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## IN THE UEFA CHAMPIONS LEAGUE, WHAT IS THE MODERN RELEVANCE OF PORTER'S FIVE FORCES MODEL?

\*Vincent English and Petr Čech

Longford International College, Ireland

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\*Corresponding author: Vincent English

### ABSTRACT

This paper investigates the contemporary relevance of Michael Porter's Five Forces model, a cornerstone of strategic management theory, within the unique and dynamic context of the UEFA Champions League (UCL). The European football landscape has undergone profound transformation over the past three decades, driven by hyper-commercialisation, globalisation, and digital disruption, raising legitimate questions about the applicability of a framework originally conceived for traditional industrial markets in the late 1970s. This study applies each of Porter's five forces — the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitutes, and the intensity of competitive rivalry — to the modern UCL ecosystem, drawing upon a range of recent academic literature and industry benchmark reports. The analysis reveals that the model retains significant explanatory power in identifying the structural determinants of profitability and competition in European football. However, its classic application is insufficient. The paper argues that to maintain its relevance, the model must be augmented to adequately account for the powerful influence of regulatory bodies such as UEFA, the disruptive impact of digital technologies and data analytics, the emergence of state-backed ownership, and the complex interplay of on-pitch sporting competition with off-pitch commercial strategy. The findings indicate that a contemporised Five Forces framework, adapted to these modern realities, provides a robust and insightful tool for clubs and stakeholders to navigate the strategic challenges of one of the world's most prestigious and commercially significant sporting competitions.

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## INTRODUCTION

The Union of European Football Associations (UEFA) Champions League stands as the apex of professional club football, a globally televised spectacle that generates billions in revenue and captivates an audience estimated to reach hundreds of millions across the world (UEFA, 2024). Initially established as the European Champion Clubs' Cup in 1955, the tournament has evolved dramatically from a pure knockout competition involving domestic league champions into a complex, commercially driven enterprise that serves as the financial engine of European club football. This transformation reflects a broader and well-documented trend in the football industry, which has seen clubs evolve from community-centric, non-profit institutions into global entertainment brands with sophisticated commercial operations, diversified revenue streams, and increasingly complex ownership structures (Manoli, 2014; Yiapanas, Thrassou and Vrontis, 2024). This shift necessitates a rigorous strategic analysis to understand the competitive forces that shape the industry's structure and profitability. One of the most enduring and widely applied frameworks for such analysis is Michael Porter's Five Forces model. First introduced in the *Harvard Business Review* (Porter, 1979) and later expanded in his seminal work, *Competitive Strategy: Techniques for Analyzing Industries and Competitors* (Porter, 1980), the model

provides a systematic methodology for analysing an industry's structural attractiveness by identifying five fundamental competitive forces. These are: the threat of new entrants, the bargaining power of buyers, the bargaining power of suppliers, the threat of substitute products or services, and the intensity of rivalry among existing competitors. The collective strength of these forces determines the ultimate profit potential of an industry and the degree to which incumbent firms can sustain competitive advantage. The model has been applied across a vast range of industries and sectors since its inception, and its foundational logic has been widely praised for its clarity and practical utility (Dobbs, 2014). However, the football industry is not a conventional market. The product is intangible, built on emotional connection, tribal loyalty, and the unpredictable drama of sporting contests. The competitive landscape is a duopoly of on-pitch sporting success and off-pitch financial performance, which are intrinsically and inextricably linked. Furthermore, the last two decades have introduced complexities that Porter's original framework did not explicitly address, including the rise of digital media and over-the-top (OTT) streaming platforms, the globalisation of fanbases, the immense financial power of state-owned and sovereign wealth fund-backed clubs, and a complex web of regulatory controls imposed by governing bodies. These developments have led scholars to question the model's applicability in the modern digital age, with some arguing that it requires substantial refinement to

remain useful (Isabelle *et al.*, 2020; Bruijl, 2018; Ural, 2014). This paper, therefore, addresses a critical research problem: to what extent does Porter's Five Forces model, a framework conceived in a pre-digital, pre-globalised era, retain its relevancy in the hyper-modern, multifaceted environment of the UEFA Champions League? The purpose of this study is to conduct a thorough and critical evaluation of the model's contemporary utility by applying it systematically to the UCL. This analysis will assess the model's strengths in explaining the competitive pressures within European football and identify its limitations, before proposing a set of adaptations necessary for the model to serve as a truly effective strategic tool in the modern era. By doing so, it seeks to provide valuable insights for club executives, governing bodies, and academics in the fields of sports management and business strategy. The paper is structured as follows. Section II provides an overview of the theoretical background of Porter's Five Forces model and its historical application to the sports industry. Section III applies each of the five forces to the modern UCL context, drawing upon recent empirical data and academic research. Section IV examines the impact of the Five Forces on competitive strategy, including the role of strategic alliances, innovation, and market positioning. Section V critically evaluates the challenges and limitations of applying the model to the football industry, with particular focus on the dynamic nature of the sector, the influence of regulatory bodies, and the transformative impact of technology. Section VI presents the conclusions, practical implications, and recommendations for future research.

## Theoretical Background: Porter's five forces and the sports industry

**Origins and Core Principles of the Model:** Michael Porter's Five Forces framework emerged from industrial organisation economics, drawing on the Structure-Conduct-Performance (SCP) paradigm to argue that industry structure is the primary determinant of a firm's long-run profitability (Porter, 1979). The model posits that the competitive intensity of an industry, and therefore its attractiveness to incumbents, is a function of five structural forces. Porter (1980) argued that by understanding these forces, strategists could identify positions within an industry where the firm could best defend itself against competitive forces or influence them in its favour. The five forces are: (1) the threat of new entrants, which is moderated by barriers to entry such as capital requirements, economies of scale, and brand loyalty; (2) the bargaining power of buyers, which is high when buyers are concentrated, purchase in large volumes, or face low switching costs; (3) the bargaining power of suppliers, which is high when there are few substitute inputs, the supplier's product is critical to the buyer, and switching costs are high; (4) the threat of substitute products or services, which limits the prices an industry can charge; and (5) the intensity of rivalry among existing competitors, which is driven by the number of competitors, the rate of industry growth, and the degree of product differentiation (Porter, 1980). The model has been enormously influential, and Porter himself revisited and updated it in a 2008 *Harvard Business Review* article, reaffirming its relevance while acknowledging the need to understand the forces as dynamic rather than static (Porter, 2008). Subsequent scholarship has both defended and critiqued the model. Bruijl (2018) argued that the framework remains relevant in today's innovative and changing business environment, particularly when applied with an awareness of its limitations. Conversely, Isabelle *et al.* (2020) conducted a study across capital-intensive and labour-intensive industries and concluded that the model requires augmentation with additional forces — specifically innovation, globalisation, digitalisation, and de/regulation — to adequately capture the competitive dynamics of modern industries.

**Application of the Model to the Sports Industry:** The application of Porter's Five Forces to the sports industry is not a novel undertaking. Dobbs (2014) provided a comprehensive set of guidelines for applying the framework, including an illustrative example using the spectator sports industry, demonstrating the model's broad applicability. Manoli (2014) conducted a seminal study applying traditional management analysis tools, including Porter's Five Forces,

to the football industry, concluding that the model provides a valuable lens for understanding the competitive dynamics of the sector, though it must be applied with an awareness of football's unique characteristics. The study highlighted the importance of the bargaining power of players and agents, the threat of substitute entertainment, and the intense rivalry among elite clubs as the dominant forces shaping the industry. More recently, Yiapanas, Thrassou and Vrontis (2024) conducted a comprehensive value-based analysis of the contemporary football industry, examining the complex relationships between social, business, and organisational stakeholders. Their research underscores the increasing commercialisation of the sport and the growing importance of off-pitch revenue generation, which has profound implications for the application of Porter's model. The study found that the financial and commercial dimensions of football have become so significant that they now rival, and in some cases supersede, the sporting dimension in terms of strategic importance for club management.

**Application of porter's 5 forces model in the uefa Champions League:** Applying Porter's framework to the UCL reveals the unique structural factors that dictate the competitive intensity and financial dynamics of elite European football. Each force is examined in detail below, drawing upon the most recent available data and academic research.

**Threat of New Entrants:** Porter (1980) defines the threat of new entrants by the height of the barriers to entry that protect incumbent firms from new competition. In European football, these barriers are exceptionally high, yet the threat is not negligible. The primary structural barriers to entry include the requirement of sporting merit. Unlike the closed franchise systems that characterise North American professional sports leagues such as the NFL and NBA, European football operates on a hierarchical pyramid structure governed by the principle of promotion and relegation. To qualify for the UCL, a club must first achieve a top-league finish in its domestic competition, a process that typically requires decades of sustained investment, talent development, and sporting success. This meritocratic structure is a formidable and inherent barrier to entry that is unique to the European model. Capital requirements represent a second, and increasingly significant, barrier. Competing at the highest level demands immense financial resources to fund player transfers, wages, and world-class infrastructure. The Deloitte Football Money League (2026) reported that the top 20 revenue-generating clubs generated a combined total exceeding €12 billion in the 2024/25 season, with the average club generating €620 million in revenue. The financial gulf between these elite clubs and the rest of the European football pyramid is vast and growing, creating a formidable financial barrier to entry. Brand equity and fan loyalty constitute a third barrier. Established clubs possess powerful global brands built over a century of history, success, and community identity. This creates a deep-seated fan loyalty that is extraordinarily difficult for new entities to replicate. Maderer and Holtbrügge (2018) demonstrated that fan loyalty is driven by a complex interplay of team identification, brand associations, and the club's international activities, all of which take generations to cultivate. The global fanbases of clubs like Real Madrid, Manchester United, and FC Barcelona, numbering in the hundreds of millions, represent an almost insurmountable competitive moat.

Regulatory hurdles imposed by UEFA represent a fourth barrier. UEFA's Financial Sustainability Regulations (FSR), which replaced the Financial Fair Play (FFP) rules in 2022, impose strict controls on club spending relative to revenue. The new 'squad cost rule' limits spending on player and coach wages, transfers, and agent fees to 70% of club revenue by 2025/26 (UEFA, 2023). This regulation is designed to prevent clubs from simply buying success through debt-fuelled investment, thereby protecting the position of established, revenue-generating clubs. Despite these substantial barriers, the threat of new entrants has manifested in two significant forms. First, the acquisition of clubs by sovereign wealth funds (SWFs) and state-backed entities has enabled a new category of 'super-clubs' to emerge with unprecedented speed. The transformation of Manchester City under Abu Dhabi United Group and Paris Saint-Germain under Qatar

Sports Investments are the most prominent examples. These entities, backed by the near-unlimited financial resources of nation-states, have been able to rapidly accelerate their journey to the top of European football, fundamentally disrupting the established competitive order (Elixirr, 2024). Their financial power allows them to attract elite talent and invest in world-class facilities, effectively circumventing the traditional capital barriers that would otherwise take decades to overcome. Second, and perhaps more structurally significant, is the threat of breakaway competitions. The 2021 proposal for a European Super League (ESL) by a group of twelve elite clubs represented the most direct and existential threat to the UCL's dominance in its history. This project sought to create a new, semi-closed competition, effectively bypassing UEFA's sporting merit-based qualification system and capturing the majority of the commercial value generated by elite European club football. Although the initial attempt collapsed within 48 hours due to overwhelming fan backlash and governmental pressure, the legal landscape shifted dramatically when the European Court of Justice (2023) ruled that UEFA and FIFA's rules granting them prior approval of new competitions were contrary to EU competition law. This ruling has kept the threat of alternative competitions alive, representing a persistent and credible threat of new entry at the competition level.

**Bargaining Power of Suppliers:** In the football context, the primary suppliers are the players, their agents, and the clubs that sell players in the transfer market. The bargaining power of these suppliers is a defining feature of the UCL's competitive landscape. The bargaining power of elite players is immense and has grown substantially over the past three decades. A small number of world-class 'superstar' players can single-handedly alter a club's sporting performance and commercial appeal. This power is rooted in the scarcity of elite talent and was fundamentally amplified by the 1995 Bosman ruling, which established the right of out-of-contract players to move freely between clubs within the European Union, shifting power decisively from clubs to players (Manoli, 2014). The role of player agents further concentrates this power. Bull (2022) conducted a comprehensive law and economics analysis of sports agents, demonstrating that their role is fundamentally an economic one, and that the rise of 'super-agents' who represent large portfolios of elite players has given them significant leverage in negotiations with clubs. The total fees paid to agents in the football industry run into billions of euros annually, representing a significant transfer of value from clubs to player representatives. Selling clubs also act as powerful suppliers in the transfer market. Clubs with established reputations for developing elite young talent, such as Ajax Amsterdam and Benfica, can command enormous transfer fees for their graduates, giving them significant bargaining power. Franceschi (2024) conducted a systematic review of the determinants of football player valuation, finding strong evidence that the buying club's bargaining power influences the final transfer price, but also that the selling club's market position and the player's remaining contract length are critical determinants. The global transfer market, valued at billions of euros per year, is a complex and dynamic marketplace in which the bargaining power of suppliers is a constant and significant strategic consideration.

**Bargaining Power of Buyers:** The buyers in the UCL ecosystem are diverse, comprising fans, broadcasters, and corporate sponsors, each with distinct levels of bargaining power. Individual fans, as consumers of the football product, have relatively low individual bargaining power. However, their collective power is significant and has been demonstrated on several high-profile occasions. The rapid collapse of the ESL project in April 2021 was, in large part, a consequence of the overwhelming and immediate backlash from organised fan groups across Europe, demonstrating the collective power of the fanbase to influence the strategic direction of the sport. Furthermore, the globalisation of football has created a situation in which clubs are competing for the attention and spending of a global fanbase that has a vast and growing array of entertainment choices, which increases the collective bargaining power of fans as a group. Broadcasters represent the most financially significant category of

buyers and wield immense bargaining power. Media rights are the single largest source of revenue for the UCL. UEFA's (2024) financial report confirmed that total men's club competition revenue grew to €4.4 billion in 2024/25, with broadcasting rights constituting a substantial proportion of this figure. A relatively small number of major media conglomerates and, increasingly, large technology companies such as Amazon, Apple, and DAZN, bid for exclusive rights to broadcast matches. This concentration of buying power allows them to heavily influence the structure and scheduling of the competition to maximise their return on investment. López-González, Stavros and colleagues (2017) examined the digital disruption of sport broadcasting rights, arguing that the shift to digital platforms will inevitably empower consumers with greater choice and control, potentially eroding the value of exclusive broadcast deals in the long term. The entry of technology giants into the sports broadcasting market represents a significant shift in the buyer landscape, with these companies possessing financial resources that dwarf those of traditional broadcasters. Corporate sponsors, who pay vast sums for brand association with the UCL and its participating clubs, also hold significant bargaining power. They demand a high level of brand safety, positive association, and demonstrable return on investment. The ability of sponsors to withdraw their support in response to reputational damage or poor performance creates a constant financial pressure on clubs and the competition's organisers. The growing importance of social media and digital metrics in demonstrating sponsorship value has also shifted the terms of negotiation, with sponsors increasingly demanding data-driven evidence of audience engagement (McCarthy *et al.*, 2022).

**Threat of Substitutes:** Porter (1980) defines substitutes as products or services in other industries that perform the same function as the product in question. For the UCL, the threat of substitutes has grown substantially in the digital age and now represents one of the most significant strategic challenges facing the competition. The most direct substitutes are other elite football competitions. The English Premier League, Spain's La Liga, Italy's Serie A, Germany's Bundesliga, and France's Ligue 1 — collectively the 'big five' leagues — all compete for the same pool of fans, broadcast revenue, and sponsorship money. The growth of these domestic leagues as global entertainment products has intensified the competition for viewer attention, even within the football ecosystem. The UEFA Europa League and the newly established UEFA Conference League also serve as substitutes, offering a lower-tier but still prestigious alternative for clubs and fans. Beyond football, other major global sports represent a broader category of substitutes. The global expansion of American sports leagues, particularly the NFL and NBA, has created new entertainment options for sports fans worldwide. Formula 1, under the ownership of Liberty Media, has undergone a remarkable commercial renaissance, attracting a new generation of fans through innovative digital content strategies and expanding its global calendar. These sports compete directly with the UCL for the discretionary time and spending of the global sports fan. The most potent and rapidly growing threat of substitutes, however, comes from the broader digital entertainment industry. In the attention economy of the 21st century, the UCL is not merely competing with other sports, but with streaming services such as Netflix, Disney+, and Amazon Prime Video, video games such as EA Sports FC and Fortnite, and social media platforms such as TikTok, Instagram, and YouTube. The challenge of engaging the 'digital native' generation, which has grown up with an abundance of entertainment options and a shorter attention span for traditional long-form content, is a critical strategic challenge for the UCL and its participating clubs. Fakataulavelua (2023) explored the growing presence of major technology corporations in the sports industry, noting that these companies are not merely distributors of sports content but are increasingly seeking to own and control sports rights, further blurring the lines between sports and the broader entertainment industry.

**Intensity of Competitive Rivalry:** The intensity of rivalry in the UCL is arguably the most powerful of the five forces and is the defining characteristic of the competition. This rivalry is multifaceted,

operating simultaneously at the sporting, financial, and commercial levels. At the sporting level, the rivalry is intense and zero-sum. Only one team can win the trophy each season, and the competition is structured to progressively eliminate all but the most successful clubs. This drives a relentless and unending pursuit of sporting excellence, an 'arms race' for the best players, managers, and performance technologies. The competitive intensity is further amplified by the enormous financial rewards associated with success. UEFA's (2024) distribution data reveals that clubs can earn tens of millions of euros simply for qualifying for the competition, with the rewards escalating dramatically for clubs that progress to the later rounds. At the financial level, clubs are locked in a fierce battle for revenue. They compete for the same pool of elite players, the most lucrative sponsorship deals, and the largest share of the global fanbase. The Deloitte Football Money League (2026) starkly illustrates this financial competition, ranking clubs by their revenue-generating capacity and revealing the enormous and growing gap between the top clubs and the rest. The top 20 clubs generated a combined revenue of €12.4 billion in 2024/25, with Real Madrid leading the rankings. A critical feature of this rivalry is its concentration among a small group of 'super clubs' from the 'big five' European leagues. These clubs benefit from a virtuous cycle of success: sporting achievement drives higher revenues, which in turn allows for greater investment in talent, further cementing their dominance. Ramchandani *et al.* (2023) conducted a comprehensive review of competitive balance in 24 European football leagues before and after the implementation of Financial Fair Play regulations, finding that competitive balance has generally declined in the post-FFP era, with the wealthiest clubs consolidating their dominance. This concentration of power at the top of the competitive pyramid is a defining structural feature of the modern UCL.

**Impact of Porter's 5 forces Model on Competitive Strategy in the uefa Champions League:** Understanding the five forces is not merely an academic exercise; it has profound implications for the competitive strategies adopted by clubs and other stakeholders in the UCL.

**Strategic Alliances and Partnerships:** The analysis of the five forces reveals the strategic importance of alliances and partnerships in the modern football industry. Clubs form strategic alliances with sponsors, broadcasters, kit manufacturers, and technology partners to strengthen their competitive position and generate revenue. These partnerships are a direct response to the bargaining power of buyers and suppliers identified in Porter's framework. The emergence of multi-club ownership (MCO) represents a particularly significant strategic development. MCO involves a single entity owning or controlling multiple football clubs across different countries and leagues. This model, exemplified by the City Football Group (which owns Manchester City, New York City FC, Melbourne City FC, and numerous other clubs), creates a network of clubs that can share resources, develop talent, and exploit commercial synergies. Quansah *et al.* (2025) conducted a critical analysis of player transfers within MCO networks, finding that these structures facilitate the movement of players between affiliated clubs, creating a more efficient internal transfer market that reduces costs and improves player development pathways. From a Porter's perspective, MCO can be seen as a strategy to reduce the bargaining power of suppliers (by developing talent internally), increase barriers to entry (by creating a global network of clubs), and strengthen competitive positioning.

**Innovation and Differentiation:** The five forces analysis highlights the critical importance of innovation and differentiation as competitive strategies in the UCL. In a market characterised by intense rivalry and a growing threat of substitutes, clubs that can differentiate themselves through superior performance, unique fan experiences, and innovative commercial offerings are best positioned to sustain their competitive advantage. On the pitch, the use of advanced data analytics and sports science represents the most significant recent innovation. Teixeira *et al.* (2025) demonstrated how artificial intelligence and computer vision are being used to map tactical behaviour and collective dynamics in football, providing coaches with unprecedented insights into both their own team's

performance and that of their opponents. The survey by Memmert and colleagues (2024) on data analytics in the football industry found that the use of data and analytics in professional football organisations has grown steadily over the last decade, with clubs investing heavily in analytics departments to gain a competitive edge in player recruitment, tactical preparation, and injury prevention. This 'Moneyball' approach to football, popularised by the success of clubs like Liverpool FC under the ownership of Fenway Sports Group, has become a key differentiator between the most sophisticated and successful clubs and their less analytically advanced rivals. Off the pitch, digital innovation in fan engagement represents a critical area of differentiation. McCarthy *et al.* (2022) conducted an in-depth study of social media marketing strategies in English Premier League clubs, finding that the most successful clubs were those that had developed sophisticated, multi-platform digital strategies that went beyond simple content broadcasting to create genuine two-way engagement with their global fanbases. The ability to build and monetise a large and engaged digital following is now a key competitive differentiator, with social media metrics increasingly used as proxies for commercial value in sponsorship negotiations.

**Market Positioning and Branding:** Porter's framework, when applied to the UCL, underscores the critical importance of market positioning and branding as strategic tools. In a market where the core product — a football match — is difficult to differentiate, clubs must compete on the basis of brand identity, heritage, and the emotional connection they foster with their fans. The concept of brand equity is central to this analysis. Clubs with strong brand equity can command higher ticket prices, sell more merchandise, attract more lucrative sponsorship deals, and recruit better players, creating a self-reinforcing cycle of commercial success. The Deloitte Football Money League (2026) data demonstrates that commercial revenue — which is the most direct reflection of brand strength — is the largest single revenue stream for the top clubs, accounting for 44% of the average Money League club's revenue in 2023/24. Market positioning in the context of the UCL also involves a deliberate strategy of global expansion. Clubs like Manchester United, Real Madrid, and FC Barcelona have invested heavily in building their brands in emerging markets, particularly in Asia and North America, to tap into new pools of fans and commercial partners. This global expansion strategy is a direct response to the competitive dynamics identified in Porter's framework, particularly the threat of substitutes and the need to increase buyer power by growing the size of the fanbase.

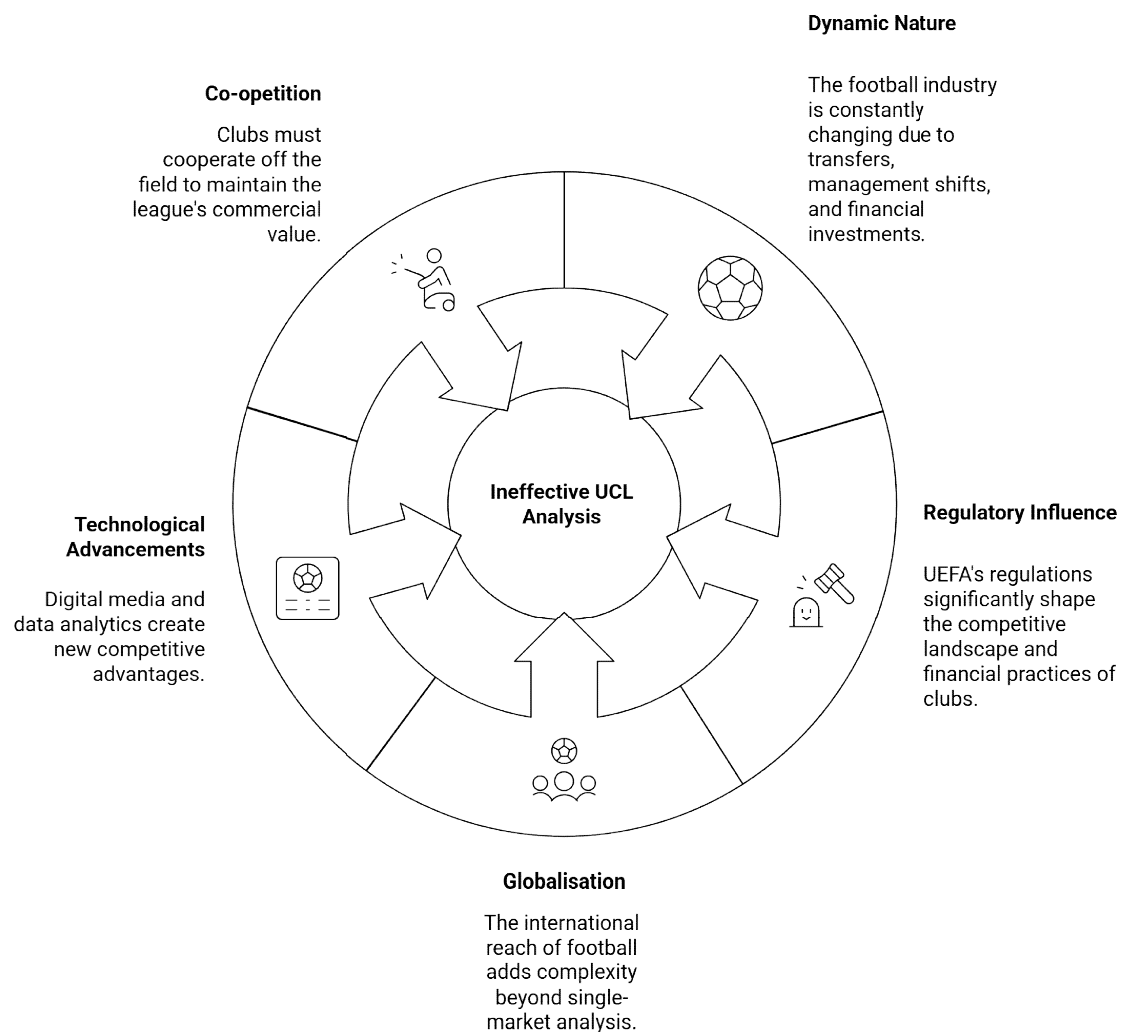
**Challenges and Limitations of Applying porter's 5 forces model in the uefa Champions League:** While the Five Forces model provides a valuable and enduring structure for analysis, its application to the modern football industry reveals several significant limitations. The model's static nature and its origins in traditional manufacturing and service industries mean that it does not fully capture the unique and complex dynamics of the UCL.

**The Dynamic Nature of the Football Industry:** A fundamental limitation of Porter's model is its essentially static character. The model provides a snapshot of an industry's competitive structure at a given point in time, but it does not adequately capture the dynamic and rapidly evolving nature of the football industry. The competitive landscape of European football is subject to continuous and often dramatic changes, driven by player transfers, managerial changes, financial investments, and shifts in the regulatory environment. Millward (2011) argued in his analysis of the global football league that the sport's globalisation has created a dynamic and unpredictable competitive environment that is difficult to capture in a static framework. The rise of state-backed clubs, the emergence of new markets in Asia and North America, and the rapid evolution of digital media have all fundamentally altered the competitive landscape in ways that a static application of Porter's model would fail to capture. This dynamic nature means that a Five Forces analysis conducted in one season may be significantly outdated by the next, requiring a continuous process of reassessment.

**The Influence of Regulatory Bodies and Governance:** Porter's original model does not include a distinct force for government or regulatory bodies, typically subsuming their influence within other forces such as barriers to entry. In European football, however, the power of governance is so profound and pervasive that it arguably constitutes a 'sixth force' in its own right, as has been proposed by several scholars for other regulated industries (Isabelle *et al.*, 2020). UEFA acts as both the organiser of the UCL and its primary regulator, a dual role that gives it immense and unique power. Through its regulations, UEFA dictates the format of the competition, the distribution of revenue among participating clubs, and the financial conduct of the clubs themselves. The Financial Sustainability Regulations (FSR) are a prime example of this regulatory power in action. By limiting squad costs — encompassing wages, transfers, and agent fees — to 70% of club revenue by 2025/26, UEFA directly intervenes in the market to curb inflationary pressures and promote financial stability (UEFA, 2023).

registration windows to international match calendars. The complex, multi-layered governance structure of football is a critical strategic factor that the standard Five Forces model fails to adequately represent.

**Globalisation and the Diversification of Revenue Streams:** The globalisation of football has created a competitive environment that extends far beyond the boundaries of any single domestic league or continent. Clubs in the UCL are not merely competing with their European rivals; they are competing in a global marketplace for talent, fans, and commercial partners. This global dimension adds a layer of complexity to the Five Forces analysis that the original model, which was primarily designed for analysis at the industry level within a defined geographic market, is not well-equipped to handle. The diversification of revenue streams is a direct consequence of this globalisation. UEFA's (2024) benchmarking data reveals that the €2.9 billion revenue increase between 2022 and 2023 was the la



**Figure 1. Limitations of the 5 Forces Model in USL analysis**

Martín-Magdalena *et al.* (2024) conducted a comprehensive systematic review and meta-analysis of the effectiveness of UEFA's FFP regulations, finding strong evidence that the regulations have positively impacted the profitability of clubs exposed to the regulation. However, Ramchandani *et al.* (2023) found that competitive balance has not improved, suggesting that the regulations have primarily benefited the largest clubs that already had the highest revenues. This regulatory power fundamentally shapes the competitive landscape in a way not seen in most unregulated industries. The rules on club ownership, including restrictions on multi-club ownership within the same UEFA competition, directly limit the strategies available to investors. The governance frameworks of national associations and the global governing body, FIFA, also impose rules that affect clubs participating in the UCL, from player

regist single-year increase on record, driven by growth across all three revenue streams: matchday, broadcasting, and commercial. This diversification means that clubs are now operating across multiple markets simultaneously, each with its own competitive dynamics, buyer and supplier relationships, and regulatory environments. A single Five Forces analysis cannot adequately capture this multi-market complexity.

**Technological Advancements and the Digital Transformation:** The digital revolution has reshaped the football industry in ways that Porter's framework, developed in the pre-internet era, could not have foreseen. The rise of social media, OTT streaming platforms, and advanced data analytics has created new sources of competitive advantage and altered the balance of power in ways that require

explicit consideration in any modern strategic analysis. Majewska (2022) conducted a study on the relationship between social media and football club revenues, finding a strong positive relationship between social media following and clubs' commercial revenues. This finding has profound implications for the Five Forces analysis, as it suggests that the ability to build and engage a large digital audience is now a key determinant of commercial success, directly influencing the bargaining power of buyers (sponsors and broadcasters) and the intensity of rivalry. The study by McCarthy *et al.* (2022) on social media marketing strategies in English Premier League clubs further reinforced this finding, demonstrating that clubs with more sophisticated digital strategies were better able to monetise their global fanbases. The use of advanced data analytics has also created a new dimension of competitive rivalry that is not captured in Porter's original framework. The ability to use machine learning and artificial intelligence to identify undervalued talent, optimise tactical strategies, and prevent injuries represents a new form of competitive advantage that is increasingly important in the modern game. Teixeira *et al.* (2025) demonstrated the potential of AI and computer vision in football analysis, while the survey by Memmert and colleagues (2024) confirmed that data analytics has become a standard tool in the strategic management of professional football clubs. This technological dimension of competition is a critical element of the modern UCL landscape that requires explicit recognition in any contemporary application of Porter's model.

**The Concept of Co-opetition in Sport:** A final, and perhaps the most fundamental, limitation of applying Porter's model to the football industry is the model's implicit assumption of purely adversarial competition. In the sports industry, however, clubs must simultaneously compete fiercely on the pitch and cooperate off it to produce a compelling and commercially valuable product. This dynamic, known as 'co-opetition', is a defining feature of sports leagues that is at odds with the purely adversarial view of competition embedded in Porter's framework. For the UCL to be a commercially valuable product, the competition must be perceived as exciting and unpredictable. A single club dominating indefinitely would diminish the entertainment value and, consequently, the commercial value of the competition for all stakeholders. This means that clubs have a shared interest in maintaining a degree of competitive balance, even as they compete intensely for individual success. Manoli (2014) identified this tension as a key characteristic of the football industry, noting that clubs are simultaneously rivals and partners in the joint venture of the league. This nuance is a significant limitation of applying Porter's model without adaptation, as it fails to capture the cooperative dimension of competition that is essential to the functioning of a sports league. To consolidate these challenges, the following Figure 1 visualises how the UEFA Champions League stretches Porter's Five Forces beyond its original, static assumptions. It maps the traditional forces onto the UCL ecosystem while highlighting the factors the framework struggles to represent adequately—particularly the outsized role of UEFA and multi-layered governance, the speed of competitive change across seasons, the globalisation of markets and revenue streams, and the disruptive impact of digital platforms and data analytics. The image also foregrounds the league's co-opetitive logic, where clubs remain direct rivals on the pitch yet must cooperate off it to protect the overall entertainment value and commercial sustainability of the competition.

## CONCLUSION

**Summary of Findings:** This analysis confirms that Porter's Five Forces model, despite its origins in a pre-digital, pre-globalised era, remains a remarkably resilient and relevant framework for understanding the competitive environment of the UEFA Champions League. The model effectively highlights the immense barriers to entry that protect the established elite, the complex bargaining dynamics with powerful players, broadcasters, and sponsors, the growing threat from a diverse range of substitutes in the attention economy, and the hyper-intense rivalry that defines elite European football. The model's core logic — that the structure of an industry

shapes the division of value among its participants — holds true with considerable force in the context of the UCL. However, the study also demonstrates that a rigid, uncritical application of the original framework is insufficient for a complete and accurate strategic analysis of the modern football industry. The model, as originally conceived, is not equipped to handle the unique complexities of a sport that is simultaneously a competitive game, a global entertainment product, and a heavily regulated industry. The five forces, while still relevant, must be viewed through the lens of several critical contextual factors that were not present when Porter developed the framework.

**Recommendations for Future Research:** The limitations identified in this paper point to several important directions for future research. First, there is a need for empirical studies that test the relative importance of the five forces in the football industry, using quantitative data on club revenues, market shares, and competitive outcomes to assess the strength of each force. Second, longitudinal studies that track the evolution of the competitive forces over time would provide valuable insights into the dynamics of the industry and the impact of regulatory changes such as the introduction of the FSR. Third, comparative analyses across different sports leagues and regions could provide a broader perspective on the applicability of Porter's model in the sports industry, helping to identify the extent to which the UCL's competitive dynamics are unique or representative of a broader pattern. Furthermore, future research should explore the development of an integrated strategic framework for the football industry that combines the structural insights of Porter's model with contemporary theories of digital transformation, governance, and network economics. Such a framework would need to explicitly incorporate the influence of regulatory bodies as a distinct force, the role of data analytics and technology as a source of competitive advantage, and the co-opetitive dynamics that are fundamental to the functioning of a sports league.

**Practical Implications for Football Clubs:** The findings of this study have several important practical implications for the strategic management of football clubs participating in the UCL. First, clubs must recognise that their competitive environment is shaped not only by the five forces identified by Porter, but also by the regulatory framework imposed by UEFA and national associations. Strategic planning must, therefore, include a thorough understanding of the regulatory environment and a proactive approach to compliance with the FSR and other governance requirements. Second, clubs must invest in digital innovation and data analytics as a source of competitive advantage. The evidence reviewed in this paper strongly suggests that the ability to build and engage a large digital fanbase, and to use data analytics to improve on-pitch performance and off-pitch decision-making, is increasingly a key differentiator between the most successful clubs and their rivals. This requires a significant investment in technology and human capital, but the evidence suggests that the returns on this investment are substantial. Third, clubs must develop a sophisticated understanding of the bargaining dynamics with their key suppliers (players and agents) and buyers (broadcasters and sponsors). This requires a proactive approach to talent development and retention, as well as a strategic approach to commercial negotiations that leverages the club's brand strength and global reach.

**Significance of Porter's 5 Forces Model in the Modern UEFA Champions League:** The contemporary UEFA Champions League exists as an environment of extraordinary competitive intensity, commercial complexity, and rapid change. Porter's Five Forces Model, when applied with the necessary adaptations and augmentations, remains a powerful and indispensable tool for understanding this environment. Its enduring value lies not in its ability to provide a definitive or static picture of the competitive landscape, but in its capacity to provide a structured and systematic framework for thinking about the forces that shape competition and profitability. The modern relevancy of Porter's Five Forces model in the context of the UEFA Champions League is, therefore, not a question of 'if' but 'how'. When applied critically, with an awareness

of its limitations and a willingness to augment it with additional forces and contemporary perspectives, the model continues to provide indispensable insights into the strategic challenges and opportunities that define the beautiful — and highly competitive — game. For clubs, governing bodies, and researchers alike, the Five Forces framework, properly adapted for the 21st century, remains an essential component of the strategic analyst's toolkit.

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