outlets also suffer countless technological deficiencies which limits how sporting clubs and the competitions in Ghana they participate in to can be witnessed by the rest of the world.

Considering the dispositions made above one can imagine how difficult it is to be footballer playing on the domestic scene. It is now common to see the best talents move abroad to better their careers often motivated by financial reasons. This has become a menace for grass root football as now young athletes seek to make the quick jump and migrate, legally or illegally to other parts of the world in search of spatial change (Esson, 2015).

Maxell Konadu, the assistant coach of the senior national team, states that sometimes these decisions to migrate are ill-advised and destroy several budding talents (Neequaye, 2017). These young athletes are exposed to stunted development in ability and the domestic league also suffers. It loses quality players perennially as result of this draining phenomenon. This has caused a switch in taste for Ghanaian football fans to foreign leagues like the French Ligue 1, Bundesliga and the most popular being the English Premier League.

1.4 Using franchising, licensing and merchandising

1.4.1 Introduction

Considering the overwhelming potential of the sport industry, specifically football there are certain tools that can easily be used to harness the profits of this industry. This

paper highlights franchising, merchandising and licensing as critical concepts that allow for organizations and individuals in the industry to gain insights into creating laudable management and marketing policies. Primarily these three phenomena are the ideal mechanisms that sports clubs and brands have employed in a bid to maintain relevance in an expanding market space (DeGaris, 2015). However, in fashioning these guidelines and procedures one must acknowledge that franchising, licensing and merchandising not entirely mutually exclusive. For them to be successfully implemented sustainably and proficiently, policies generated must account for the possible interdependence and inter-relationships between all three strategies (Barajas, 2014).

1.4.2 Application of franchising: RB Leipzig

Franchising is an avenue to quickly acquire capital investments and catalyze the process of gathering the required resources for operating a successful and functional sports club or brand (DeGaris, 2015). Here, the contractual rights to operate a sporting club in a specific city are purchased and the franchisee can gain access to the resources and operational strategies employed by the franchisor.

The NBA is an example of league that houses several franchised teams. Team owner pen high bids to have teams operate in their cities. These franchisors get the benefit of income from match day tickets and commercial activities like corporate endorsements. In football the acquisition of German fifth-tier club Markranstadt by Austrian energy drink company Red Bull is a modern example of franchising (Ruthven, 2016). Red Bull, being the franchisors, gave Markranstadt a working operation chain and a stadium similar to their other franchises namely Red Bull Salzburg (Austria) and New York Red Bull (America). Markranstadt, being the franchisee, lost their identity and

changed their name to RB Leipzig. The success of this venture is seen in the league placing of the team in the last decade of operation. Rasenballsport (RB) Leipzig came 2nd in the Bundesliga and qualified for the UEFA Champions League in the 2017/2018 football season.

Rasenballsport (RB) Leipzig were formally born in 2009 are regarded as the fastest growing football teams. The club rapidly rose from the fifth-tier of German football to the premier division. Being a franchise, the team had ready capital to invest in a stadium and also attract several young talented players with lucrative contracts. This strategy of securing the services of youthful players are what brought success to previous franchisees (Red Bull Salzburg, 2015) and hence the principle and policy governing it was easy to emulate. However, one must note that some consider this practice as circumventing the rules to gain an advantage quickly on the competition (Ruthven, 2016).

1.4.3 Application of licensing: Futbol Club (FC) Barcelona

Licensing in sport would see a sports entity sell the right to use its logo or trademarks to another business entity. Normally licenses are issued to businesses that do not directly operate in the sports industry. The primary difference between licensing and franchising is that a license grants rights without transferring ownership of the intellectual property for example, for use of technology, for publishing and entertainment purposes (WIPO, n.d.).

FC Barcelona teaming up with Parques Reunidos to open five leisure and entertainment complexes worldwide over the next five years is an example of how a football team utilizes licensing. Each installation center will be able to be named or themed using FC Barcelona trademark logo and other brand features (License Global,

2017). These complexes are between 3,000 meters and 10,000 square meters, with desired locations being malls and downtown areas with high pedestrian traffic.

Furthermore, Parques Reunidos will have the rights to create the leisure and entertainment complexes worldwide, excluding China, where the project has been acquired by Mission Hills Group (License Global, 2017).

1.4.4 Application of merchandising: Real Madrid

Merchandising is an outlet that capitalizes on the euphoria generated by the created events and brand performances. Ultimately it is the greatest avenue in capturing consumer value upon the implementation of good management practices and acquiring on field success. Primarily it involves producing and selling apparel or paraphernalia to satisfy desire of affiliation by fans of the sports club who desire them (e.g. Jersey, coffee mugs). La Liga side Real Madrid are one of the biggest teams in Spain and ultimately in Europe. As at 2016, they were lauded as the world's most valuable and one of the most commercially viable football clubs globally as seen in **figure 3**. One way Real Madrid has harnessed the support of their fan base is to establish megastores with online access. They receive orders from fans across all continents that sell team paraphernalia and also receive sponsorship apparel producers Adidas.

Graph of the 20 most valuable teams in the world by 2016

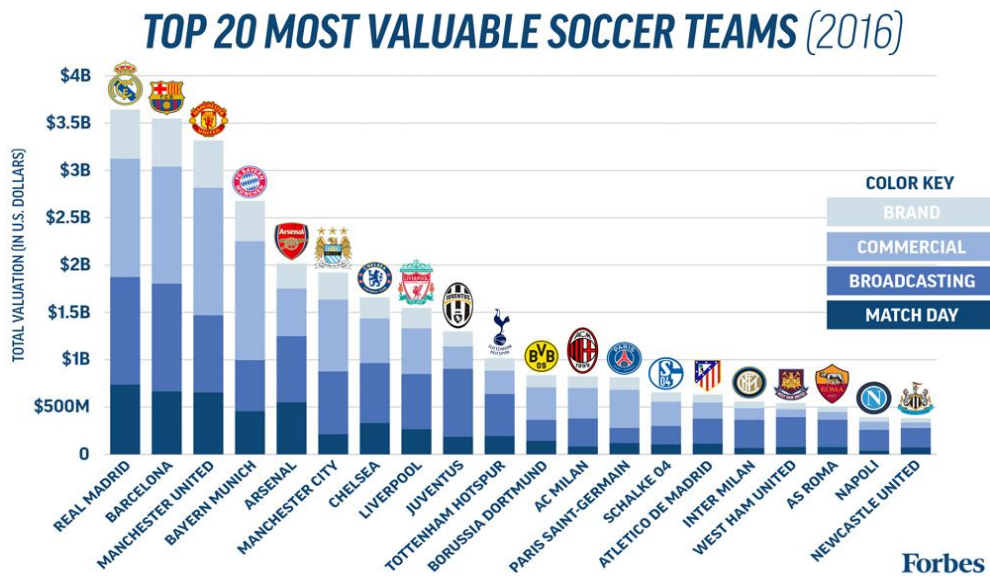


Figure 4.

Source: Forbes.com (DeSantis, 2016)

1.4 Research question

- How best can the tools of franchising, licensing and merchandizing can be contextualized these tools to suite the Ghanaian football industry?

1.5 Research objectives

The core objectives this research seeks to fulfil in establishing the need for franchising, licensing and merchandising as tools for growth in the football industry are to:

1. Gain insights of the general practices and processes football teams in Ghana Premier League employ in their operations.

2. Highlight means and avenues the Ghana premier league can be augmented using tool or activities related to franchising, licensing and merchandising.
3. Investigate how an improved local football industry can contribute to increase in viewership across all participatory levels of domestic football.

1.6 Research relevance

Promoting sport business would leave the nation with a candid tool for social and economic development. Football being the most popular sports worldwide it is one the strongest mediums for globalization and channels to learning from other societies and cultures. Ghana's ability to organize the domestic scene properly would imply that we would acquire the right infrastructure that can accommodate global events.

Also, we would be able to properly showcase our competencies in other complementary sectors like tourism. Two primary stakeholders are also due to benefit from understanding how franchising, licensing and merchandising will affect the domestic football scene. First being grass root athletes who would now have the technology and expertise needed to build their talents and gain world class status. Secondly, using these three processes would be standard layout or format for new other disciplines to venture in a bid to create a holistic growth for the industry economic gain.

1.7 Conceptual framework

Independent variables

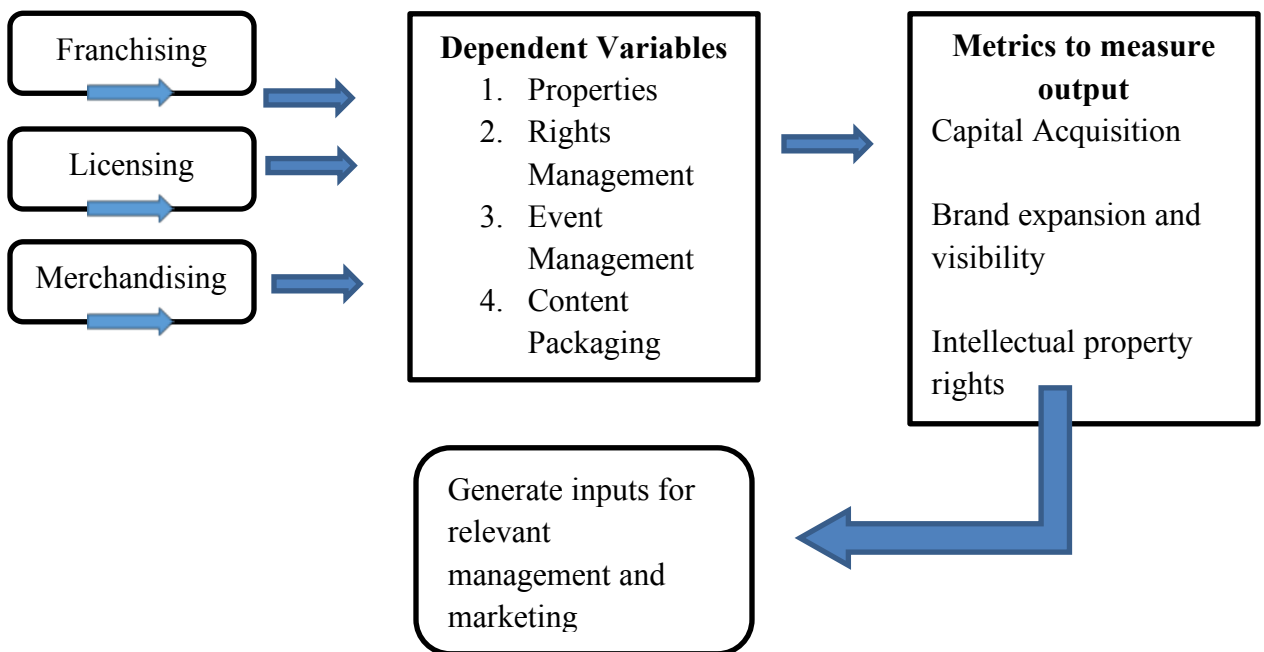


Figure 5. *Authors Concept*

In applying the framework above, football teams targeted would be participants of the premier league in Ghana. The domestic league completed its 61st cycle in 2017 and constantly has 16 participating football clubs (GFA, n.d.). The ownership of the club can be Ghanaian or non-Ghanaian as the basis for assessing operations and branding would be limited to implicit strategies and awareness of a potential business environment.

Most of these league teams are privately owned entities and are self-funded. The diagram above displays how franchising, licensing and merchandising can affect the value creation process of these teams. Metrics selected reflect the core dimensions required to fully exploit these ideals. Since the ultimate objective is to identify tools that

fit the context of Ghana this framework helps map out which pillars are more relevant to local football teams. It also would suggest which avenues and tools to be implemented.

This study focuses on how club teams in Ghana can implement the principles of franchising, licensing and merchandising to affect how they grow the value of the products or service they offer. The problem of the GPL being unable to compete with European leagues reaching the local television stations can be linked the difference in perceived value provided. Hence this study limits the variables that affect the value chain of sports to content packaging, events management, rights management and property.

1.8 Organization of the study

This section breaks down the core objective of each section highlighting their most vital contributions to the paper.

Chapter 1- Offers a background to what the sports industry is and the type of products it offers. It further focuses on football industry in Ghana and its administrative strategies and problem this dissertation seeks to address. Cases are provided to buttress the use of franchising, licensing and merchandising in different settings by renowned sports club.

Chapter 2- Gives one perspective of existing and related works already done pertaining to the topic. It also validates the use of franchising, licensing and merchandising as sports innovation and explores how improved management and marketing can contribute to a better on field team.

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Chapter 3- Highlights the specific methods and tools that would be employed in conducting this study and the sample it would be applied to.

Chapter 4- Analysis on the quantitative and qualitative data acquired in order to gain insights on the topic and further ascertain the relevance of the chosen objectives.

Chapter 5- Conclude and provide comprehensive responses to the underlying research question of the study. Also, it provides limitations of the study and suggest avenues for further research.

CHAPTER 2: LITERATURE REVIEW

2.1 Introduction to literature on franchising, merchandising and licensing

In the last two decades nations have designed improved activities of sports administration in a bid to enhance the industry's profitability and marketability (Atalay, Yücel, & Boztepe, 2013). European football clubs lead the world in terms of publicity and profitability and have drawn the best talents across the globe to their respective football leagues (Missiroli, 2002). Another differentiating factor for European leagues is their capacity to utilize the media coverage and that has technology (Halabi-Ahma, 2013).

However, the argument exist that franchising is a concept European leagues copied from America. In essence the NBA, MLB and NFL all rose to prominence globally because the unit team employed franchising to become more valuable and marketable (Coates and Humphreys, 2005). Yet in applying franchising to football, European leagues focused more on instituting a model that allowed teams to still be relatable to the fans (Andreff and Staudohar, 2000). The veiled the business model behind their corporate to shield fans from feeling like victims of mass commercialization strategies.

Thus said, laying greater emphasis on facilitating the restructuring of local football teams via the implementation of specific sport administration tools and ideals can potentially help the GPL recapture appeal, restore fandom and enhance its marketability. This section explores features of franchising and licensing as ideals of sports innovation. In doing this, it offers the different methods of application that ensure these three imported business ideals do not threaten the social value of sport (Sanders et al., 2012).

Also, it ascertains the role of government in the association football industry to define possible benefits, limitations and to provide a rationale for sports investment. In identifying the government's role, it also provides an understanding of how it's over indulgence can become toxic to the sport. Lastly, it evaluates the relationship between the private sector and the football industry. Laying emphasis on infrastructure and systems it gauges how a good business environment facilitates the use of franchising, licensing and merchandising in sports. There is also consideration on the how the technology gap can affect the implementation of some of these mentioned ideals.

2.2 The role of franchising, licensing and merchandising in football

2.2.1 The relationship between sports innovation and franchising or licensing

Sport as an industry has its primary enterprises being the private sporting clubs (Casper and Pfahl, 2015). The administration of these sporting clubs is very capital-intensive and teams use different avenues to generate capital and position their sports brand as superior. Ratten (2016), suggest that sports products aim at being both commercial and social goods. Hence a sports organization's ability to attract and maintain consumers is reliant on how well they offer hybridity in their end products. This brings up the need for constant innovation and avenues for knowledge management practices.

This contention is reinforced by Wemmer, Emrich and Koengistor (2016) who propose that there is positive change in management and technical ability of sports clubs which explore new-business models. In a progressively competitive service market space, there is an increased need to dwell on knowledge and innovation. The paper focused on nonprofit sports clubs and describes sports innovation as a catalyst to organizational

performance. For such establishments the aim is to operate at the highest efficiency and reach more people and sports innovation equips them with the tools to drive at excellence.

In football, sports innovation can be viewed in a technical-tactical dimension. This means football clubs gain a competitive advantage not only by enhancing tactics and formations to amplify on field performances but by supporting it with administrative efficacy (Trequattrini, Giudice, et al 2016). However, Terrien, Scelles et al (2017) suggest that a focus on sports administration can affect a club's ability to attain its on field objectives. This is if the club does not fully maximize the club director's utility to adjust the weight of the switch. Still the prevailing assertion is that the existing incentive for implementing good administration strategies increases perceived quality of football for clubs and spectators (Behzad, KhairulAnuar, Davoud & Sunghyup 2014).

With the importance of administration established, one can probe for insights regarding the role sports innovation in the development of fresh sports management and marketing ideals. Primarily franchising is aimed at facilitating brand extensions while licensing guards the use of all innovations a sports club develops by other parties (Amadi, 2017). Both ideals are not entirely unique as the resultant effect of their implementation is what helps a sporting club expand its market and potential target niche. In summary, the underlying source of all sports administration ideals reside in sport innovation and franchising and licensing can be labeled as one its simplest and longstanding derivatives.

2.2.2 Franchising as a system for running a football club

The existence of numerous new sports innovations now augments the execution of off-field activities aimed at marketability and profit maximization. In that regard, Paul

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Willie (2017) rationalizes the need to adopt franchising and licensing as central themes of activities of sports organizations. He discusses the potential successes the domestic clubs participating in the Canadian football league can attain in areas of managing service demand for club and capital acquisition. This allows one to discern what makes these phenomena differ from traditional ownership with regard to a football sport clubs.

To further explain how franchising offers less complexity in controlling demand it is critical to understand the rationale behind its growing popularity. As a sports business tool, franchising has become widespread because of more sporting clubs shifting from corporate ownership to being run by individual investors in recent years (Rosner & Shropshire, 2011). These private investors hurriedly seek to outperform their colleagues in competition. Hence there is a market for a proven system that offers a relatively stable plan for operating successful sports club. Acquiring franchise rights is more lucrative as owners and clubs are keen to implement ready and tested systems and take less risks building on their own.

Typically, a franchising contract presents the franchisee with operational support in areas of quality control and development marketing strategies. The franchisor gains increased brand visibility and reach of its service (Hamil, Michie, Oughton, & Warby, 2000). Depending on the contract terms, one is likely to see franchise or royalty fee being agreed. This forces the franchisee to work more and realize financial profit enough for both themselves and the franchisor (Keup & Keup, 2012). These features ensure that franchising can help a football club expand the scale of its operations at lower costs, offering it the potential increment in profitability.

2.2.3 Licensing as a guard to the use intellectual property in sport

Sports as industry is now relatively profitable for athletes, clubs and associations with an established brand. Features like logos, names, systems, ideals or moves are instrumental in positioning them as superior in the minds of consumers (da Silva & Las Casas, 2017). It is priority for sport brands to ensure they are insulated from imitation once such elements are introduced into their commercial activities or products otherwise others will steal their profits (Kalamadi, 2012). The measures required to preserve brand equity and reputation are labeled intellectual property rights and may be applied by sports franchises in the form of trademarks or patents. Such mechanisms give rise to an avenue or possibility of issuing licenses to smaller entities for profits (Wall, 2006).

Hylton (2011), argues that the issuance of these property rights has given sports teams and associations who are producers more avenues to exploit consumers. He proposes a more balanced sporting landscape where in pricing sports services like broadcast rights, the wishes of those who control the production of sport and the fans who prioritize the consumption of sports must be considered. Alternatively, Garcia (2011) suggests the opposite claiming that the scope of intellectual property ought to be broadened to even moves and plays of athletes and coaches. However, to ensure it does not stifle the industry, institutions that offer the rights must evaluate their creativity and uniqueness.

2.2.3 Merchandizing as a key value capturing tool in football

Merchandising has historically been core to the value capturing schemes for the sports industry (Grundy, 2004). The football industry has seen markets being faced with the threat of bankruptcy for over indulging in merchandising but fan loyalty tends to

override its influence and has steadily given it a huge commercial capacity (Kennedy & Kennedy, 2012). Partnerships for large scale merchandise production are commonly outsourced to apparel manufacturing companies known as third-party operators. These arrangements see third-party manufacturers offer to produce and distribute items associated with the football teams brand and patents (Unlucan, 2014). They gain by the amount jerseys sold and hence often want to affiliate with established sports brand.

In assessing the decisions that motivates fans to show loyalty to a sporting club in the form of purchasing merchandise, Kim and Jeffrey (2016) employed the theory of planned behavior (TPB). This study named past behavior and purchases, coupled with the need to affiliate as contributors to the growing desire to purchase sports licensed merchandise. Though this commodification of football rattles a few groups (McManus, 2013), properly distinguishing between the “business’ of the football club and the service it offers its host community offers locals sustainable ties that will not hinder majority of fans from spending on available team merchandise (Sanders et al., 2012).

2.3 Discussion of different arrangements on sports administration in global contests

2.3.1. A focus on franchising and licensing in the international context

The use of franchising is no novel act. Modern high-profile leagues and associations like the NBA and NFL can attribute their successes to employing this model. By allowing the various participating domestic clubs to implement these ideals, such bodies experienced improved quality standards and increased viability (Hillyer, 2016). For the NBA as a league, it focused on using its brand franchise in the development of peripheral products that offer cheap additional advertising (Sun, 2015). One of such initiatives was setting up an NBA franchise in China after realizing the passion the

nationals had for basketball. Following the success of such initiatives, it is no surprise that North America is seeing several sports clubs and associations like NASCAR adopting of franchising or a similar business model (McHugh, 2016).

Globally franchising is more subtle in football than it is in other disciplines, nonetheless owners and managers must optimize every basis within the constraints of the local context and the league in which it operates (Scelles, Helleu, Durand and Bonnal and 2014). There is the contention that an independent sport business environment is a prerequisite to implementing a successful franchising system. Vamplew (2017) suggests this as the primary factor that has stalled the evolution of Asian football leagues becoming powerhouses.

In Africa inefficiency of football leagues can be attributed to domestic football teams not adopting benchmarks and procedures. Barros, Mandlaze & Tainsky (2016), substantiated this assertion after testing the systems of clubs in the Mozambique premier football league. Most teams employed no strategic measure to ensure on field downgrades like relegation and off field failure were avoided.

2.4 Role of private and public sectors in the football

Football as a discipline is governed by a mother organizational body in FIFA. It delegates its power in the various countries via national associations. These national bodies in turn liaise with their respective central governments to ensure the efficient running of the sport. Over the years, some governments have declared football a gateway to globalization and a core component to offering citizens national identity (Ginesta and de San Eugenio, 2013). Others also use it as a medium for accelerated growth of social

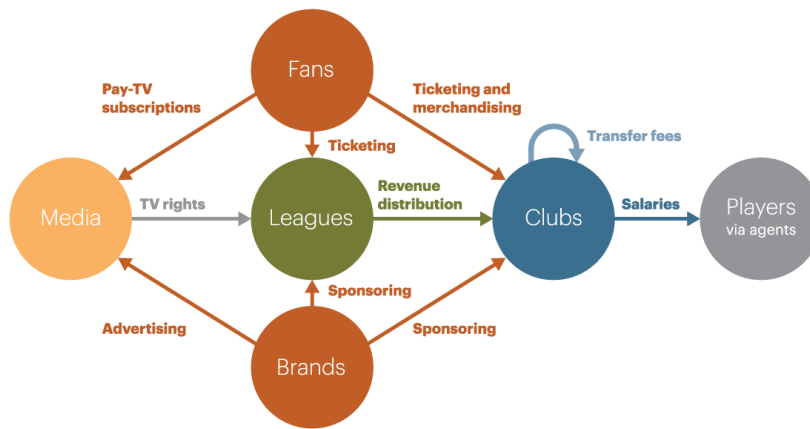
enterprises and impactful societal projects that aid primarily the youth and develop communities (Burnett, 2009).

However, to prevent the overhaul of values like sportsmanship and discipline the influence of the central government in football related decisions must be limited (Dorsey and Sebastian, 2013). Essentially the government must channel its investments in football towards sports infrastructure and harmonizing sectors of the game like the media. Also the government must assess sport legislation and have systems that ease the activities of the National sports associations (Bravo and Silva, 2013). The contention is also relevant to facilitate an increase in involvement of the private sector in football.

2.5 Peripherals of franchising, licensing and merchandising

Flow of money in the sport industry via the media hub

The sports ecosystem: the flow of money



Source: A.T. Kearney analysis

Figure 6. Source: ATKearney

In **figure 6** we notice the media as a major hub in the flow of money throughout the sports industry. The media acts as both a seller and buyer of the product these leagues

and brands produce. The media is a double edged sword as most industry stakeholders believe their status and income depends on media coverage yet they complain about the omnipresence of the media, especially offside the pitch (Birkner & Nölleke, 2016).

In recent year the upsurge of social media has made the media more prevalent than ever. Whilst developed countries apply it to full potential to their sports industry developing countries are still finding their way (Joia, 2015). Fan interaction and brand association is the least explored dimension by clubs in developing countries that social media has enhanced for established first world football clubs (Parganas, Anagnostopoulos, & Chadwick, 2017).

2.6 Conclusion: The identified gap

Existing literature justifies franchising, licensing and merchandising as present versions of sports innovations. Whether for-profit or nonprofit, franchising as a system eases brand expansion and capital acquisition process. However, there is a need to guard all these system, ideals and brand totems developed as a sports franchise. This gives some teams the opportunity to give uprising entities a chance by offering them right to use the established brand identity at a fee or cost. Lastly, it ideal for sports teams to partner with third-party operators like apparel producers to sponsor and sell merchandize on their behalf.

In confirming the use of the three ideals one is able to recognize the elements that have driven the success of sports leagues that have prioritized franchising. Yet, the text reviewed highlight the need to fulfill the prerequisite of government ensuring that privately owned clubs and their governing associations are given a high level of independence in their actions. Complementing this with setting up the necessary

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infrastructure increases the chances of success for an ideal sport business environment.

Existing literature however fails to disclose how this can be applied in developing countries where sport is not prioritized.

Also, considering that there no evidence of province run teams in Africa being able to establish themselves as franchise this study seeks to fill this void. By offering how avenues for Ghanaian domestic football clubs to capitalize on a small sport business environment using these tools this study can be a template that can be emulated for the development of other sporting disciplines within the country.

CHAPTER 3: METHODOLOGY

3.1 Overview of methodology

Globally, the best football teams have increased the value of products offered using management and marketing policies grounded in the ideals of franchising, licensing and merchandising (Franklyn-Miller, 2016). In this study, the primary objective is to uncover how best Ghanaian based football clubs can employ the three principles stated above. Their ability to improve their sports business environment would go a long way to aid in making the domestic league more attractive and enable the GPL compete with the several European leagues currently winning over most Ghanaian football fans.

It is important to note that football as sporting discipline is not isolated from other social and economic activities. Football clubs worldwide suffer from uncertainties as several external factors do affect the industry landscape and alter their planned activities. An example is FC Barcelona, whose poor relationship with capital Spanish political institutions has been a hindrance to its player retention in the past (Weerakoon and Dasun, 2015). The capital and government viewed the Catalan community as a rebel faction and tried to stifle their reach and progress by limiting the prowess and dominance of FC Barcelona in the late

Hence this study explicitly focuses on the intrinsic activities that can be improved to add value to the offerings of our local teams. This means that in this study, the variables of franchising, merchandising and licensing indicated in the conceptual framework are largely insulated from external factors like the country's political structure.

3.2 Research Design

Van Wyk (2010), defines research design as a measure to ensure that gathered data can enable the researcher answer research questions as unambiguously as possible. Additionally a tailored research design minimizes the event of bias during collection and analysis of data. Considering the evaluative nature of this study, the best means to ensure clarity and eliminate bias was to use an exploratory research design (Heroux, 2017). Exploratory research ensures that a study is aimed at examining a subject in an attempt to gain further insight (Vanderstoep and Johnston, 2009). Hence this study explores the research topic with varying levels of depth rather than offer final and conclusive statistical answers to the research question.

In this study a mixed method approach was used in data collection. The gathering of both qualitative and quantitative data was applied sequentially with the qualitative procedure preceding the quantitative one. The rationale for this order was to develop an enhanced body of knowledge for generating questions in the quantitative data collection tools (Caruth, 2013). It must be noted that this study is not pioneering the use of the intended methodology. Kunkel, Doyle and Funk (2014) employed a mixed method approach to explore sport brand development strategies to strengthen consumer involvement in the Australian A-League. Paul Willie (2017) also uses this methodology to assess the use of franchising and licensing by sporting clubs that compete in Canadian domestic leagues. He highlights successes it presents in managing service demand and capital acquisition for various domestic sporting clubs.

Qualitative data was collected using semi-structured interviews and a content analysis conducted. The need to illustrate the common patterns within management strategies and their relation to the football clubs aspiration validates the use of this

analytical tool. Primarily it suits questions relating to the construction of meaning per a specified framework (The University of Auckland, n.d.). For the quantitative aspect, data would be collected via questionnaires and a descriptive analysis conducted to identify target markets and avenues of commerce for merchandising in domestic football clubs. Descriptive statistics offers one a summary of the expected behavior of the sample which can then be inferred on the population (Vanderstoep and Johnston, 2009).

3.3 Research Scope

3.3.1 Study Population

The population of this study can be defined as all stakeholders in football operations in Ghana. This includes governing organizations, football fans, privately run football clubs and complementary sectors like the media. However in selecting football clubs, focus was skewed towards clubs set to compete in the 2018/2019 Ghana Premier League season. This is because currently they are expected to offer a more organized and strong executive backing than clubs set to compete in the lower divisions.

The various sub-populations focused on include fans and football clubs based in Accra. A list of the football teams within the stated area can be found in the appendix (Table 1). Also the Ghana Football Association were participants of this study since they regulate the GPL and control the calendar of the various football clubs which affects their operations. Lastly, the media were participants of this study as they act as both buyers and propagators of the products these football clubs offer.

3.3.2 Study Area

This study is largely limited to the Greater Accra region due to time and monetary constraints. The study is being conducted within the timeframe of an academic year at Ashesi University College which spans for a period of about 9½ months.

3.4 Sampling Strategy

3.4.1 Sampling techniques

Purposive sampling was used in selecting various football clubs to participate in the qualitative aspect of this study. This sampling technique was employed because of the need to deliberately choose a participant due to the qualities they possess (Etikan, Musa & Alkassim, 2016). Also using purposefully sampled data allowed for the gathering of diverse perspectives on the subject matter (Benoot, Hannes, & Bilsen, 2016). This allowed for a more profound and divulging response to the research question of the study.

For the quantitative aspect the study was aimed at identifying target markets and means of commerce for local sports teams' merchandise. A random incidence sampling technique was employed to identify individual with an interest in football but have varied perspectives and passion for the game. This allows the study define the various demographics that pay more attention to football and are likely to have regard for football related merchandise. Also it elicits a fair reflection of what influences purchasing decisions of Ghanaians whether they are candid fans or just occasional observers.

3.4.2 Sample sizes

For this study, football clubs considered had a record of competing at least once in the domestic top-flight league. Considering the selected study area 3 Accra based teams were elected as participants. These teams had varied publicized administrative

structures and diverse levels of on field successes from their results in 2016/2017 football season. One of these teams ended up in the top half of the league table, the second team was in the bottom half of the league and the last won promotion back into the GPL from the division one league. From each of these teams a club administrator belonging to the management board was elected to participate in the study. The criteria for the selection was their department of work and their longstanding engagement with the development and implementation of policies at their various football teams.

In assessing what roles franchising and licensing can play in domestic football leagues it is important to consider the governance structure of the league. With the GFA being regulators of football in Ghana, gaining insights from them about current practices and avenues for future development were critical to this study. These perspectives were transmitted via the Deputy Communications manager who is also a member of the Premier League board. Also there was the need to examine the relationship between football clubs and the medium they employ advertise and sell themselves. Interviews with two media personnel who cover the local league and are accredited by the National Sport Writers Association were conducted to explore this subject.

Lastly, for the quantitative study a sample size within the range of 120 -270 was considered as sufficient considering estimated population of the study being about 1,000,840. This assumption is informed by the fact that averagely, 76% of people on the African continent have an interest in football (Nielsen Sports, 2014) and the Accra Metropolis is estimated to have 1,316,895 people being above 15 years per the last national census (Ghana Statistical Service, 2012). By ignoring the section of the population below 14 years, this study targets only young adults, adults and the elderly.

The rationale behind this decision lies in the inability of the first group mentioned to earn an income and hence making them less likely to be financially dependent with regard to making a purchase. Participants responded to questions that divulge their sentiments about purchasing commodities branded with logos and trademarks of local teams.

3.5 Data Collection

The instruments for data collection were primarily self-administered. Prior to querying, the consent of individuals and institutions within the sample frame was sought. The various football teams were thoroughly briefed about the intent of the study and their help sought to choose the right administrative staff to for interviewing. This was done within the period of January 2018 to March 2018

3.5.1 Data preparation, collation and processing

Interviews conducted were audio recorded before being transcribed into a Microsoft Word document. Also data obtained from questionnaires was collated and coded in Microsoft Excel. A pilot test was initially conducted to ensure the data offered face validity prior to administration of actual questionnaires.

Qualitative data gathered was coded by employing the principle of color coding system and a content analysis conducted. Content analysis is a research technique that allows for replicable inferences via systematically evaluating texts and identifying categories and common patterns. The data was narrated in a thematic format and expressed per their relation or place on each section of the conceptual framework.

The data was collected through questionnaires handed to random persons interested in football were coded into Microsoft-Excel. A descriptive analysis in the form

of bar graphs and pie charts we developed to present a pictorial view of the responses.

These graphs illustrate the frequencies, percentages and modes of questions that pertained to merchandising practices, preferred prices and potential purpose of purchase.

3.6 Validity and Reliability

Reliability refers to how consistent the measurement of the data is under varied conditions (Hsieh & Shannon, 2005). So consider a person checking their weight during the day on the same scale, they expect it to be the same at any time during the day. Having a scale that reads different weight levels at every use will not be useful for anyone.

Validity pertains to how relevant the data is to the research elements and objectives (Petrocelli, 2012). In a nutshell, validity measures accuracy and minimization of bias whiles reliability focuses the uniformity and these conjoin to allow one obtain valid answers and objectives.

Reliability would be ensured due to the provision of standardized questionnaires for every individual. All data instruments were filled without any duress or influence from the researcher. Individuals who do not understand English would have the items translated to a local dialect they can understand.

Clarity in writing was ensured so that the layperson can clearly understand the framed question in both the questionnaires and interviews. All these features would be verified in the conduction of the pilot test.

3.8 Ethical Considerations

Confidentiality of respondents during the span of this research was assured due to the sensitive nature of some to be provided by the various football clubs and management personnel. For the interviews conducted, participants were not be placed under duress and were permitted to withdraw from the study at any given point. Consent of participants was sought before the dissemination of data collection instruments. All results and deduction were made available to participant upon request. Lastly, all interview questions and questionnaires which involve human subjects were submitted to the Internal Review Board of Ashesi University College for approval before being administered.

3.9 Limitations

One of the limitations of the research was the sample of football clubs not being representative enough due to diversity in the setup and infrastructure available to the different football clubs in Ghana. Secondly considering perspectives and opinions of club managers were highly varied it would be difficult to measure the actual business position and objectives of the average domestic football club. Furthermore, the possibility of exposing details of certain contractual agreements to the public hindered club officials from being forthcoming with information.

Secondly quantitative aspect of this study was reliant on secondary data and literature to buttress the collated primary data. However, failure to find data and literature on the implementation of franchising and licensing within the sub-region caused suggested measures to be skewed towards western methods. Lastly time and monetary constraints greatly hampered the exhaustiveness of this study.

CHAPTER 4: DISCUSSIONS ON FINDINGS AND ANALYSIS

4.1 Introduction

This section synthesizes qualitative information gathered from three Accra based football teams participating in the 2018/2019 season of the Ghana Premier League and quantitative data from football fans within the Accra metropolis. Secondly, insights on how football clubs are impacted by their relationship with the GFA are noted. Lastly the role of the Ghanaian media is assessed and the effects of their activities on these teams are pinpointed.

The objective of these discussions is the development of conceivable policies on how best Ghanaian domestic clubs can apply the principles of franchising, licensing and merchandising to rekindle fan interest and re-launch Ghana football as a viable sports industry involving well compensated stakeholders. The data collection tools used for gathering qualitative data from football team representatives and football fans were respectively interviews and a standardized questionnaire

Results of this study would aid towards having enriched value sports products offered by domestic football teams. Consequently, this would be pivotal in increasing overall quality of the nation's Premiere division. By offering deductions aimed at increasing fan interaction and brand scalability, the problem of plummeting stadia attendance and the loss of talent to foreign leagues can be curbed.

Ultimately, in emulating of the various competitive leagues the Ghanaian domestic scene must figure out how to recapture the attention of the local population. For this reason, the question of interest for this study is (i) how best can the tools of franchising, licensing and merchandising be contextualized to suite the Ghanaian football

industry. To provide sufficient answers and recommendations, collated data encompassed existing management practices of football teams, the role of the media and the role of public or private organizations in the football industry.

In expressing results pertaining to the research question, findings from each football team are expressed individually. The themes under review from interview responses are capital acquisition, brand enhancement and the use of intellectual property. Deductions on the gaps identified under each of these themes are aggregated in one section to reveal how well tools of franchising, licensing and merchandising can be utilized on the domestic scene.

In assessing the findings pertaining to the role of the regulator the themes explored were relatability, management and technology. The themes highlighted for interaction with the media center on relationships and social media. Lastly data collected via questionnaires among football fans prescribe the viable avenues of commerce and demographics of football fans Ghanaian domestic clubs can target for merchandising.

4.2 Summary of collated responses

Dreams Football Club (FC), Accra Hearts of Oak and Liberty Professionals are the clubs noted as participants of this study. A member of management for each club was interviewed. Dreams FC were represented by their administrative manager, Liberty Professionals by their general manager and Accra Hearts of Oak by their commercial affairs manager. These individuals per the definition of their role were actively involved in the daily administration of the club. This allowed them to offer a breadth of knowledge on issues of operations, management and the avenues of sport business in the club's setup.

Similarly, the Deputy Communications Manager of the GFA was also provided information about current practices and regulations that affect the game of football in Ghana. His role as a sitting member of the Premier League board ensured he provided insights on the relationship between the regulator and football clubs objectives. Two media personnel one from Tv3 network and the other, the media manager of Interallies Football club were interviewed to evaluate the impact of the media's activities on the domestic football terrain.

Lastly of the total of 250 questionnaires administered to individuals with interest in football 220 were returned. Out this number 19 of them were incomplete rendering them unusable for the study. Hence the response rate was 80.4% for the quantitative aspect of this study. Given the margin of error 7%, 201 responses were sufficient since it remained within the indicated sample size range for the given population. Respondents were diverse in social perspectives and were from varying communities.

Nevertheless, a factor that slightly alters this feature of the research was the shortage of responses of people aged 45 and above. The inclusive nature of sport ensures that it appeals to various segments of society. This study was set on gaining responses from varied demographics to ensure that the results are more representative.

4.3 Existing practices of domestic clubs and where franchising, merchandising and licensing can affect

To uncover the place of franchising, licensing and merchandising in Ghana's domestic football landscape two ideals must be greatly considered. First, one must understand how the various stakeholders operate as standalones and secondly one must

appreciate how their operations are affected by their interaction with other entities and institutions.

For this reason, each club participating in the study outlined activities that engulf the use of their available properties. Their practices around content packaging and right management were also defined. These findings specified how domestic football clubs create and capture value from their fans. Further inferences then indicate the contexts in which franchising, licensing and merchandising can affect the average football clubs acquisition of capital, brand expansion and treatment of intellectual property.

4.3.1 Dreams Football Club (represented by Administrative Manager)

4.3.1.1 Background and Organizational Structure.

This football team was established in 2009 and runs a fully functional office in Kleiman, Accra. Being one of the youngest clubs to compete in the GPL, Dreams FC has a close knit organizational structure that ensures a fair representation of various branches of the team. The club has a three member executive board chaired by an executive chairman, the other two members are the club president and vice president. The members of this board are also the three shareholders of the club. The chairman is the leader of the club board.

Beneath the executive board is the management board which includes the three executive members and the heads of the various functional departments of the club. The departments are football operations, administration, accounts, finance, scouting, supporter and community relations and communications (public relations). Below this body is the technical team, they handle the tactical affairs of the last level of Dreams FC which is the playing body. The critical operations of the club were identified as

administration, finance, medical care, technical team support, care for playing body and transport logistics. (Administrative Manager, Personal Communication, March 21, 2018).

4.3.1.2 Identified segments of the sports value chain for Dreams Football Club

For Dreams FC one can identify player contracts, media rights and club trademarks and colors as its principal properties. The club is vigilant on how it can benefit from its player contracts in terms of resale and also use its athletes to attract fans from the football community. Regarding the use of their trademarks, the club believes the market in Ghana has not reached its full potential. Hence, they are unable to explicitly use them for financial gain.

In terms of rights management the team faces a limitation as current trends of monetization indicated in the introductory chapter are yet to be developed in Ghana. The team tries to apply content packaging by employing YouTube to release pre-match press conferences. However, there are limitations to what it can present due to media agreements with television partner of the Ghana Premier League Startimes. To make up for this the team has tried to amplify its event management initiatives.

By moving their home games to Dawu, Dreams FC won over the community because the area had just lost its third division club. This move was warranted to ensure the club met premier league standards and gained (Administrative Manager, Personal Communication, March 21, 2018). The introduction of a team mascot has also been a good side attraction for fans. However, this is still not an avenue for revenue generation as it is still in its development phase. Winning over the community was one step for Dreams FC, the next ideal is to attribute more success and build a brand fan would consider worth paying to see.

4.3.1.3 Capital Acquisition

For this club the largest contributor to revenue is stated to be player sales. Though this was regular, it occurred during a specific window limiting the volume of proceeds generated within a football season. For this reason, the team approaches the usage of funds from player sales with more prudence and consistently invest part of the proceeds received and endeavor to use interest accrued as capital to run the club (Administrative Manager, Personal Communication, March 21, 2018).

However, whenever the club is cash strapped the alternative process to raise capital is to turn to the three shareholders who then privately raise funds to support the activities of Dreams FC. This is an indication that the club's self-sustenance as an entity is not at an optimum level and this can be attributed to a failure to explore other revenue generations schemes. According to the Administrative manager, player sales is the major earner from the club and drives its recruitment scheme. This focus on the ideal is confirmed by the fact that the teams "president has a supervisory role over scouting". Suggestively, this ensures the team is able to produce high quality players for sale during the set transfer windows. Clubs in North African leagues and European leagues are the biggest buyers of their top products.

Secondly, the team has six sponsors who contribute to resource generation for the operational activities of the club. In answering the question of how Dreams FC are able to win over corporate bodies, the Administrative manager suggested that "in making proposals to these organizations you have to show them they can also earn directly from you to elicit a positive response from them". This is an indication that corporations in Ghana are not satisfied with just being offered advertisement mileage. Further evidence and instances of how the club is able to provide direct business to affiliated corporations

are divulged in the statement below. The Administrative manager's statement also infers that the club often targets entities that can contribute to their various sections of operations rather than just offer them pecuniary resources.

“.... we target bodies we can give direct business to, so for instance we have a microfinance company sponsoring the club we do business with them with our money. We also have a medical facility sponsoring by taking care of our medical needs so we do direct business with them by recommending their facility to our supporters and other relation for them to make money. We have a laundry company also, aside from the club jerseys that they take care of, we do direct business by having our personnel and relations do their personal laundry with them.”

Lastly, as a step to building a more profitable and self-sustaining club the team is more open to a partnership with other entities. According to the Administrative manager once the investment is deemed enough to furnish the infrastructural ambitions of the club, it will not matter if the potential investment would require a change in identity of the club. Per his contention, “football in this country (Ghana) cannot develop without such partnership.”

4.3.1.4 Brand management

Dreams FC channels a lot of energy into brand management to engage their fans and help them attract sponsors to aid in the running of the club. According to the Administrative manager the club also set out to win new fans, especially the younger generation. Dreams FC believes that by exercising brand enhancement strategies in longevity, the club can match up to the standards set by their European competition.

A strong social media presence is one of the mediums the club tries to efficiently employ when communicating to fans and the rest of the world. Ensuring that relevant content like player signing and player unveilings are well reported on these platform sells the story of Dreams FC. Ultimately the club believes that maintaining a good brand portrays the needed professional outlook and sells the club to a global market.

4.3.1.5 Intellectual Property

In offering an insight to what the club regarded as intellectual property, the Administrative manager indicated the logo, letterheads and colors (flag) were all registered. The team was also in the process of producing an anthem and cheer song which would also be registered. Lastly the club had a mascot which had also been registered with the Registrar General Department. Given this broad scope of intellectual property, it is evident that Dreams FC attaches value to licensing and wants to ensure it benefits from the brand it attempts to define and protect.

However, the Administrative manager was quick to acknowledge that the football club is yet to reap benefits of the structures it has set in place. He stated that in comparison to Europe, activities that involve the use club patents and trademarks are still on the downside. Such activities include merchandising which he describes as an “emerging market” in our parts of the world. For Dreams FC, “these trademarks are registered in hope when the market develops the club can profit on entities or people buying rights to use them for mass production”.

He indicated that due to the absence of third party producers it is “the responsibility of the club, when it finds resources, to do some level of production of these trademarks and sell them to supporters”. Items like replica jerseys, key holders and mugs

are manufactured on a limited basis but generate “negligible” revenue for the club.

According to the club’s administrative, manager they endeavor to do it as it promotes brand visibility. With regard to distribution, “the club does this on its own when it has the required resources.”

4.3.2 Liberty Professional (Represented by General Manager)

4.3.2.1 Background and Organizational Structure.

Liberty Professionals, was founded in 1996 and was one of the earliest in Ghana to adopt a professional approach to the management of a football club. The club begun their football campaign in the Division One League and won promotion to the Premier League by their second season. Liberty Professionals is based in Dansoman and plays its domestic games at the Karl Reindorff Park. Currently they are one of the clubs to maintain regularity in the Premier League and have not suffered relegation since 1997.

Presently “the team has a supervisory board of 5 members” that advises the club on setting it budgets and determining seasonal objectives. The board is dominated by “two sets of shareholders of the club, and decisions made by the board is binding on all aspects of the team.” Primarily the board is tasked with voting in a budget and dictating the seasonal agenda and objective of the team. Core activities of the club is centered around football and funding is in turn central to operation of the club. For Liberty, the shareholders practically “pay for the running of the club.”

Beneath the board is the executive management team. This team is made up of the president who represents and relays ideals of the board, the general manager, a non-executive director and the chief financial officer. Management corresponds with the technical team to make decisions that “affects everything the playing body does.” The

technical team comprises of the first team coach, assistant first team coach, the team manager and the academy coach.

4.3.2.2 Identified segments of the sports value chain for Liberty Professionals

Liberty Professionals identifies themselves as a developmental club and their player development is critical to their revenue model. For the Dansoman based club, property revolves around player contracts. Intellectual property was also identified as an asset, but the team presently had no intentions or channels for using them for profit.

However, one can still notice the club practices good right management by ensuring that all trademarks (name and logo) were duly registered. Regarding event management, the club admits to not having the resources to augment match day experience for fans. Though its home ground has a capacity of 2000 people, match days are pretty straight forward and outside the football game little activity happen to engage fans. Lastly, content packaging is not done by the club as they have no channels for fan to access games and team event.

4.3.2.3 Capital Acquisition

As indicated player transfers was highlighted as the largest contributor to revenue for the team. It was also noted that the shareholders of the team were often tasked with funding the club operations and hence control the direction of the team per season. The club realizes that running their operations is a “highly capital-intensive venture” they make strides to win investors and sponsorship from corporations. Aggregating these responses, we can infer that Liberty Professionals face limited options with regard to using the game of football to expand avenue to obtain capital.

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For this club to comply with its focus “on producing players for sale or transfer market”, it endeavors to invest in critical aspects of player modeling. Activities like scouting are highly prioritized and Liberty takes it a step further by investing “in a specific playing style and a certain kind of education for players the club is looking to transfer.” For them the buyer could be any team on the condition that they match the price tag of the said player. Inferably, the club would constantly have to recapture equally capable players after every transfer window and this hurts their chances of being world beaters on the domestic scene.

Secondly the dependence on shareholders to fund the operations of the club on a seasonal basis indicates the inability of the club to generate enough profits from its domestic football activities. In turning to the third wheel of the revenue generation engine, which is sponsorship, the club has indicated it has been able to secure some arrangements with private corporations. “Betway and Paradise pack are some sponsors that are on board with the club”. In the statement below, the General Manager indicates the factors that he believes would see a football club get a positive response from a potential sponsor. He also indicates how Liberty is positioned to ensure corporations identify with their ideals and come on board as sponsors.

“...it depends on what the entity is looking for, certain sponsors are interested in big clubs. Being a community-based club we are not going to have 10 thousand plus people behind us. So, what we try to sell to these companies is our community background and the fact that we are very family oriented as club in that regard. We are also a development club and hence it is very easy to tie in with the few sponsors we have brought on board.”

Irrefutably, Liberty Professionals is set on maintaining professional standards and also exploiting their business model meticulously. Asked about the opportunity to become a franchisee to a more establish club, the General Manager indicated that the decision is solely dependent on the shareholders. However, any offer that requires “a merger of clubs is not option for the club”. Liberty Professionals inferably want to safeguard their identity and cultural backing. A viable partnership for a franchising offer would be dependent on the terms. Inquiries made would divulge the reputation of the potential partner and their set objectives. This will ultimately influence Liberty Professionals decision.

4.3.2.4 Brand Enhancement

Liberty Professionals FC detailed methods the employed in a bid to maintain brand visibility and brand equity. The club prioritizes maintaining a good brand primarily because “they need to keep sponsors happy and make efforts at winning new ones.” Secondary to this rationale is the desire to showcase the Liberty Professional Club’s “rich history”. To maintain relevance and a strong brand, the club leverages on its “colors, logos and former players”.

For Liberty Professionals “a friendly relationship with the media” is critical to portraying a polished brand. The club has “never had to go on a crisis management situation” and hence consider their relationship with the media as fair. The second wheel that churns brand enhancement is the use of social media. The General Manager describes the clubs use of social networks like Facebook and twitter as “efficient”. These are the methods outside game day publicity the club use to bolster their brand.

4.3.2.5 Intellectual Property

Liberty Professionals considers its logo and name as intellectual property. These trademarks have been duly registered and cannot be used by other entities without necessary permissions. Though the club “cannot lay claim to intellectual property of the players, they consider their contracts as shared intellectual property”. According to the General Manager, unless there is a complete takeover you would not see Liberty Professionals sell its name or logo. The best ways Liberty Professionals are benefiting of these registered assets are their player contracts which as indicated the club considers shared property (Personal Communication, General Manager, March 28, 2018).

The General Manager affirms that merchandising is marginal contributor to club revenue. He indicated that given a scale of one to five, the contribution of merchandise sale to revenue would be ranked at two. The Dansoman based club has secured a kit partner in Marniak Sports. These third-party apparel designers handled the production and distribution of club merchandise, primarily jersey. The terms of this partnership could not be revealed as they club deems them as not “ideal for public consumption”.

4.3.3 Accra Hearts of Oak (Represented by Commercial Affairs Manager)

4.3.3.1 Background and Organizational Structure

Accra Hearts of Oak is professional football club based in Accra, Asylum Down. The club was founded on 11 November 1911 and have been perennial Ghana Premier League participants and constantly contend for the top half berth. Ultimately, the team has 19 domestic league titles, 10 domestic F.A. Cups and 3 continental trophies. These successes have earned it the accolade of being one the leading clubs not just in the

country but in the whole of Africa. Currently, the team hosts its home games in Cape Coast as its regular home ground, the Accra Sports Stadium, is under renovation.

The club has a board headed by a chairman in the person of Togbe Afede XIV. He is the majority shareholder of the club since the club floated shares in 2011. Supplementary to this board are club patrons that play an advisory on governance and policy. Beneath the board of shareholder is the management board which houses director of administration, commercial affair manager, team manager and director of finance. This body manage the day to day running of the club. Accra Hearts of Oak “has a team of like-minded individuals with positive objectives for the club”. The team believed that floating shares would make fans feel closer to the team and contribute more to its success.

4.3.3.2 Identified segments of the sports value chain for Accra Hearts of Oak

The team has identified its properties to be its player contracts, its shares and its club brand. Player contracts are very critical to the revenue schemes of the club as player performance directly affect the fan involvement and commercial activities. According to the commercial affairs manager the fan base of Hearts of Oak, popularly called “Phobians”, are very volatile. On pitch success is critical to maintaining their loyalty and repeat purchase of match day tickets and club merchandise. However, the primary rationale for care for contract is to ensure each player has high resale value.

Building on their use of properties such as trademarks and patents the team has employed general rights management practices to protect them for illegal use. Accra Hearts of Oak has been able to carve a niche as one of the leading sports brands in Ghana considering the exclusivity of its colors. The team’s famous motto: *“Never Say Die, until*

the Bones are rotten” relays the concept of dedication and never giving up. This has been relatable for years to the average club fan and several football neutrals alike.

Hearts of oak commercial strategy map

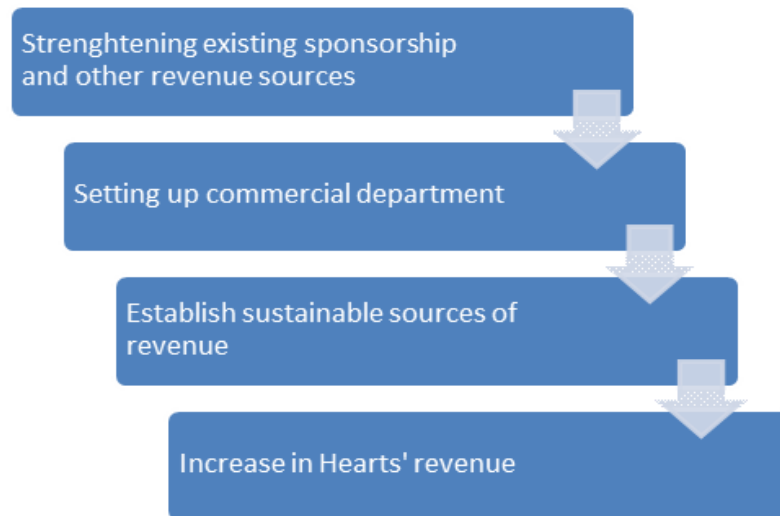


Figure 6. Source: *Accra Hearts of Oak Share Offer-Prospectus (2011)*

In **figure 6**, we see the projection of how content packaging could offer the club more revenue streams. According to the commercial manager, the inception of the commercial department preceded the floating of shares to the public. The idea was to create more avenues for the club to be self-sustaining with regard to revenue generation. Ultimately, content packaging for Accra Hearts of Oak comes in the form of a stronger web presence and an expanded scale of merchandising activities. Increasing retail outlets are some steps the club has taken to expand its commercial campaign.

4.3.3.2 Capital Acquisition

Running a sport entity is a very capital-intensive venture and Hearts of Oak have employed several innovations to stay afloat and oversee their operations. In 2011 the club

floated 20,000,000 shares at GHp 50 to try and raise funds from the public. Togbe Afede XIV became the majority shareholder of the club in 2011. Outside the Initial Public Offering, the club also attempted to explore match day gate proceeds as an alternate avenue for revenue generation. According to the commercial affairs manager, this has been on the decline due to low attendance and presently the need to move home games to Cape Coast.

Similarly, player sales are also an avenue and model which the club employs to make revenue. The commercial affairs manager believes that it would take an increased level of organization to allow local clubs enjoy a greater share of the transfer market. Nevertheless, Accra Hearts of Oak is labeled as a powerhouse of football in the country and to maintain this identity they tend acquire more player contracts than they lose. He made this assertion in relation to other domestic teams in the country.

The club also depends on sponsorships for an expanded pool of pecuniary resources. According to the general manager, winning sponsorship revolves around the clubs well established brand and strong following. Most partners are on board with the club because they believe that it has the numbers and brand affinity to give their product or service the required mileage. As indicated the team believe that better organization is necessary for the game of football on the continent. Considering it has placed its share on the stock market, Accra Hearts of Oak is “open to becoming a franchise of any existing investor or investment group” at the risk of a possible change in identity and brand.

4.3.3.3 Brand Enhancement

Accra Hearts of Oak channels a lot of energy into good brand management practices to attract sponsors, retain existing ones and win potential investors. The club

believes that “the fans and individual are the core and central to the success of any team”. Considering the modern era, it is no surprise the mediums chosen by the club include internet and social media. Active social media accounts and running a website is a step the club has taken to engage its fans and neutrals alike.

Secondly, community initiatives and fan engagement programs are expected to take place before and after games to have the in tune with club activities. Primarily a good brand wins more attention, and this increased the scope of broadcasting. “In the past only, commercial activities and match day revenue contributed to team revenue but things are slowly changing”. The commercial affairs manager admits to the fact that those numbers might have seen marginal increases but still do not impact club revenue. The club wants to tap into this model of earning a lot more from media attention.

4.3.3.4 Intellectual Property

The team cheer, logo, colors and name are among the items considered as intellectual property for the club. “Accra Hearts of Oak preserves this heritage” to ensure to that the club can benefit of their predicted growth of sports business in Ghana. However, they are open to partnerships that could require a change in these assets because “they believe that is the only way football in Ghana can develop”. Acquiring the skills from investors who have operated in a better placed football league would be helpful to the club and Accra Hearts of Oak.

The commercial department was set up to discover more avenues for the club to benefit of these assets. Merchandizing is one of the primary customs the club wishes to enhance their revenue generation. Barex is the kit partner of the club and they handle the design and production of the club’s kit on seasonal basis. The terms of the contract were

not revealed however the commercial affair manager indicates that distribution is a shared responsibility. The club has established hearts fans chapter system and regional club houses and outlets that fans can go to purchase these merchandises. The club also has a women's supporters wing "Hearts Ladies" who potentially buy hearts merchandise.

4.4 Role of the regulatory and complementary sectors

The activities of these football teams do not occur in isolation, several institutions affect their playing and business environment. In trying to develop the best context in which these principles of franchising licensing and merchandising can be relevant, it would be adamant to ignore these entities. Hence the need to assess the roles of the regulator of the league which is the GFA and the outlet of the product which is the media. Together, these institutions control the presentation of what is the final product of the said football teams. In this section some analyses of how these two bodies can affect the franchising, licensing and merchandising strategies develop would be conducted.

4.4.1 The Ghana Football Association (Represented by the Deputy Communication Manager)

The GFA is regarded as the "regulator, manager and organizer" of football and all football related activities in Ghana. It exists as the conglomerate of the various subcommittees, bodies or associations the represent the varied levels and demographics that participate in football within the country. As an entity the GFA is the organizer of all domestic league competition. It arbitrates and sanctions when teams default set regulation. For the domestic club the GFA regard them as "member of the body and not mere practitioners".

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The Deputy Communications Manager pointed out that since last year, the GFA has remained autonomous of the National Sport Council. FIFA initiated such policies to promote the independence of the game of football and limit the possible instances of politicization of the sport. This indicates that the domestic league as an entity must begin to decipher better avenues to maintaining and running a profitable with limited role being played by the government of Ghana. Currently, the existing avenues for revenue generation include membership fees and monetary sanctions or fines. Outside this the GPL currently has no headline sponsor and this can affect the reward attached to winning the league.

“As an association there are only regulatory restrictions to full ownership of football team once the buying entity is another football team (Deputy Communications director, March 23 2018). Hence franchising can occur within this framework once the designated owner is company or an individual. Secondly the GFA hand “full responsibility of team patents and trademarks to the teams to register and monitor for misuse”. The GFA also sets the transfer window and regulates authorizes transfer deals. Ultimately the GFA does not control the licensing activities but only requires that the team is registered as an entity. Lastly, the GFA is not the recipient of national stadium levies. “Rather teams broker deals with the NSA on percentage of gate proceed they are to receive on match days. This system is helpful because a fixed hiring cost would be too steep for the clubs but with this system if you are not making a lot of money you do not pay much” (Deputy Communications director, March 23 2018).

So in the face of the international competition the GFA is attempting to buttress the efforts of the GPL by capitalizing on its strong relationship with the media to better

publicize the game. He however suggested that domestic clubs partner with international teams to “better learn the value of data and fan relations”. He said, “This is one of the avenues to bring the game to the younger generation and have them gain more interest in domestic scene.” From this we can identify themes of independence and the need to involve technology in our football. However as entities the clubs lack the financial capacity to initiate such a wave. This another gap identified in the operations of domestic clubs that can be filled by tailored franchising practices.

4.4.2 The Media and the Football Industry

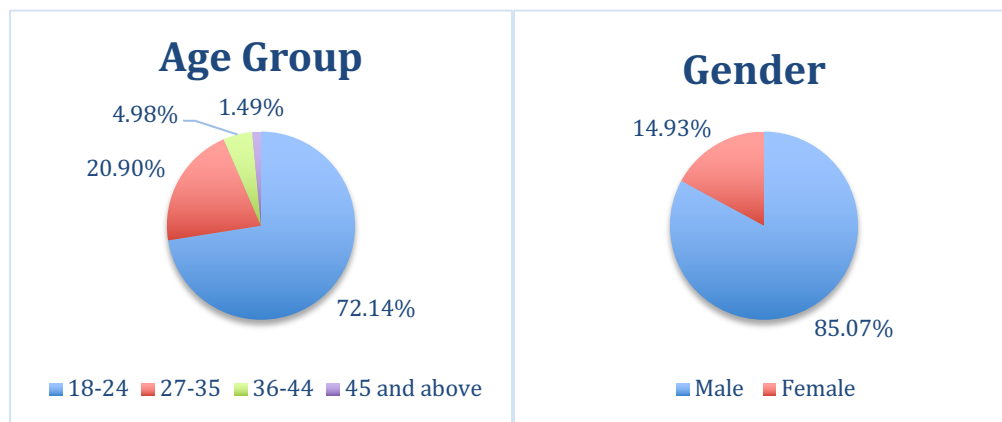
One of the three themes central to the relationship between the media and the domestic football club were identified as strained relationships. For both media personnel they suggested that the media house and clubs have a strained relationship. The first person attributed this phenomenon to “the media are quick to report unconfirmed stories without making necessary contact with clubs”. However, the second indicated that “clubs were slow to providing information to club with their related activities”.

Secondly, they identified that revenue generation was generally low and that football clubs only used one primary route of revenue generation. Relying only on player sales, clubs have ignored channels that could be buffed up by improving club interaction with their fan base. Also they seek for more for monetary sponsorship rather partnership that can enhance their operational activities. These neglects have led to a weakened culture of brand management among premier domestic teams.

Lastly, international mileage was identified as the necessary ingredient to rekindle the mileage domestic clubs gained by the greater audience. One of the identified means for positioning the domestic teams to win back its audience “is the effective utilization of

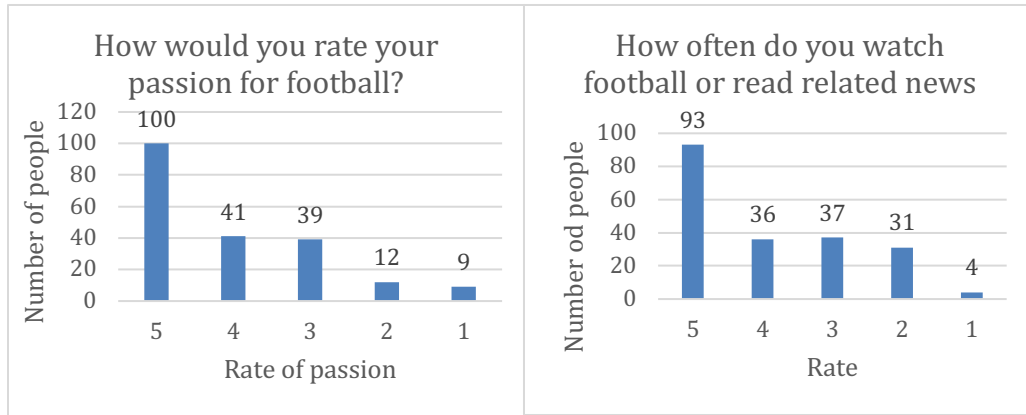
social media”. The other was partnerships with international to clubs to help give the domestic teams more “international mileage”. Essentially, it was eminent that local teams managed their brands more efficiently and engaged the media more to create better avenues for revenue generation they could exploit

4.5 Descriptive Analysis assessing the viable target audiences and avenues for the commerce of domestic club merchandise



This section labels responses from various respondents to a standardized questionnaire and describes the impact of their responses on the study. Inferences generated are linked to those collated from the qualitative data gathered to better argue the need and avenue for domestic clubs to initiate merchandising or improve the existing ones they have. It also reveals how the various demographic groups can be exposed to such advertisement schemes. Primarily the objective of this section is to give one an idea of how the position of domestic football is in the minds of the average Ghanaian and how to better model merchandising to meet this audience. The graphs above represent the proportion of male and female respondents. Also, this shows the age demographics represented in this pool of respondents for this study.

4.5.1 Passion, following and patronage.



Graph 1.0

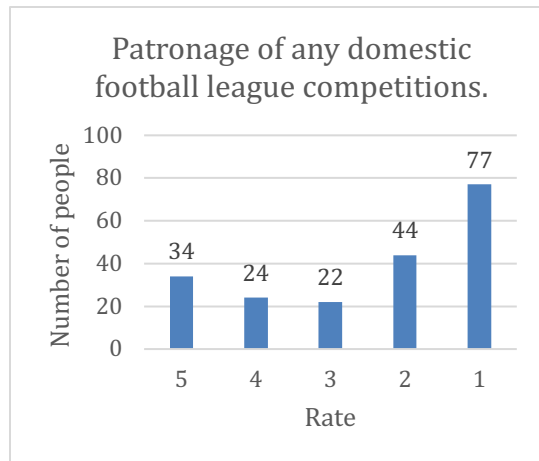
Graph 2.0

Source: Field Data

(Scale of 1-5, 1=Never, 2= Rarely, 3= Occasionally, 4= Often, 5= Very Often)

From *Graph 3.0* we can further infer that these fans mostly follow international football related activities and leagues. Approximately 71% of respondent suggest that there is no regularity in their following of the domestic scene in Ghana. Choosing from the give scale of one to five, only 58 (rate 4-5) respondents indicated that they followed the domestic league campaigns with regularity. This confirms the assertion by the GFA Deputy Communications manager that domestic clubs are not doing enough to relate to their target audience and consumers. Also, the lack of patronage can be identified as a factor in the limited revenue generation avenues indicated by the clubs that participated in the study. However, the few regular followers indicate their willingness to opt for a seasonal subscription for a domestic team merchandise. *Graph 4.0*, suggest that 91% of domestic league followers willing to adopt a subscription model for merchandise purchase rather than buying on a unit bases.

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Graph 3.0



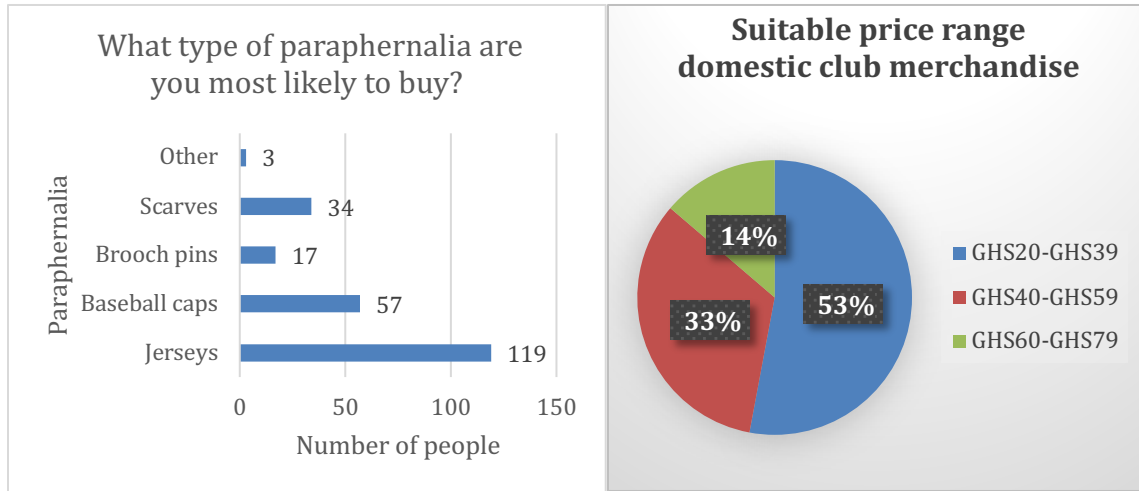
Graph 4.0

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4.5.2 Product types and fun budgets.



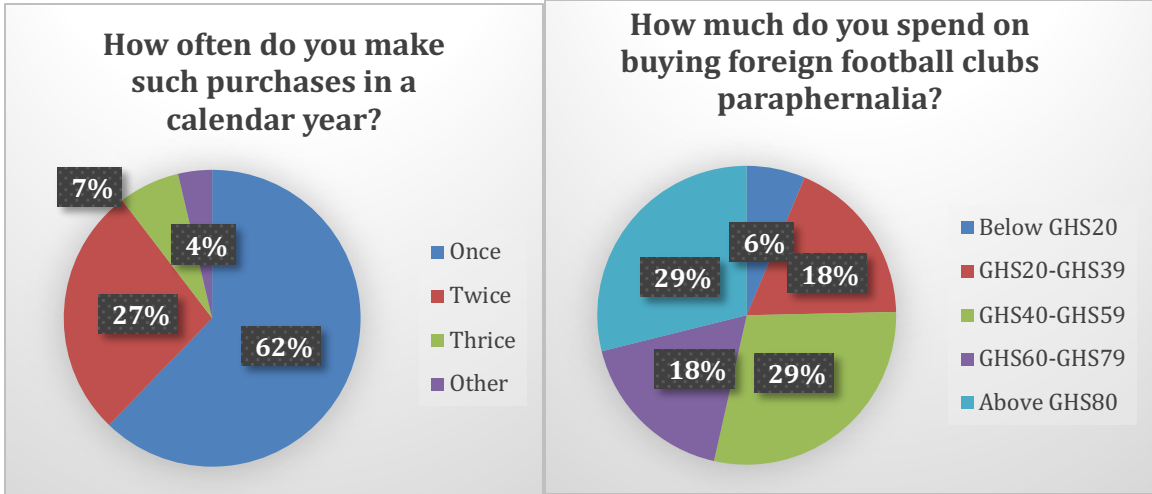
Graph 5.0

Graph 6.0

Source: Field Data

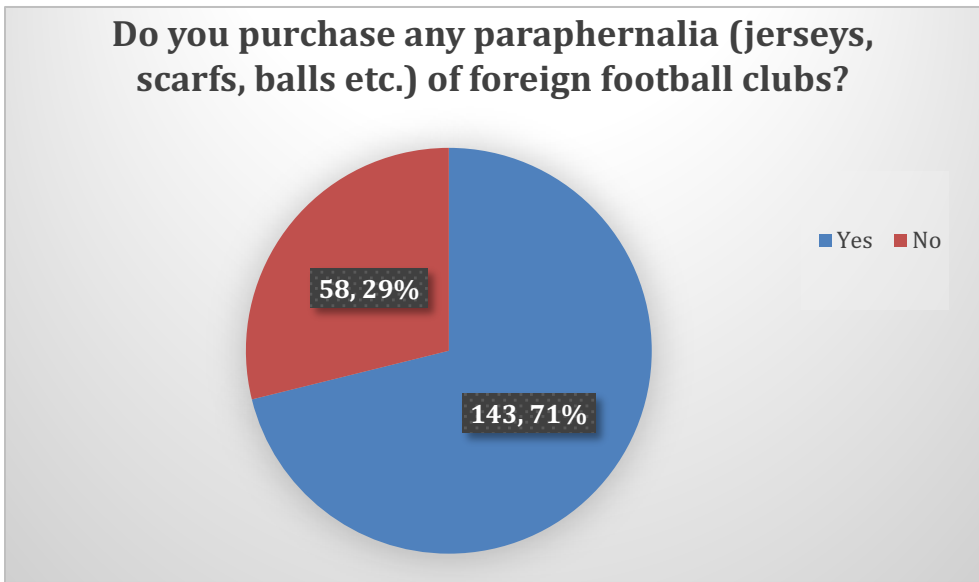
In identifying the most popular fan merchandise it was realized that the most popular item for sale would be replica jerseys which recorded a frequency of 119. Scarves recorded a frequency of 34 and baseball caps recorded a frequency of 57. Individuals were given the option of listing items which were not included on answer list. Other options presented included mugs and branded t-shirts. Conclusively, Ghanaian football fans preferred apparel they could wear on a regular basis. In choosing this item, 53% of respondents also indicated that for a unit item they were willing to pay around GHS20 to GHS39. 33% which is a reflection of 51 people were willing to pay GHS40 to GHS59. The remaining 14% were willing to pay up GHS79 for merchandise from a domestic league side.

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Graph 7.0

Graph 8.0



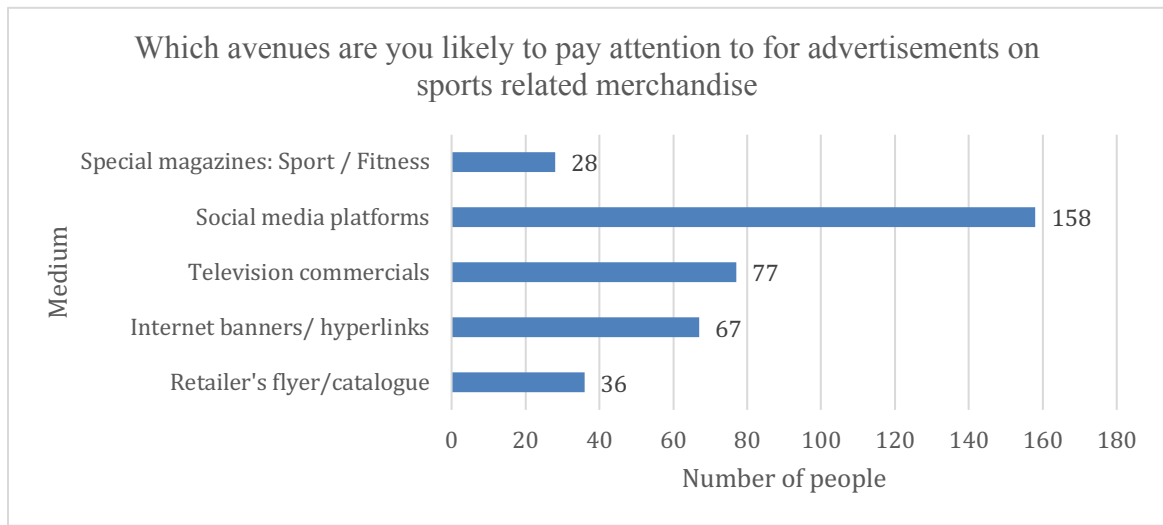
Graph 9.0

Source: Field Data

Juxtaposing this with how much the average consumer spent on foreign club paraphernalia. It can be inferred that there exists some dimension of inferiority complex in the mind of Ghanaian football fans with regard domestic paraphernalia. In Graph 9.0 we see that close to 143 of football fans who participated admitted to buying foreign

football clubs. As shown in *graph 7.0* approximately 62% of this number made this purchase once a year and the remaining 38% made two or more purchases within a calendar year. Also, *graph 8.0* indicates that 29% spent more than GHS80 for the merchandise procured and 29% also payed GHS40-GHS59. Only 6% payed GHS20-GHS39 for a unit item of merchandise which is the same price majority indicated they had bought or were willing to buy local club merchandise for.

4.5.3 Purpose of purchase and method of commerce



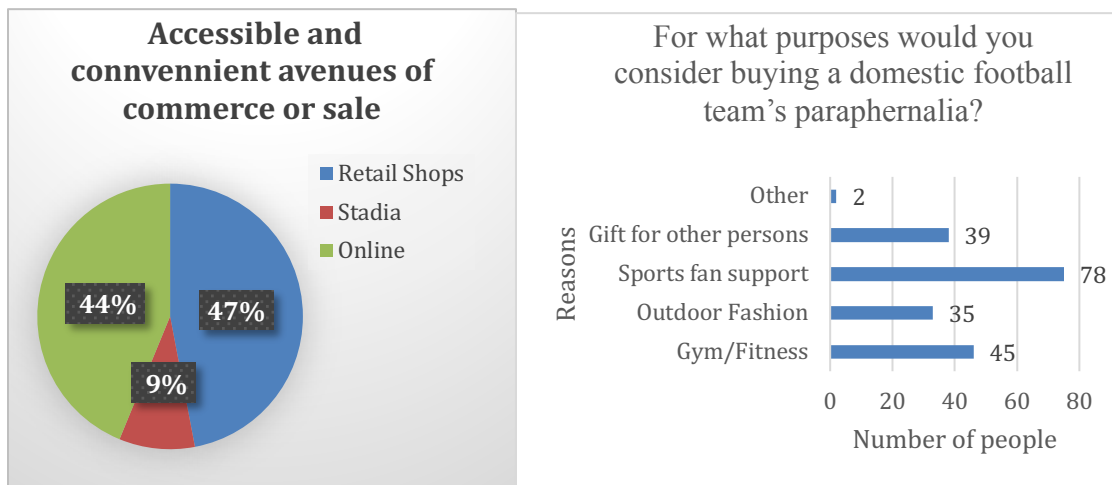
Graph 10.0

Source: Field Data

To efficiently sell merchandise, teams must be able to identify the best avenues they could advertise their merchandise to the masses. Football enthusiasts were engaged to divulge all possible advertisement avenues they were more likely to pay attention to. Social media platforms recorded the most frequency of 158. Television commercials recorded a frequency of 77 and whiles internet banners and hyperlinks recorded a frequency of 67 people. However, with items related to print media, that is, special

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magazines and retail flyers or catalogue recorded frequencies of 28 and 36 respectively. Considering the three the leading choices among respondents, focus must be placed on digital media and the internet. Also, with the majority of the respondents being of a younger demographic it is expected that social media would their preferred source of information (Lenhart, Purcell, Smith, & Zickuhr, 2010). This affirms inferences gathered from interaction with the media personnel that efficient utilization of social media was pivotal to the success of merchandising for domestic clubs.



Graph 11.0

Graph 12.0

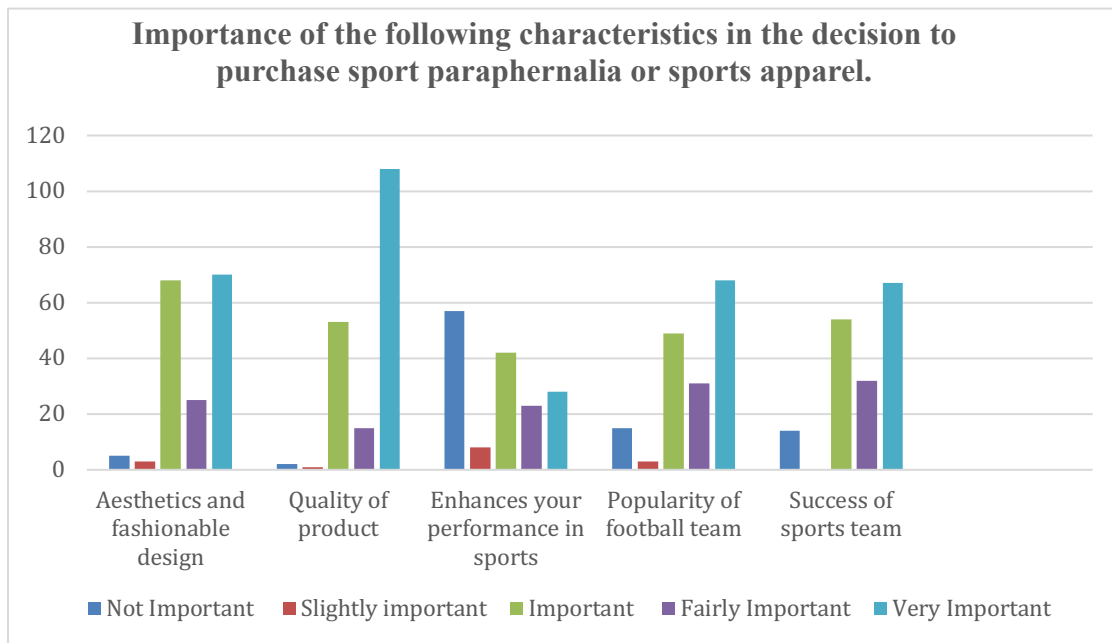
Source: Field Data

For football fans within the sampling frame fan support would be the paramount rationale for purchasing club merchandise. With a frequency of 78 it is the expected to be leading rationale behind any fan purchase of club merchandise. Outside being a fan, clubs could make merchandise purposed the gym and fitness setting the second leading motivation for a purchase with 45 responses. Outdoor fashion was the least patronized purpose of purchase recording a frequency of 35.

Also 44% would want to make this purchase via an electronic commerce medium.

This indicates that the team’s online presence should go beyond advertising and initiatives for fun interaction. Fans are expectant of using convenient and simple online platforms to order sports merchandise and have them delivered. This buttressed by Marilou Ioakmidis (2010), whose study on how online marketing can help sports club better engage fans reveals that in modern times the critical foundation for developing a fan base is the ability to develop a strong online presence for both marketing and commerce. However, 47% are still more likely to use retail shops indicating that there is a need to increase distribution outlets for access to fans.

4.5.4 Answering the question of what influences a purchasing decision



Graph 13.0

Most potential consumers attach a high level of importance to the quality of the product the all other features. This indicates that the average fan to patronize a product it

must match global standards and must last long. Secondly, there is the need for good designs and aesthetics to also be prioritized in the production of merchandise. The least prioritized factor or feature is the how it enhances performance of sport performance for the consumer. Ultimately in the production of club merchandise clubs must ensure product meets quality standards and must be focused on more wearable items. Secondly once the product is of good design there is no need for the club to be popular a successful, they would buy it based on fan support.

4.6 The place for franchising, licensing and merchandising in the Ghanaian domestic football landscape.

The objective of this section was to aggregate all information received and uncover finding pertaining to the research objective and answering the research question. This chapter primarily identifies practices of participating teams and this concluding section highlights on how the concepts of franchising, licensing and merchandising, affect the present activities. The conceptual framework breaks down the metric of performance into the team's ability to acquire capital, maintain a strong brand and how to benefit of their intellectual property. Below is a summary of the insights gained specific to each objective.

1) Gain insights of the general practices and processes football teams in Ghana Premier League employ in their operations.

Dreams Football Club and Liberty Professionals employed a more close knit structure to raising capital. Owners were few and had to privately raise funds in the instance of shortage of funds. For both clubs, management suggested that to be a self-

sustaining entity sponsorships were very critical to executing their operations. However, Accra Hearts of Oak use a different approach to accessing capital. They turned to issuing shares to the general public to raise capital.

For all three clubs, winning sponsors boiled down to how corporations to relate to the ideals of the club. For Dreams Football Club they sold the offerings of direct business in return for partnership. Liberty Professionals present a family-oriented club which would enshrine your presence in their community of operation. Hearts of Oak presented affiliation with a leading brand in Ghanaian sport and local mileage.

Player sales were the primary earners for all three clubs and all three clubs identified a limitation in alternate revenue sources. For Dreams FC merchandizing was dependent on resources available to them. However, both Liberty and Hearts of Oak had third party kit designers who handled the production and partially arranged for the distribution of the merchandise. Lastly, all three teams were conclusively open to franchising, but it revolved around consideration of the terms.

2) Highlight avenues the Ghana premier league can be augmented using tools or activities related to franchising, licensing and merchandising.

In applying these systems, one must understand that franchising offers **innominate contracts** (Grzelak & Matejun, 2013). That is, these contracts allow for both parties to shape the contents of the agreement. Hence if a team wants to be a franchisee but want to keep its colors or logo it is dependent on the ability to negotiate. Secondly, franchising presents the franchisee with long term support and cooperation for the franchisee and an avenue for long term financing from the franchisor.

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In essence the franchisor builds on offering immediate assistance for potential gain upon the success of the sub entity. In the world of sport, it can come at the risk loss identity and the idea of loss in indignity. However, the success associated to being a franchise is becoming a dominant local brand with enough experience to venture of at the end of the franchising contract.

Dreams Football Club and Liberty currently needs a partnership to help in their capital structure. The club also need an avenue to minimize the cost of producing and distributing it merchandise. Primarily the club has applied a lot of care to intellectual property ensuring that it brand is not just recognizable but also not imitable by other. Secondly, the understanding that the club acknowledges the Ghanaian sport business environment as an emerging market is a positive perception.

Business-format franchising is an ideal that provides a detailed operational system for the franchisee. The goal is to support them and ensure their capable of being independent and managing their own business (Minute Man Press, 2013). In the case of Dreams FC and Liberty Professionals they have a defined identity looking to complement it with a more assuring business structure.

In partnering with a sports franchise, the mentioned clubs must negotiate a deal that allows them keep aspects of their identity (mascot, colors) but should advocate for access to management expertise and technical expediency. The goal in this franchise system would be for fans of the club get the same experience with regard to use of properties they would have had from the franchisor. These are steps toward increased international mileage for the club and ultimately the Ghana Premier League. Existing

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instances of such franchises include RB Leipzig (Germany) and New York City FC (USA)

For Hearts of Oak having floated shares would mean they would be exploring franchising by ownership. As a leading sport franchise on the domestic scene it is a safe option for an individual who wishes to own a franchise without the trouble of setting it up. Whether new or familiar with the concept of franchises the new owner saves time and may have to make strict amends to the club bring around in terms of revenue avenues being expanded. This system is simply regarded as existing franchise and it's the simplest concept of franchising (Masseti, 2013).

Licensing of intellectual property has been very keen on the domestic scene. However there has been the lack in the market to build one registered trademarks for profit. Essentially one way to start filling this void is to allow small and medium scale businesses use club brands in their business sign posts and advertisements. Allowing the corner store in the communities to have their shops sprayed in the colors of various league clubs sells the team more to locals. As indicated by the representative of GFA, teams are losing touch with the community and these simple acts could be a way to reposition domestic football in the minds of a younger generation.

Lastly, domestic clubs are merchandising on a small scale and they do it not for profit but appease won audience and fans. A club like Dreams FC does not have enough resources to produce on a large scale and clubs like Hearts of Oak and Liberty Professionals are limited in terms of distribution outlets. Hence it can be concluded that commerce activities stall the events of merchandising for domestic clubs.

Since the regulator regards them as not just practitioners, the GFA can consolidate their merchandising efforts by leading the advertisements and commerce channels.

Social media is ubiquitous and presently almost every citizen on the world is a member of at least one platform. Marketplaces are very common now on these social media platforms and it would be a good initiative for the GFA to have a market space of its own. Here all clubs can put up their available merchandise and promote it on the GFA platform and deliver to service. As the quantitative data proved only 9% are likely to visit stadia. So, since they face a limitation in retail outlets, stakeholders being the club, the regulator and the third party kit partners must explore the option of online commerce

3) Investigate how an improved local football industry can contribute to increase in viewership across all participatory levels of domestic football.

First the issue of the Ghana Premier League not receiving the necessary attention is a resultant effect of the lack poor content packaging. In struggling to attract locals to stadia, like Fosu (2015) indicated, teams have also not innovated ways to get the game to fans. The limitation of the three participating clubs to creating their own content is caused by contractual agreement with the leagues official television sponsor.

Also, Esson (2015) indicates the quick migration of player out of the league affects the quality of the clubs and the competition. This is confirmed by the fact that player sales are the driving revenue source of the league. Given the ability to create and explore new revenue sources teams could be able to retain their star players and not have to sell them off at the peak of their performances.

CHAPTER 5: CONCLUSION AND RECOMMENDATION

5.1 Conclusion

In introducing the concept of sport business in Ghana this text first defines what the global sport industry represents. In essence the industry is a market where products offered are related to a particular sporting disciplines like football, hockey or basketball. Prakash (2015) suggests that the purpose of these offerings is to create and capture value from sports fans and enthusiast. Hence a hierarchy of regulatory bodies and organizations were established to maintain fair competition among participating entities or clubs.

Ultimately this study is built on a conceptual framework that identifies franchising, merchandising as independent variables and monitored how they affect the dependent variables of the sports value chain. Collignon, Sultan, and Santander (2012) defines elements of the sports value chain as properties, rights management, content management and event management. In the scope of the Ghanaian football stakeholders identified include government, football clubs and sports fans.

The problem of migrating players and lack of efficient management and marketing strategies greatly impacts how the Ghana Premier League can compete with European leagues. The rationale behind choosing franchising and licensing is endorsed by Paul Willie (2017) as he applies it to managing service demand for club and capital acquisition in Canadian domestic sport leagues. Grundy (2004), also indicates that merchandising has been explored by several sporting clubs to enhance brand pervasiveness and capture value. Hence these principles are confirmed as applicable to the sport industry and instances of their applications are cited.

The objective of this study has been to identify the various management practices of domestic clubs in Ghana. Secondly to gauge how the Ghanaian domestic landscape would accommodate the principles of franchising, licensing and merchandising. Drawing on a mixed design this study harness data from both qualitative and quantitative instruments to answer the intended research question of the study which is (i) how best can we contextualize the tools of franchising, licensing and merchandising to suite the Ghanaian football industry?

Findings gathered from 3 football clubs participating in the premier league, 2 media personnel, the GFA and 201 respondents were synthesized to arrive at critical findings. First, teams are struggling to maintain revenue streams and often depend on player sales and sponsorship. Secondly, intellectual property was fully legitimized, but the clubs had not identified the best way to use it. The regulatory body and the media suggest that clubs must find ways to appeal more to their communities and the younger generation with their trademarks and patents. Lastly distribution outlets of merchandise was hard for older clubs while newer clubs struggled with acquiring enough resource to produce.

5.3 Recommendations

In the defining the best contexts in which Ghanaian premier league teams can apply franchising, licensing and merchandising. Below are recommendations of how clubs can build on these contexts to develop the sports business environment in the country. Essentially these three suggestions can help domestic clubs gain more revenue and win over new fans:

1. In using business format franchising clubs must endeavor to build on their application of technological tools in their administration. Data around communication details of fans would help clubs build a relationship with supporters. Also, with the access they gain to management expertise clubs should adopt conducts of content packaging and use social media to propagate it.
2. Intellectual property represents the identity of the club and these are the emblems that fans relate to. By working with small stalls in communities and having these trademarks painted around the club grows closer to the people with it home community.
3. Merchandising is limited because clubs and kit partners lack efficient distribution channels. The study identified that online and retail shops were primary commerce option for fans. However, clubs do not have the resources to expand retail outlets. Hence turning to online commerce by starting Instagram shops backed the regulator which is the GFA is a simple way to expand reach of merchandise

5.2 Limitations

This study was not incessantly perfect but faced a few obstacles in its execution. The primary limitation of the study was the reluctance of clubs to reveal nature of agreement terms with kit partners. This hindered the depth of the study with regard to how clubs in Ghana relate to third party operators and which entity benefits more from these agreements flows.

Secondary to this was the lack of data and documentation of activities related to revenue generation from clubs. A lack in concrete evidence to measure which

instruments contribute more to resource generation stifled the depth of estimating the processes of capital acquisition.

5.3 Recommendations of further study

The following are some recommendation of how one can advance the study of this topic:

1. Exploring the effect of each of the principles, that is, franchising, merchandising and licensing as unit events to understand how they affect the sports industry.
This would offer more depth to how to apply them in Ghana and other developing football leagues globally.
2. The effects of player migration to Europe and Americas from Ghana on the individual players, the local teams and the domestic leagues can be investigated.
3. In understanding what contexts Ghana can apply imported business concepts in the sports industry a study on how juvenile football can be affected by an improved and more professional sports business environment

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Appendix

Table 1

Accra Teams
Accra Hearts of Oak- One of the leading football teams in Ghana, founded in 1911 the club is one of the most decorated clubs in the country
Accra Great Olympics- Founded in 1954, the club is one of the oldest clubs in the country. Currently Olympics is in the Division One League but this does not discredit their 2 time championship reign
Liberty Professionals- In 1996 Liberty Professionals was founded and within their second season they had won promotion to the premier league. Though considered a premier club the league has never been able to win the domestic GPL
International Allies FC – An Accra based club formed in 1996, this team is a perennial participant in the GPL since it won promotion in 2013.
Dreams FC- In 2009 the club was formed and by 2014 it was promoted to the second level of the Ghanaian football league system in 2014. In 2015 the club debuted in the premier league but sunk back in relegation.

Table 2

Premier League (2016/2017)		
Team	Stadium	Location
Aduana Stars	Agyeman Badu Stadium	Dormaa Ahenkro
Asante Kotoko	Baba Yara Stadium	Kumasi
Ashanti Gold	Len Clay Stadium	Obuasi
Bechem United	Nana Gyeabour's Park	Bechem
Berekum Chelsea	Berekum Sports Stadium	Berekum
Bolga All Stars	Bolgatanga stadium	Bolgatanga
Ebusua Dwarfs	Cape Coast Sports Stadium	Cape Coast

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Elmina Sharks	Nduom Sports Stadium	Elmina
Great Olympics	Accra Sports Stadium	Accra
Hearts of Oak	Accra Sports Stadium	Accra
Inter Allies	El Wak Stadium	Accra
Liberty Professionals	Dansoman Park	Dansoman
Medeama	TNA Park	Tarkwa
Tema Youth	Tema Sports Stadium	Tema
Wa All Stars	Wa Sports Stadium	Wa
WAFA	Sogakope Stadium	Sogakope