

Blue Ocean Strategy in the Soccer Sector: A Real Madrid Case Study

La Estrategia Océano Azul en el sector del fútbol: un estudio de caso del Real Madrid

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Abstract. The present study aims to analyze the management actions adopted by the Real Madrid club through the lens of the Four Actions Framework of the Blue Ocean Strategy. It is a systematic literature review using the methodology *Methodi Ordinatio* and employs content analysis as the analytical approach. Searches were conducted in the Web of Science, Science Direct, and Scopus databases in May 2023. The research portfolio included 19 articles. The analytical content analysis procedure was carried out using NVivo Pro 14 software. Applying the Blue Ocean Four Actions Framework provided insights into Real Madrid's management strategies and business success. The findings illuminate various aspects of Real Madrid's operations, encompassing website structure, values, communication strategies, management approaches, financial performance, and areas for potential enhancement.

Keywords: Blue Ocean Four Actions Framework, Real Madrid club de fútbol, management strategies, soccer club management.

Resumen. El presente estudio tiene como objetivo analizar las acciones de gestión adoptadas por el club Real Madrid con la lógica del Framework de Cuatro Acciones de la Estrategia Océano Azul. Se trata de una revisión sistemática de la literatura, realizada utilizando el *Methodi Ordinatio*, y con el análisis de contenido como procedimiento analítico. Las búsquedas se realizaron en las bases de datos Web of Science, Science Direct y Scopus, en mayo de 2023. El portafolio de investigación estuvo conformado por 19 artículos. El procedimiento de análisis de contenido analítico se llevó a cabo utilizando el software NVivo Pro 14. La aplicación del Framework de Cuatro Acciones del Océano Azul proporcionó información sobre las estrategias de gestión y el éxito empresarial del Real Madrid. Los hallazgos resaltan varios aspectos de las operaciones del Real Madrid, incluida la estructura del sitio web, los valores, las estrategias de comunicación, los enfoques de gestión, el desempeño financiero y las áreas de mejora.

Palabras clave: Framework de Cuatro Acciones del Océano Azul, Real Madrid club de fútbol, estrategias de gestión, gestión de clubes de fútbol.

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Introduction

Since its foundation in 1902, Real Madrid, a Spanish soccer club in Madrid, has a history full of glorious days (Maqueira et al., 2019). Currently, the club stands out in the sports field, more specifically in the subfield of soccer. Within this microcosm, the institution is among the seven more powerful teams in the world, together with F.C. Bayern München, Manchester United F.C., F.C. Barcelona, Manchester City F.C., Arsenal F.C., and Chelsea F.C. (Şener & Karapolatgil, 2015). According to Şener & Karapolatgil (2015), it is the second most important team, or even more important depending on the criteria used (Rodríguez-Pomeda et al., 2017). FIFA considered Real Madrid the biggest club of the 20th century (Dima, 2015).

Much of this protagonism is connected with the emotions raised by its reputation, which boosts the formation of great communities of supporters. Rodríguez-Pomeda, Casani, and Alonso-Almeida (2017) point out that the economic power and transparent, efficient, and adequate management of the club's values and principles are crucial to success. Our study aims to analyze the management actions used by Real Madrid under the logic of the four actions framework of the Blue Ocean Strategy.

The Blue Ocean Strategy is broadly recognized for its flexibility and relevance compared with traditional theories of strategic management, for example, Porter's Generic Strategies and the Outpacing Approach (Lauer, 2019). The Blue Ocean methodology mainly benefits companies that

seek to compete in beyond existing markets (Red Ocean) by creating new markets (Blue Ocean).

The Blue Ocean strategy emerged in the 1990s showing the difference between outstanding companies and their competitors (Kim & Mauborgne, 2005). Instead of improving their products to beat their competitors, these outstanding companies sought quantum improvements in the value offered to clients. Based on this context, the Blue Ocean Strategy aims to identify unexplored opportunities to create a differentiated and innovative value proposal. The theory uses the Four Action Framework as a central tool, approaching which organizational factors should be eliminated, reduced, raised, or created. The reformulation considers the need for a mass of clients as a critical criterion.

These questions guide the companies in reformulating or extending value elements, graphically represented by the Value Curve. Applying the Blue Ocean Strategy in a soccer club, such as Real Madrid, requires evaluating strategies related to the sports field closer to a consolidated business model called Disneyfication.

The sports field is a social and symbolic system in which sports activities occur, involving complex interactions among the agents, such as players, coaches, spectators, sponsors, clubs, and media (Bourdieu, 2003). It is a microcosm of fights for power, resources, and prestige, in which the power relations, forms of cultural and social capital, and dynamics of legitimacy and hierarchy play crucial roles.

The habitus, which is a set of dispositions and internalized behaviors, shapes participants' practices and strategies.

Using the analytical concept of the sports field, we can understand the social complexities and dynamics of the sport, including strategies of competition, negotiation, and the search for prestige, power relations, and forms of capital. Bourdieu (2003) and Elias and Dunning (1986) approach the role of habitus and emotions in sports, highlighting that emotions are not only individual but socially constructed and influenced by the social context. The emotions in sports are diverse and can influence individuals' behavior. Furthermore, they play a formative role in the personal and collective identity, strengthening social bonds within the sports community.

The Disneyfication of sport is a phenomenon in which the actors seek to transform sports environments into simplified, controlled, and safe spaces, following the logic of Disney's theme parks (Bryman, 1999, 2004). This involves thematizing consumers' experiences, hybridizing consumption areas, merchandising, and the work theatricalization. The aim is to offer a unique and commercially attractive experience for fans and consumers, seeking to transform them into "prosumers" (Dixon, 2014) and monetize the products offered (Hauser et al., 2019).

In this scenario, using a systematic literature review, we asked the following research question: Which management strategies adopted by Real Madrid, highlighted in the literature, correspond to those advocated by the Blue Ocean Strategy?

Method

A research portfolio was established by searching three databases: Web of Science, Science Direct, and Scopus. The search was done in May 2023, using the keywords "Management" and "Real Madrid", combined by the Boolean operator "AND". The research was limited to articles published in the last ten years to focus on the current relevance and seek a more comprehensive number of results.

After searching the databases, the relevant articles were selected for qualitative data analysis. To this end, we applied the *Methodi Ordinatio* (Pagani et al., 2015). The *Methodi Ordinatio* allows the establishment of a research portfolio from the selection and classification of relevant articles found. The phases were:

Identification of the research question and establishing the goals to be reached with the study.

Preliminary exploratory research to have a general view of the research theme. Relevant keywords were used to search the databases and explore the existing literature on the subject.

Definition—based on exploratory research—of the most relevant keywords for the study ("Management" and "Real Madrid"). Also, we selected the appropriate databases for the search (Web of Science, Science Direct, and Scopus).

Search in the selected databases using the previously defined keywords. We applied search filters and criteria to identify the articles relevant to the research (limitation of a ten-year timeframe and type of document to only articles).

Submission of the articles to filtering procedures. Exclusion criteria were applied to eliminate irrelevant articles, such as those that did not answer the research objectives or were not related to the study theme (reading of the title and abstract to check the theme and the use of the software Mendeley to remove duplicated articles).

Collect additional information about the filtered articles, such as the impact factor of the journals where they were published, the publication year, and their number of citations. The publication years and the standard information, such as the title and authors, were collected by exporting the citation files in RIS (Research Information System) format and organize using the software JabRef. The impact factor and the number of citations were obtained automatically through the spreadsheet RankIn created by Pagani et al. (2023).

Classification of the filtered articles using the equation *InOrdinatio*, which is a systemic approach to classify and order scientific articles.

$$\text{InOrdinatio} = \left(\frac{IF}{1000}\right) + \alpha \times [10 - (\text{ResearchYear} - \text{PublicationYear})] + (\sum C_i) \quad (\text{Eq. 1})$$

Where: IF is the journal's impact factor, α is a ponderation factor that varies from 1 to 10, attributed by the researcher, and establishes the weight of the article's age (factor 10 prioritizes the most recent articles), and $\sum C_i$ is the number of times the article was cited. The value α used in this research was 10.

To calculate the Equation *InOrdinatio*, we used the spreadsheet RankIn of Pagani et al. (2023), which automatically calculates and orders from the most relevant articles.

Retrieval of the complete versions of the articles selected for a more detailed analysis. This phase involved access to journals, libraries, and online platforms where the articles were available.

In this final phase, the selected articles were systematically analyzed. This process involved the careful reading of the articles, the separation of relevant information, the identification of patterns and tendencies, and the synthesis of the results to answer the research questions established.

We consulted the official website of Real Madrid to complement and enrich the obtained set of data, granting additional insights about the organizational structure, values, initiatives, and club recognition. This phase involved exploring and mapping the content available on the site, including information about the club, its teams, activities, news, players, history, and relevant services to the consumers.

For the content analysis of the selected articles, we used the software Nvivo Pro 14. We imported the articles in .pdf format and assembled them by authors' alphabetic order. Initially, the themes were self-coded to identify the frequent ideas or mentioned concepts. The Hierarchic Chart (Figure 2) represents the visualization of this self-coding. These themes, called codes by Nvivo, provide a conceptual structure to understand and interpret the content analysis results.

The bar graph, presented in Figure 3, shows the number of occurrences of each specific code. This visualization helps understand the codes that have more or less references associated with them, allowing a quick understanding of the relative importance of each code in the data analysis.

Then, the most frequent words used in the selected articles were checked. We limited the results to 15 with a minimum of four letters. Common words, such as "use", "of", and "how", were excluded to highlight the most relevant and meaningful words for our analysis.

With the categorization established, the results were allocated to the quadrants of the Blue Ocean Four Actions Framework. The modeling in this article was developed based on the IMRaD framework (Pilatti et al., 2023).

Results

One hundred and eleven articles that fulfilled the established descriptors and filters were identified. After applying the phases of the method *Methodi Ordinatio*, including calculating the relevance index (InOrdinatio), we could select a final portfolio of 19 articles that stood out as the most relevant for this research (Table 1).

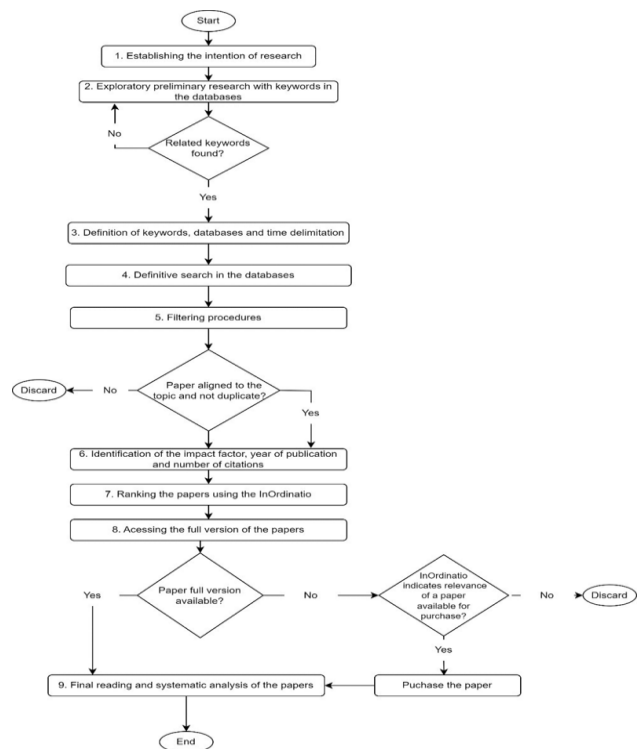


Figure 1. *Methodi Ordinatio* Phases. Source: Adapted from Pagani, Kovaleski, and Resende (2015).

Tabela 1. Results of the *Methodi Ordinatio* application

Authors	IF	Year	Ci	InOrdinatio
Hammerschmidt, J., Durst, S., Kraus, S. and Puumalainen, K.	8.593	2021	93	173.0
Baena, V.	3.5	2018	60	110.0
Bergantiños, G. and Moreno-Tertero, J.D.		2023	5	105.0
Bergantiños, G. and Moreno-Tertero, J.D.	1.635	2021	18	98.0
Carpio-Pinedo, J. and Gutiérrez, J.	5.835	2020	24	94.0
Majewska, A. and Majewska, A.	3	2022	0	90.0
Maqueira, J.M., Bruque, S. and Uhrin, Á.	2.248	2019	25	85.0
Pérez-Sabater, C. and Maguelouk Moffo, G.	0.719	2019	18	78.0
Di Minin, A., Frattini, F., Bianchi, M., Bortoluzzi, G. And Piccaluga, A.	5.075	2014	66	76.0
Rodríguez-Pomeda, J., Casani, F. and Alonso-Almeida, M.D.M.	1.4	2017	30	70.0
Şener, İ. And Karapolatgil, A.A.		2015	36	56.0
López Frías, F.J.	1.4	2018	4	54.0
Direction, S.	0.2	2018	0	50.0
Paramio-Salcines, J.L. and Kitchin, P.J.	6.577	2013	45	45.0
Kase, K., Hoyos, I. U., Sanchís, C. M., & Bretón, M. O.		2007	33	33.0
Petríková, D. and Soroková, T.		2015	11	31.0
Olabe Sánchez, F.	0.8	2015	5	25.0
Mattera, M. and Baena, V.		2014	7	17.0
Sánchez, F. O.		2013	7	7.0

Source: Created by the authors from the research data (2023).

Real Madrid’s website is composed of seven primary tabs: “Football”, “Basketball”, “Members”, “The Club”, “Fans”, “Bernabéu Stadium”, and “RMTV” (Real Madrid TV). Furthermore, there are secondary tabs related to commercial activities. The main page highlights the latest news and information about the Santiago Bernabéu Stadium. The section of football is divided into "First Team", "Academy", and "Women's Team". The basketball page does not have specific subdivisions. The club section is divided into topics “Transparency”, “Values”, “Honours”, “History”, “Santiago Bernabéu Stadium”, “Real Madrid City”, “Foundation”, “News”, and “Real Madrid Graduate School”. The tab “Fans”

includes fan clubs and discounts. The “Bernabéu stadium” tap has three sections: a general historical view of the stadium, events, and news related to the place. The tab “RMTV” gives access to the club's television channel. This website structure allows organized and easy access to information and services related to the club, the teams, its history, the stadium, and its initiatives.

Real Madrid’s values – excellence, commitment, sustainability, winning spirit, teamwork, respect, universality, solidarity, and humility – are praised as key to the club’s identity and success. These values are applied in all areas, from sports performance to its interaction with fans and

other institutions.

The website highlights the Santiago Bernabéu Stadium as a "legendary stadium" and the best in the world. Other initiatives stressed in the city are the Real Madrid City, the Real Madrid Foundation, the Real Madrid Graduate School, and RMTV.

The content analysis results using the software Nvivo Pro 14 offers important insights aligned with the research's objectives. The analysis identified six main emerging themes: sports, soccer, broadcasting, revenues, communication, and management.



Figure 2. Hierarchic Chart of the main themes. Source: Created by the authors using Nvivo Pro 14 with research data.

To better visualize the code's occurrences, Figure 3 shows the number of coded references in bar format:

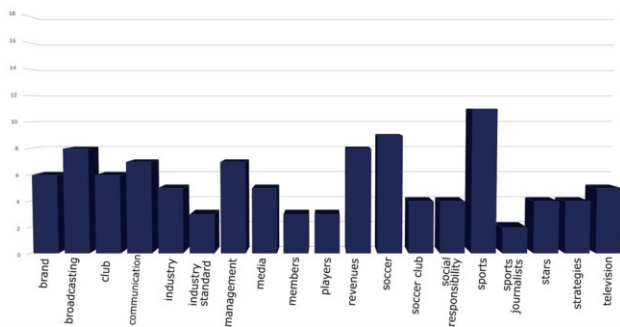


Figure 3. Coded references count. Source: Created by the authors using Nvivo Pro 14 with research data.

Besides the main coded and identified themes, we checked the word frequency, which allowed us to see the terms most used in the articles. The main objective of this analysis was to identify the patterns and tendencies related to the frequency of keywords relevant to the research theme. Figure 4 presents a word cloud created based on the selected articles:



Figure 4. Word cloud of the most used words in the articles. Source: Created by the authors using Nvivo Pro 14 with research data.

Discussion

The transformation of Real Madrid into a legend, as expressed by its current president Florentino Pérez Rodríguez (Pérez), started with the strategic view of President Santiago Bernabéu de Yeste (Bernabéu), who held the position from 1943 to 1978, when he died (Rodríguez-Pomeda et al., 2017). In 1947, Bernabéu recognized that ticket sales were the primary income source available. After this observation, the president decided to expand the Real Madrid stadium, which Pérez considers Madridistas' true dream home. This expansion aimed to increase the stadium's capacity to attract spectators and maximize ticket sales for each match.

The strategy allowed the club to accumulate the financial resources needed to hire well-known soccer stars from all over the world, such as Alfredo Di Stéfano and Ferenc Puskás, who played a crucial role in winning European trophies during Real Madrid's golden area (Rodríguez-Pomeda et al., 2017), helping the club to establish a solid and respectful reputation.

In the early 2000s, Real Madrid implemented an ambitious approach that marked an inflection point in its winning history. The club significantly invested in hiring the best players in the world, known as the Galacticos, which not only strengthened the team but also opened doors to diversify the revenues. This impactful strategy improved the team's quality and increased the club's visibility and prestige worldwide. As a result, Real Madrid became the leader in revenue and profile, consolidating its position as one of the most important and internationally recognized clubs (Maqueira et al., 2019).

In Real Madrid, the short and long duration merge in the same management period, creating different possibilities in terms of continuity. Two presidents, Santiago Bernabéu and Florentino Pérez, held the position for over five decades combined. The longevity and the continuity of the club's presidency for several decades were unique characteristics of Real Madrid compared to other clubs in the global elite.

Using a time frame starting in 2000 and the Blue Ocean Four Actions Framework Strategy, we identified the strategies used by Real Madrid in the research corpus and allocated them in the correspondent quadrant. The six themes that emerged in the content analysis were grouped into four categories: the soccer team of Real Madrid, management strategies, communication, and revenue. Within these categories, we allocated the 15 identified codes. These themes were allocated into the Blue Ocean Four Actions Framework (Kim & Mauborgne, 2005).

Factors to be eliminated

We identify two factors that Real Madrid should eliminate: the members' guarantee of exclusive control and the emblematic case of soccer player Vinícius Júnior, from Real Madrid, who has been the target of racist attacks during the matches of the 2022/2023 season. This second factor stood up in the press, not in scientific literature.

Real Madrid is officially registered as a sporting club

called “Real Madrid Club de Fútbol”. As such, it is a non-profit organization controlled by its members, whose main goal is the practice and promotion of sports. However, the guarantee of the exclusive control of members refers to the club's governance structure, in which the members can make critical decisions and influence Real Madrid's policies and directions.

According to Hammerschmidt et al. (2021), the club faces the challenge of balancing its grandness and success with the adaptability and agility need to keep itself competitive in the global sports scenario. Although it is one of the biggest clubs in the world, with expressive revenue and a structure similar to a corporation, the members' guarantee of exclusive control can limit the club's capacity to adopt a more flexible and agile management. Hammerschmidt et al. (2021) highlight that the large base of Real Madrid supporters has consistently been against the entry of new investors, concerned with the members' loss of influence over the club's decisions. However, eliminating this guarantee could allow the club to have a more agile and flexible management, better adapting to the constant-evolving demands, and keeping its competitiveness in the global sports scenario. This debate raises important questions about the club's governance and the need to balance members' interests with the competitive demands of modern sports.

Regarding the cases of racism, on May 21, 2023, an incident reverberated internationally, raising to nine the number of attacks in this season. Initially, La Liga's manifestations blamed the player for the attack. However, this position was reverted due to international pressure and sponsors' threats. The famous Spanish newspaper MARCA (2023) highlighted in its headline: “No es suficiente con no ser racistas, hay que ser antirracistas” [It is not enough to be non-racist, we must be antiracist].

As Mbembe (2016) pointed out, racism in Europe is structural, rooted in the colonization by the European empires for centuries and the decolonization of the 20th century. Besides this, it is associated with the impact of population migrations and, nowadays, with new circulation movements motivated by commerce, businesses, wars, ecological disasters, environmental catastrophes, and different forms of cultural transfers. Mbembe (2016, p. 95) mentions “nanoracism” as “that narcotic brand of prejudice based on skin color and expressing itself in seemingly anodyne everyday gestures, often apropos of nothing”. The author states that nanoracism can be expressed through a little banter, some allusion or insinuation, a slip of the tongue, a joke, an innuendo, but also, it must be added, consciously spiteful remarks, like a malicious intention, a deliberate stamping underfoot or tackle, a dark desire to stigmatize and, in particular, to inflict violence, to injure and humiliate. (Mbembe, 2016, p. 95)

Factors to be reduced

Regarding the factors that should be reduced, we highlight the need to reduce players' turnover and solve the low retention of talents in the club.

Real Madrid is known for its strategy to hire players with solid media impact, frequently hiring the most expensive soccer players in the world. This approach has brought success in sports and increased the club's visibility worldwide (Maqueira et al., 2019; Şener & Karapolatgil, 2015). Studies confirm that Real Madrid holds the most expensive transfers in soccer history (Şener & Karapolatgil, 2015). However, this strategy has limited the opportunities for young players in the team, hindering their promotion to the primary team (Maqueira et al., 2019). Data show that only a few young players can overcome the competition imposed by hiring established stars. This dependence on renowned players creates a challenge for the club to balance the promotion of internal talents with the hiring of famous players (Maqueira et al., 2019).

Concerning talent retention, though Real Madrid can reach high revenues and win titles and trophies, the club does not have a specific program in this sense. The players in its ranks change season after season, and big stars are sold when not contributing to the team's objectives and when other teams are willing to pay for these players. This results in players with no strong emotional bonds with the club's brand and tend to seek other opportunities when they are interested (Maqueira et al., 2019).

To Maqueira, Bruque & Uhrin (2019), differentiated values, high salaries, and sports achievements generally retain players, especially in the long term. However, besides these factors, Real Madrid cannot establish additional retention bonds, contributing to its low retention capacity.

To reduce the loss of great stars and promises from the base teams, Maqueira, Bruque, and Uhrin (2019) suggest creating an effective talent retention program to maintain key players. A greater emphasis on developing new talents and working teams is also pertinent. The authors also mentioned reducing the excessive focus on media stars. These strategies allow the improvement of talent retention in Real Madrid.

Factors to be raised

In our review, the factors identified as in need to be significantly raised are grouped in the quadrant with the most significant number of challenges. In this quadrant, the factors related to the brand Real Madrid, the business and the communication models are interconnected.

The brand Real Madrid is broadly recognized and valued in the soccer world, leading to a positive financial impact through sponsorships, license agreements, and other commercial initiatives (Petříková & Soroková, 2015). Besides this, the brand raises emotions, identification, and loyalty in consumers, considered a symbol of prestige, success, and excellence, hence establishing an emotional connection with fans and consumers (Petříková & Soroková, 2015).

The linguistic elements, slogans, and chants of Real Madrid play a crucial role in constructing the club's identity, going beyond the local context and being recognized as distinctive marks. These elements play a significant role by gathering supporters around a shared experience,

strengthening the sense of belonging to a worldwide soccer fandom (Pérez-Sabater & Maguelouk Moffo, 2019).

With a management strategy focused on the commitment of the spectators to the club, Real Madrid adopts brand-management strategies encompassing traditional soccer activities and expanding to new business areas (Rodríguez-Pomeda et al., 2017). Through an organizational restructuring, the club sought to strengthen its brand, recover control over its commercial operations, create new opportunities, and transform supporters into loyal consumers. The club's president, Pérez, highlights the importance of histories related to Real Madrid's values and results to establish solid relationships with its main stakeholders. These relationships encompass commercial partners, supporters, clients, regulation bodies, media, and suppliers.

The club's business model follows a conscious and updated logic, investing in hiring soccer stars, creating a high-level show, earning trophies, and strengthening the club's reputation. In its turn, this reputation feeds the legend of Real Madrid, raising various emotions and constructing communities of supporters. These communities and networks create a revenue through commercial partnerships and spectators, allowing a financial cycle to carry on and hiring more starts to build up the team (Rodríguez-Pomeda et al., 2017).

Social responsibility is another factor identified as in need to be significantly increased. Baena (2018) emphasizes that social practices establish a solid connection between supporters and the Real Madrid brand, contributing to a lasting relationship between the club and its fans. The study highlights the relevance of the Real Madrid Foundation, which promotes a variety of social actions worldwide, and emphasizes that the supporters' participation in these initiatives positively impacts the relationship between the institution and its fans (Baena, 2018). As described by (author), the Real Madrid Foundation Social-Sports Schools model has been characterized, since its creation, by addressing important pedagogical aspects. The Social-Sports Schools created by the Real Madrid Foundation, as described by Ortega Vila et al. (2019), are characterized by addressing important pedagogical aspects and are established as an example of the aforementioned social initiatives.

Frías (2018) approached social responsibility in sports management, using Gareth Bale's transfer to Real Madrid as an example. This specific transfer created controversy due to its high value (100 million euros) during a severe economic crisis in Spain. The ethical issue involving Bale's hiring by Pérez led to a broad debate. However, there was no consensus on the matter.

Still, within the theme of social responsibility, the accessibility issue also emerged. To Paramio-Salcines and Kitchin (2013), although there have been some improvements in the Santiago Bernabéu Stadium, such as the construction of a raised platform in the East bleachers to accommodate wheelchair users, these changes seem to be insufficient. There is evidence that Real Madrid has done little to effectively incorporate accessibility issues into their

operational culture, which can be perceived by the lack of information about accessible services on its website (Paramio-Salcines & Kitchin, 2013).

A study involving Real Madrid and Barcelona F.C., conducted by Mattera and Baena (2014), highlights the considerable prosperity of these clubs in terms of the number of supporters and global revenue. The research aimed to analyze both clubs' marketing strategy and brand-management approach, evaluating the consumers' ethical perception and the value given to corporate social responsibility activities. The results stress the importance of soccer clubs incorporating corporate social responsibility in their marketing strategies, strengthening the values and the ethics perceived by consumers regarding this social commitment.

The emphasis on social practices, the supporters' participation in social initiatives, and the promotion of corporate social responsibility stand out as actions that go beyond what is generally offered by the sports industry. When significantly increasing these factors, Real Madrid seeks to create a competitive difference, strengthen the relationship with supporters, and create additional value for the club's brand.

In the content analysis, communication was the factor that attracted more attention from the academy. According to Olabe-Sánchez (2013), during Pérez's presidency, there was an effort to restore Real Madrid's prestige and consolidate its international image. The club invested in media and commercial rights and marketing campaigns to promote the sport. The communication strategy focused on establishing solid relationships with the press and guaranteeing journalists' access to players and coaches, aiming to position the brand Real Madrid as a reference in sports media. The club sought to innovate and offer more assistance for journalists, broadening access to information and providing more comprehensive coverage of the events related to the clubs (Olabe-Sánchez, 2013).

Petríková & Soroková (2015) affirm that Real Madrid adopts consistent and efficient communication strategies, such as publicity, social media, sponsorship of sports events, and partnerships with renowned brands. The use of players and icons of the club as brand ambassadors aim to influence consumers' behavior, leading to the purchase of club-related products and engagement with the brand.

Olabe-Sánchez (2015) highlights the centrality of communication in different areas of the communicative model adopted by Real Madrid. This would include the relationships between the Communication Office and the sports journalists, the club's communication management with other strategic publics, the impact of the club's communication strategy on journalists' work, and the relationships between the journalists and actors of sports information. The study also points out aspects to improve the clubs' communication management and the tendencies among soccer clubs in Spain. Real Madrid adopts a communication model developed in two scenarios (Olabe Sánchez, 2015). On the one hand, there are traditional relationships with sports journalists using offline tools and actions, such as press

conferences, communications, and personal or group interviews before and after matches. On the other hand, content management through Communication and Information Technologies allows the club direct access to the public and the entity's globalization, easing the development of strategies related to business management.

Using social networks plays a central role in Real Madrid's communication process, offering new opportunities to interact with supporters and disseminating strategies enacted by the club (Baena, 2018). Nonetheless, Majewska & Majewska (2022) highlight the importance of adequate strategic planning and efficient management of social networks, including a clear understanding of the target audience, the development of relevant and quality content, and follow-up metrics to evaluate the financial impact of the activities in the social networks.

The digital platforms also play a relevant role in the communication of Real Madrid, allowing a more direct and instant connection with the fans, their engagement, the sharing of relevant information about the club's actions, and increasing the brand's visibility (Majewska & Majewska, 2022). These platforms offer opportunities to direct revenue by selling online products and services.

Although Real Madrid has a massive following on social networks (Şener & Karapolatgil, 2015) their total and broadcasting revenue is not necessarily the highest among the top clubs in the world. In the 2020/2021 season, Manchester City had the highest total and broadcasting revenue, while Bayern Munich achieved the highest commercial revenue (Majewska & Majewska, 2022).

Real Madrid uses the "follow-the-leader" strategy regarding broadcasting rights. The club incentivizes other clubs in the Spanish league, such as Atlético de Madrid, Valencia CF, Sevilla FC, and Real Sociedad, to create their special broadcasting packages. This allows Real Madrid to earn more revenue by being a member of the same broadcasting package that belongs to Canal+1 (Şener & Karapolatgil, 2015).

Historically, Real Madrid has been associated with Spanish nationalism, especially after the Spanish Civil War (Pérez-Sabater & Maguelouk Moffo, 2019). This identification is connected with the long rivalry between the soccer clubs Madrid and Barcelona, which can be seen as a reflex of a nationalist-separatist rivalry. To Şener & Karapolatgil (2015), Real Madrid and Barcelona have been arch-rivals since its foundation.

Real Madrid's historical origin is crucial in understanding fans' conscious choice to interact mainly in Spanish, even if many are not native speakers (Pérez-Sabater & Maguelouk Moffo, 2019). This linguistic preference reflects the identity, values, and influence of the historical context and the rivalry against Barcelona. As a result, the official page of Real Madrid has less content in English when compared to its old rival. This difference can be attributed to the fact that Real Madrid, traditionally represents Spanish nationalism, which is closely linked to the defense of the Spanish language (Pérez-Sabater & Maguelouk Moffo, 2019). The

predominant use of Spanish strengthens the emotional connection with Spanish nationalism and reinforces fans' identification with the club.

To reach a greater internationalization, though keeping Spanish nationalism as a fundamental value, Real Madrid should seek a significant increase in the use of English, allowing for global connections and expanding its fan base beyond the Spanish borders while preserving its identity and historical values.

Real Madrid should eliminate common and obsolete practices in communication management, adopting diversified communication strategies and efficient management of its social networks to strengthen the brand's image, involve the fans, and create revenue opportunities. The club recognizes the importance of following the ever-changing tendencies in communication management, adapting to the audience's needs and preferences, and aiming for a positive financial impact and a prominent position in the international sports scenario.

Real Madrid is recognized for its sports success and its financial and management record (Olabe-Sánchez, 2013). In the context of European soccer, the club faces a combined challenge of endogenous trade-offs and exogenous scenarios to dominate national and international sports competitions. Though it has reached sports success, Real Madrid is known for its significant financial losses. This can be attributed to internal decisions prioritizing sports performance at the expense of financial stability and external factors affecting its financial situation (Di Minin et al., 2014).

A study conducted by Kase, Johnson, and Smith (Kase et al., 2007) analyzed the management approach used by Real Madrid during Pérez's presidency, highlighting the use of the proto-image of the firm (PIF) strategy. This approach aims to create a powerful and lasting image of the organization through the strategic use of branding, values, and planning in the medium and long plan. The study raises pertinent questions about the approach's sustainability, as it depends on high investments in players' transfers and salaries, which can create financial imbalances and affect the team's instability in the long run. It is important to consider this management strategy's viability and financial consequences regarding stability maintenance and the team's long-term success. Other distinctive initiatives, such as the Real Madrid City, the Real Madrid Foundation, the Real Madrid Graduate School, and RMTV, are associated with this strategy.

According to the theory of strategic groups, a study conducted by Şener and Karapolatgil (2015) placed Real Madrid in second place among the leaders of the soccer industry. This group is composed of seven teams whose management is based on the idea of capitalizing on their popularity for financial gains. The predominant strategy adopted by the leading clubs is identified as an offensive strategy, which seeks to maintain their positions through solid financial resources. These clubs generate high revenues through broadcasting and the money raised during match days (tickets,

food, and other sales), their stadiums are always full, and they also earn with special tournaments and training camps worldwide. Besides this, they have high-value contracts with sponsors and uniform makers, with various companies competing to establish partnerships with these clubs or show their advertisements in their stadiums. Besides museums considered tourist attractions, these clubs also have recognizable logos, symbols, and nicknames.

Bergantiños and Moreno-Bezerro (2021) explored the economic effects of the broadcasting system used by La Liga, analyzing the contracts and different forms of revenue distribution from the broadcasting right to television channels, streaming platforms, and pay-per-view services. They highlighted the importance of efficient regulation and solid governance to guarantee equity and transparency in revenue distribution. The study also pointed out that Barcelona and Real Madrid concentrated a significant part of the income from the sale of broadcasting rights in the 2017-2018 season, raising questions about the unequal distribution of these resources.

A comparative analysis between the two most valuable sports teams, Dallas Cowboys and Manchester United, raised an intriguing question (Strategic Direction, 2018). Though both teams have not had a significant performance in the last years, they still have a high market value. This raises the question of why these teams are so highly evaluated compared to other renowned teams, such as Real Madrid.

The Santiago Bernabéu Stadium, home of Real Madrid, is known for its immense symbolic value, representing a rich history and a legion of adoring fans. However, a significant challenge must be faced: increase the commercial income to be in consonance with its symbolic importance. According to Carpio-Pinedo and Gutiérrez (2020), although the stadium was highly valued in meaning and identity, it still has not reached the corresponding levels of commercial success.

Factors to be created

The “create” strategy in Blue Ocean involves identifying new market spaces and creating a unique and differentiated proposal. In the case of Real Madrid, transforming its stadium into the best of the world implies offering a distinctive experience for the audience, overcoming their expectations with innovations in infrastructure, comfort, technology, services, and all aspects that can contribute to fans' experience during the matches (Carpio-Pinedo & Gutiérrez, 2020). This approach distinguishes the Real Madrid stadium from others, creating a unique value that can attract more spectators, sponsors, and commercial revenue.

Real Madrid's Value

In the 26th edition of the Deloitte Football Money League, an annual profile of the world's highest revenue-generating football clubs, Real Madrid's value between 2018 and 2022 is depicted in Figure 5.

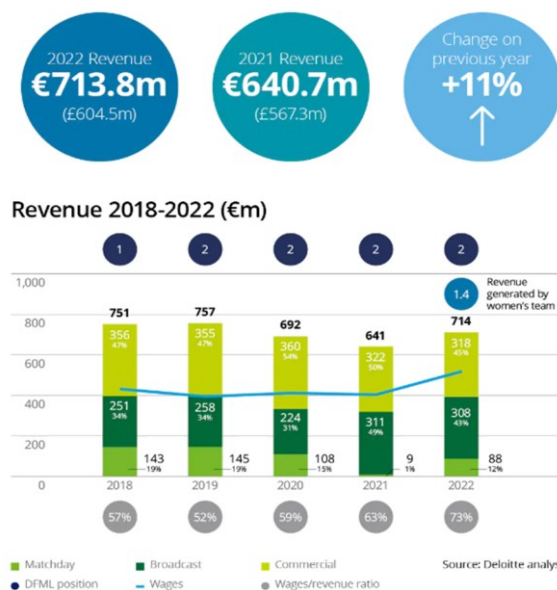


Figure 5. Value of Real Madrid Club de Futbol according to the Deloitte Football Money League. Source: Deloitte Football Money League 2023.

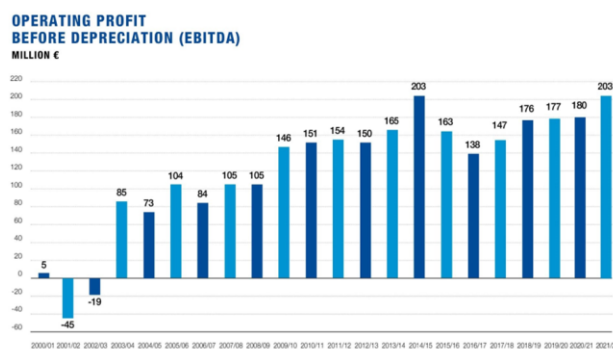


Figure 6. Operating Profit of Real Madrid FC before depreciation, years 2000-2022. Source:.realmadrid.com.

The analysis of the financial results presented in Figures 5 and 6 clearly shows that the management strategy adopted by Pérez-Sabater (2019) (2000-2006 and 2009 until now) has been producing the desired results. In the Deloitte Football Money League 2023 study, Real Madrid is ranked as the second most valuable club in the world. Furthermore, it's important to note that its operational profit has maintained a positive track record since 2003, and this indicator continues to grow.

Real Madrid and the Blue Ocean Four Actions Framework

Figure 7 presents the factors previously discussed within the Blue Ocean Four Actions Framework. Here we differentiate the factors indicated in the literature but not implemented by Real Madrid's management from those already identified and implemented.

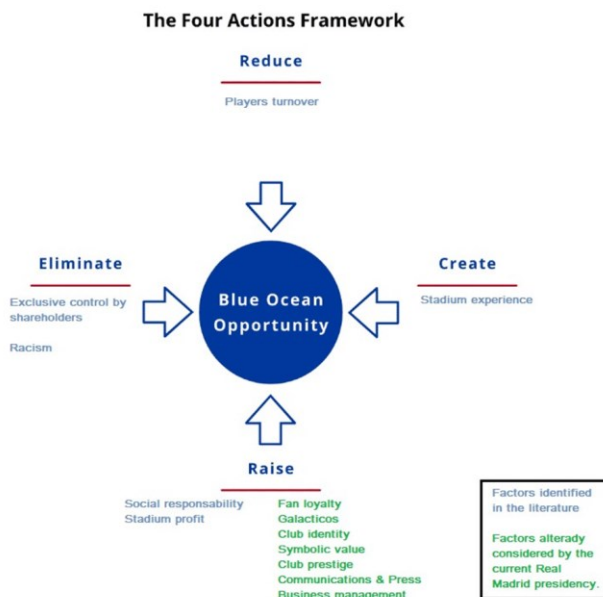


Figure 7. Blue Ocean Four Actions Framework applied to the Real Madrid.
Source: The authors, based on the Blue Ocean Four Actions Framework.

Conclusion

Real Madrid's global strategy is intrinsically connected with its reputation, transforming it into a soccer legend. Legend and emotions are closely linked in this sport. The product the club offers has a high quality and causes fascination due to its absolute truth, an unquestionable reality that plays out in front of the spectators' eyes. The product is even more monetized with supporters' active participation. Amidst fierce competition, Real Madrid is recognized as one of the leading elite teams in world soccer and needs to offer a unique product. This has been reached by different elements, such as having the best stadium in the world, being the most winning team in Europe, and having the largest number of fans globally. These attributes, already conquered or constantly desired, help to consolidate its outstanding position in the sports scenario.

We did not identify in the literature any study that analyzes Real Madrid using the framework proposed by the Blue Ocean. However, as seen in the section Real Madrid's Value, the business success of this management is indisputable, regardless of the framework followed.

We highlight the contribution of this article in identifying actions reported in the literature, which, according to the Blue Ocean Four Actions Framework, are crucial to current and future business success. Certainly, Real Madrid can teach some lessons on how to sail in a Blue Ocean.

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