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Year

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Title of the extended essay: "To what extent did relegation from the
English Premier League in 2011 impact revenue from ticket sales for
West Ham United"

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The extended essay I am submitting is my own work (apart from guidance allowed by the International Baccalaureate).

I have acknowledged each use of the words, graphics or ideas of another person, whether written, oral or visual.

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has produced an interesting essay with some sound economic content. He could have perhaps incorporated some more advanced Theory of the Firm analysis, however he has conducted some in-depth research and produced a good essay that has been extremely well presented.

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I have read the final version of the extended essay that will be submitted to the examiner.

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I spent $3\frac{1}{2}$ hours with the candidate discussing the progress of the extended essay.

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Criteria	Achievement level				
	Examiner 1	maximum	Examiner 2	maximum	Examiner 3
A research question	2	2		2	
B introduction	1	2		2	
C investigation	2	4		4	
D knowledge and understanding	2	4		4	
E reasoned argument	2	4		4	
F analysis and evaluation	2	4		4	
G use of subject language	2	4		4	
H conclusion	2	2		2	
I formal presentation	2	4		4	
J abstract	1	2		2	
K holistic judgment	2	4		4	
Total out of 36	20				

“To what extent did relegation from the English Premier League in 2011 impact revenue from ticket sales for West Ham United?”

Extended Essay IB 2013

Candidate number:

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Abstract

My research question is “To what extent did relegation from the English Premier League in 2011 impact revenue from ticket sales for West Ham United?” I aimed to find whether season tickets are price inelastic or not and what may cause the inelastic nature. I used season tickets because the information is more accessible, ticket sales for individual matches vary and the owners of West Ham United can use pricing strategies to influence the demand for season tickets. My investigation was undertaken by the use of a questionnaire surveying fans, to investigate whether season tickets are price inelastic and newspaper articles related to the economics of football, and published data from West Ham regarding ticket sales and revenues. My conclusion is that after relegation, demand fell for season tickets, however price also fell, leading to an overall drop in revenue however due to the strength of club loyalty, this fall in revenue was less than economic theory would predict.

Introduction

On the 15th of May 2011, West Ham United were relegated from the Premier League. Relegation from the Premier League can cost a football club close to £45m¹, through the loss of television revenue and fall in sales of merchandise and tickets. Even though relegated clubs are given “parachute payments” they are often required to sell their best players and make considerable changes to help the club cope financially. When West Ham were relegated in 2011, owners David Gold and David Sullivan had recently taken over from the Icelandic company CB Holding. The collapse of Icelandic banks and poor financial management by the former owners meant that West Ham’s finances were already under serious pressure, with debts and liabilities estimated at close to £120m².

Economic theory suggests that when the quality of a good decreases, the demand for that good should also decrease, as consumers decide to purchase a substitute good of better quality. This implies that after relegation, due to a decrease in quality of football played, fans would opt for a substitute, and purchase season tickets to see clubs such as Chelsea or Tottenham. However in football, this substitution effect may not apply due to the brand (club) loyalty of a strong fan base. In this essay I will use the concept of PED (price elasticity of demand) to explore whether tickets are price elastic or inelastic, the factors which may cause an inelastic nature on demand and the impact this may have on revenue.

As a fan of West Ham United I have a personal interest in the club’s financial stability and as a student of economics I am interested in the economics of sport and how basic economic theories apply to different aspects of sport. I have therefore constructed this research to discover “**To what extent did relegation from the Premier League in 2011 impact revenue from ticket sales for West Ham United?**” Through this question, I can explore whether the above economic theories apply to

¹ <http://www.dailymail.co.uk/sport/football/article-1386892/The-40m-day-destiny-West-Ham-Wigan-face-cost-relegation.html>

² <http://www.metro.co.uk/sport/football/912782-david-sullivan-and-david-gold-funding-west-ham-deals-out-of-own-pocket>

football tickets by seeing what happened to prices and ticket sales in the season 2011/12, consider the pricing decisions the owners took and assess the use of pricing strategies such as price discrimination to decrease the negative impact of relegation on demand.

There are three main sources of revenue for football clubs; ticket sales (matchday revenue); TV broadcasting and commercial, all of which are likely to be impacted by relegation. In this research, I will see to what extent matchday revenue is affected by relegation by the use of figures and statistics relating primarily to season ticket prices and sales. This is because matchday revenue is a significant percentage of income for English clubs.³ Moreover, season ticket information is widely available and the amount and price of tickets sold for individual matches can fluctuate greatly. In addition, season ticket prices are under the control of the owners, whereas revenue from broadcasting for example is heavily influence by being in the Championship.

The importance of investigating the financial impact of relegation is that three clubs are relegated from the Premier League each year, and are likely to face similar losses to those faced by West Ham in 2011. Given the poor financial situation of many football clubs currently, these financial issues are likely to be exacerbated by relegation.

³ Deloitte

Research Methods

Primary Research

The aim of the primary research was to explore the impact of club loyalty by finding out how fans reacted to the relegation of West Ham United in 2011, in terms of their choice to purchase season tickets in the Championship. Specifically the aim was to see whether price directly impacts fan's decisions on purchasing season tickets i.e. whether in reality, season tickets are price inelastic or not. I therefore designed a questionnaire, which was put on a West Ham fan website "foreverwestham.com"⁴ and used to survey West Ham fans at two football matches in August 2012.

Questions 1 to 5 aimed at investigating the price elasticity of season tickets and questions 6-9 were designed to explore how relegation impacts the demand for season tickets in regards to a decrease in quality. (The questionnaire can be found in Appendix I).

Secondary Research

I used a range of information sources for my secondary research: newspaper articles, published research, football websites and information directly from West Ham United, using their website as the main source, as well as book research on economic theory.

A key piece of research was information on revenues for different clubs published over the past few years. The firm "Deloitte" was the main source of information on the economics of football as they publish various pieces of data regarding the revenues of the world's biggest clubs.

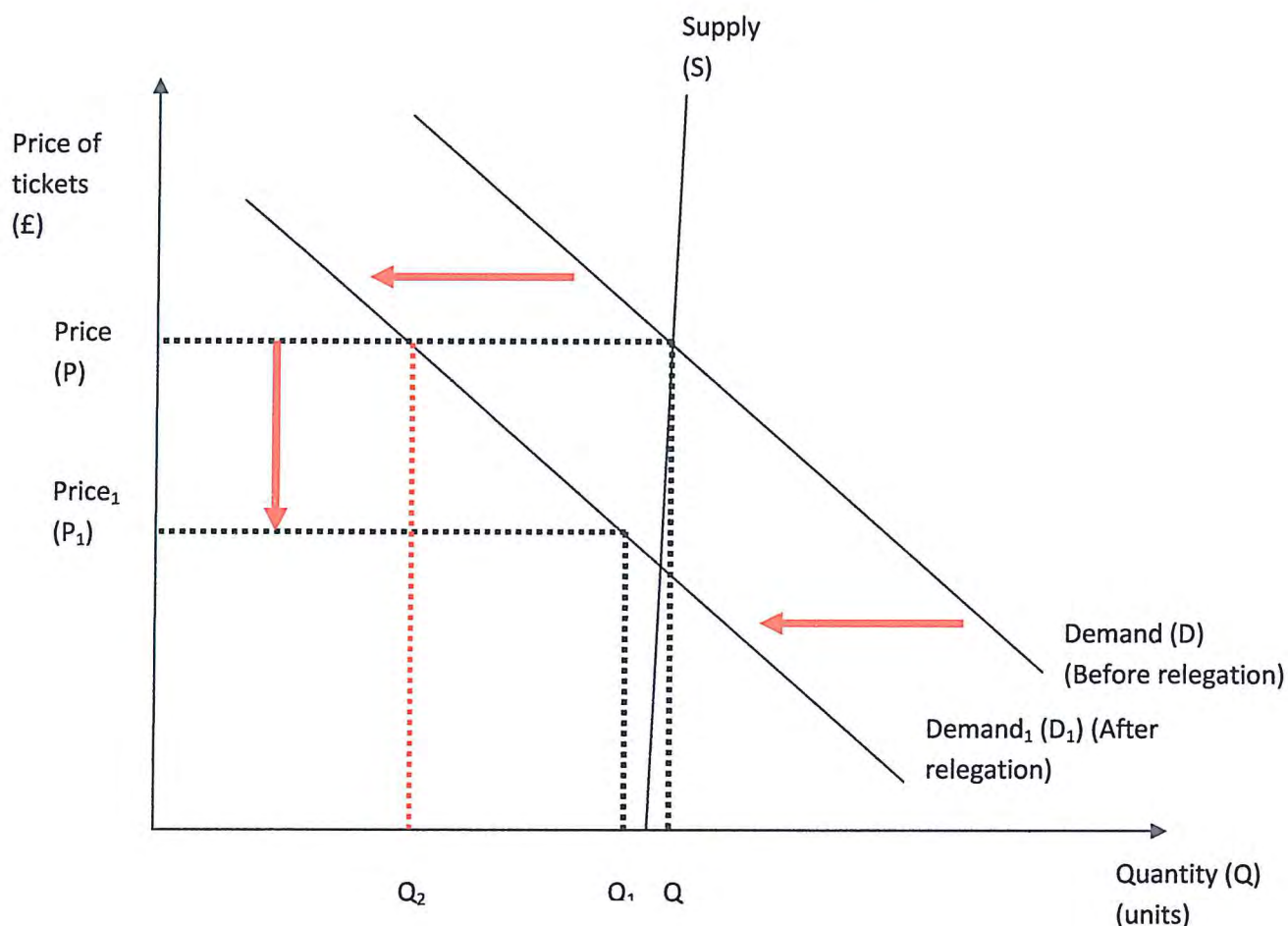
I used many websites, including "football transfer tavern" which published surveys conducted by football organisations. From these websites I was able to obtain factual published data, season ticket prices and company statements. To further explore the link between demand and quality a key piece of this research was prices charged by clubs for season tickets in comparison with their perceived quality.

⁴ <http://foreverwestham.com/2012/06/blog-topics/what-price-would-you-pay>

Theoretical Hypothesis

Economic theory suggests that after West Ham United's relegation in 2011, due to a perceived decrease in the quality of football played, demand for season tickets at the club would fall, as consumers would decide to spend their money on a Premiership club with better quality of football. This can be shown graphically below;

Diagram 1 - The fall in demand for season tickets, caused by a decrease in the perceived quality of the good



The graph represents a fall in the quantity demanded for season tickets due to a perceived decrease in the quality of the good (i.e. the football on show). The supply curve is very inelastic, due to the stadium capacity being an almost fixed amount. The red dotted line shows the fall in quantity of season tickets sold if the price of season tickets remained the same after relegation. From Q to Q₂

In the theory of market equilibrium, equilibrium price occurs where demand equals supply. This is also shown on the graph, as the demand falls from D to D₁, the price of the tickets also falls. If the price did not fall, supply would exceed demand and result in an excess of supply, so there is pressure for the price to fall to the equilibrium rate (P₁).

Economic theory predicts that the price for season tickets will need to fall to maintain demand however; the decrease in price needed would depend on how elastic the demand for season tickets is.

The theory of price elasticity of demand (PED) is the responsiveness of changes in quantity demanded to changes in price⁵. PED is calculated by using the equation;

$$\text{PED} = \% \text{ change in Quantity Demanded} / \% \text{ change in Price}$$

Demand is price inelastic if PED is less than 1, meaning a percentage change in price would result in a smaller percentage change in quantity demanded⁶. Therefore if demand for season tickets is price inelastic, after relegation a decrease in the price of season tickets may only result in a small percentage increase in demand.

The price elasticity of season tickets is influenced by several factors including, club loyalty, the price itself, and whether a season ticket is seen as luxury or essential item. Economic theory suggests that the demand for season tickets at West Ham would be price inelastic due to "brand loyalty". This is when "a consumer generally buys the same manufacturer-originated product or service repeatedly over time rather than buying from multiple suppliers within the category"⁷

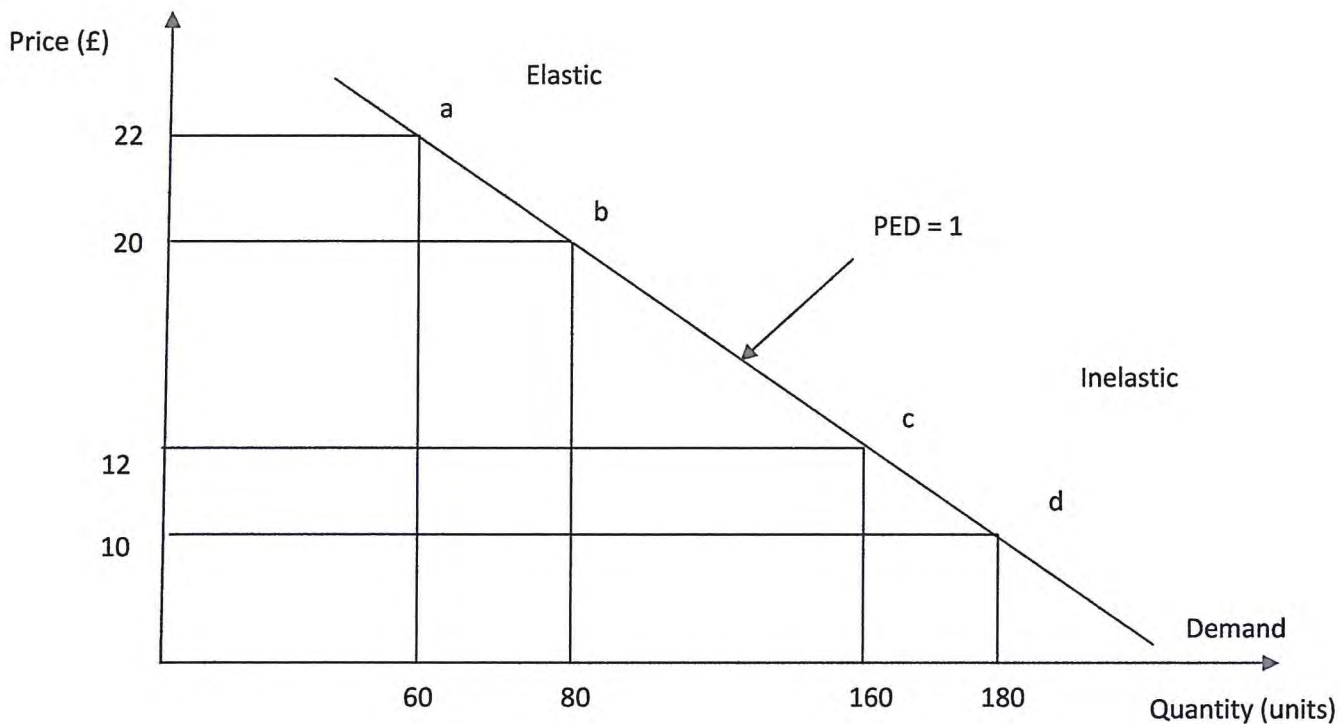
In addition, economic theory suggests that the higher the price becomes the more elastic the demand becomes for the good and the smaller the price becomes the more inelastic the demand for the good becomes, as shown overleaf.

⁵ Economics fourth Edition – Alain Anderton

⁶ Economics fourth Edition – Alain Anderton

⁷ American Marketing association, Wikipedia 1/11/2012.

Diagram 2 - The change in elasticity as the price of a good changes



This graph shows a demand curve for a normal good and how at different prices, the good changes from being price elastic to price inelastic. When the good is at £20 and there is a £2 increase to £22, the quantity demanded drops from 80 to 60. Using the equation;

$$PED = 25\% / 10\% = 2.5$$

The value 2.5 shows that the good is price elastic.

In contrast to this, when the price is at £10 and there is the same increase of £2 to £12, the quantity demanded falls from 180 to 160 units, which is the same drop of 20 units, however the percentage fall in demand is much smaller;

$$PED = 12.5\% / 20\% = 0.56$$

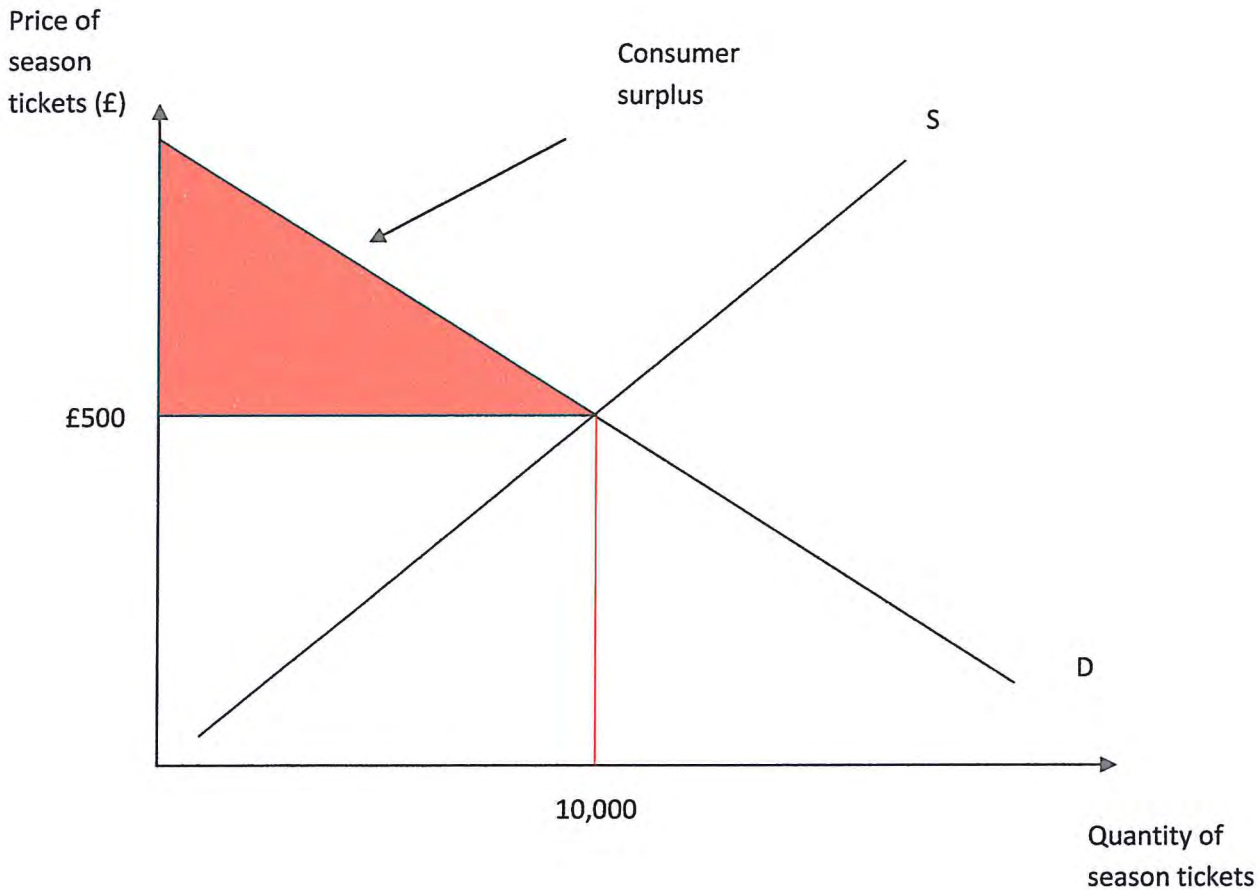
The value 0.56 shows that the good at this price, is price inelastic. The good is price inelastic at a lower price because the impact of any rise in price is less than when a good is expensive. Therefore, a key aspect of whether a consumer would purchase a season ticket would be whether the cost of a season ticket is a high or low percentage of their income. If West Ham season tickets are price inelastic, they would have an income elasticity close to 0 because demand does not decrease proportionately to income changes. Income elasticity can be calculated by the equation shown below:

Income elasticity of demand = %change in Quantity Demanded / %change in Income.⁸

Therefore any significant change in income can greatly affect the quantity demanded of goods which cost a high proportion of income. As season tickets are relatively expensive, any change in income will have a considerable effect on ticket sales and therefore could have a significant impact on the revenue received from these sales.

One option to maintain demand for season tickets is price discrimination. This occurs when a producer sells an identical product to different consumers at different prices, e.g. child and adult tickets at West Ham United, and works because different consumers are willing to pay different sums of money for the same good, as shown by the graph below;

Diagram 3 - Price discrimination and consumer



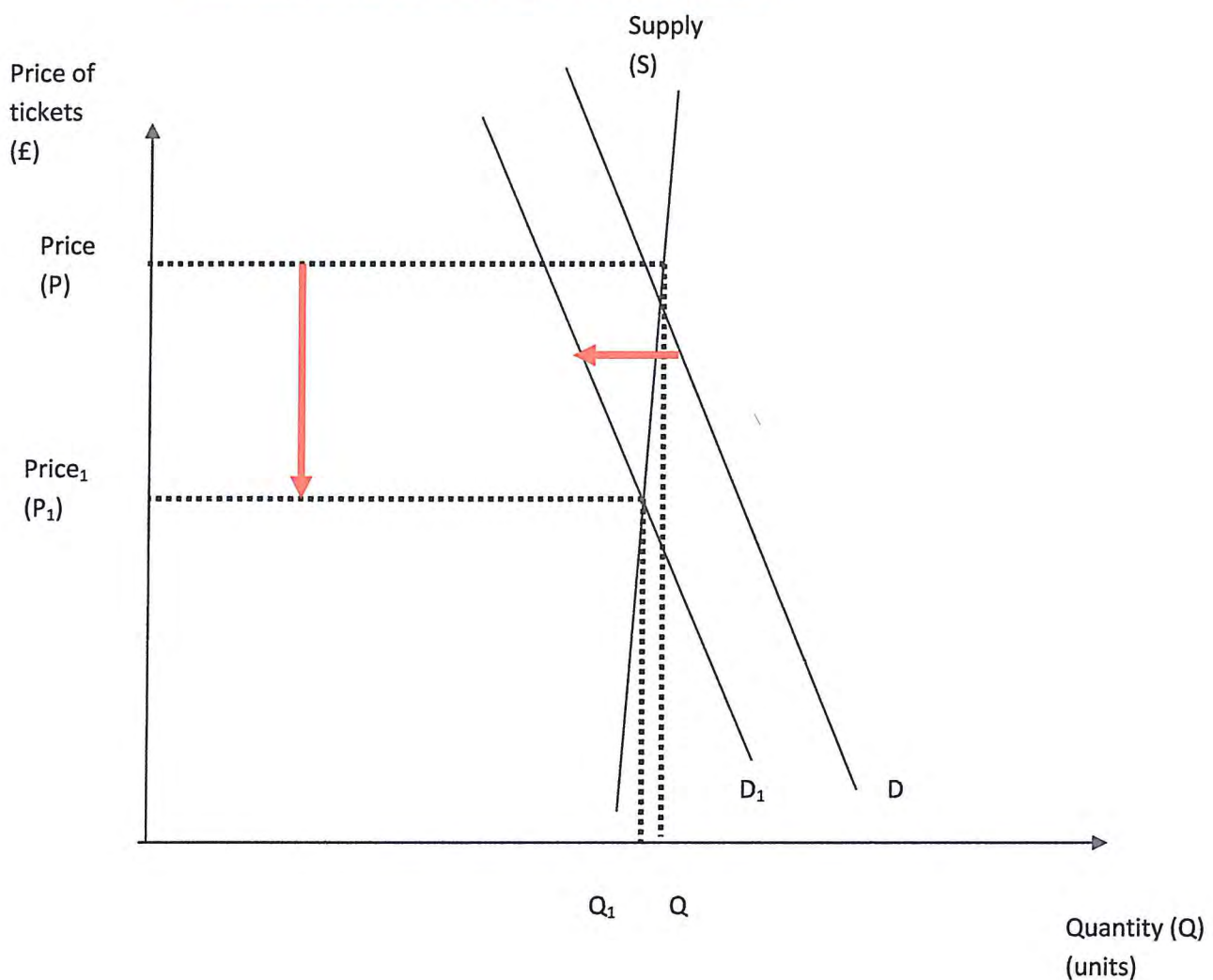
The red shaded area shows the consumer surplus, i.e. “the extra satisfaction or utility gained by consumers from paying a price that is lower than that which they are prepared to pay.” The graph shows that there are consumers who would have been willing to pay a higher price.

⁸ “Economic course companion”

Therefore, the owners of West Ham United could, with the aim of increasing demand for tickets, use price discrimination tactics, for example, lowering the price of a child ticket.

In conclusion, economic theory suggests that due to relegation, the demand for season tickets for West Ham United will fall, as the quality of football decreases. However, due to club loyalty and the inelastic nature of the tickets, the demand will fall by a small amount. It is likely therefore that pricing strategies will be used to minimise the fall in demand and there will be a fall in the price of season tickets. Therefore, the graph for season tickets will change from Diagram 1 to show a more inelastic demand curve as depicted below;

Diagram 4 - The demand and supply of season tickets with inelastic demand and supply curves



Research Findings

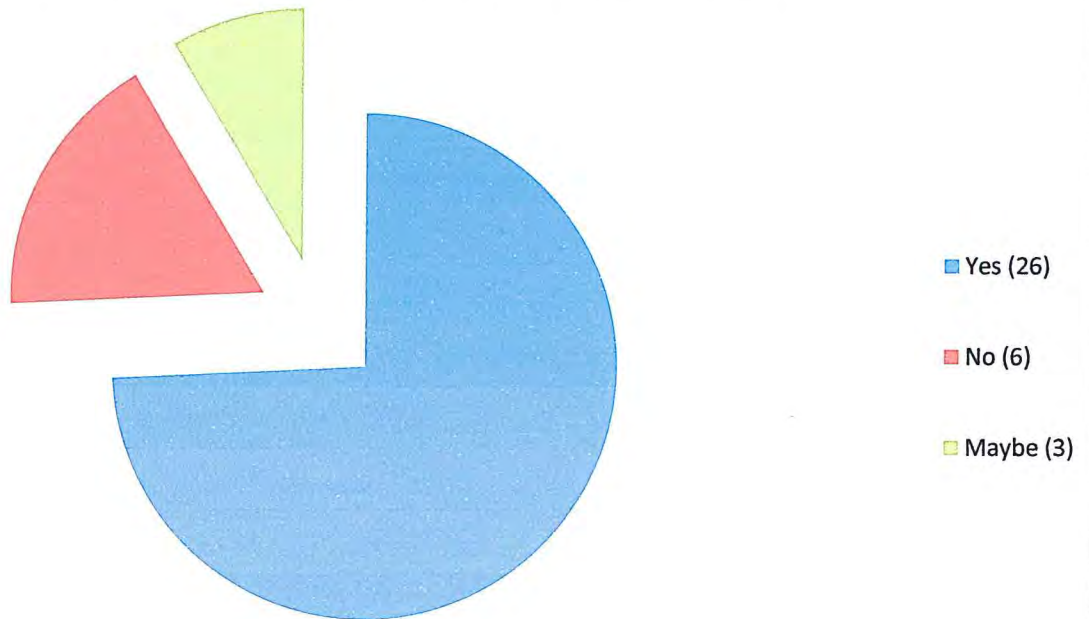
Questionnaire findings

Via the questionnaire I was able to ask Hammers fans from different areas of the country and from different financial backgrounds their opinions of the season ticket prices at West Ham. 35 people responded to the questionnaire through interviews at matches and online. Those interviewed also provided qualitative comments which are included. The results are shown below;

Table 1 – Questionnaire results

Question	Yes	%age of total	No	%age of total	Maybe	%age of total
1	35	100	0	0	0	0
2	35	100	0	0	0	0
3	35	100	0	0	0	0
4	26	74	6	17	3	9
5	N/A		N/A		N/A	
6	4	11	31	89	0	0
7	9	26	15	43	11	31
8	0	0	35	100	0	0
9	0	0	35	100	0	0

Chart 1 - Question 4 - If the prices were to start at £800, would you still buy a season ticket?



The pie chart above shows the breakdown of answers in relation to whether supporters would purchase a ticket at £800. 74.3% said yes, further supporting the hypothesis that tickets are price inelastic. However, at £800 this was the first price that fans said that they would not purchase a season ticket. Four of the six who said no at this price, commented it was too great a percentage of their income. This furthers the economic theory of how income can influence the elasticity of tickets.

Two of the six fans who would not purchase a ticket at this price also said the price did not relate to the quality of football that was on show. One of these fans commented that if the club was in the "top six" then this would justify for paying £800 for a season ticket. I can conclude therefore that at £800, the price starts to become more elastic as shown in Diagram 2.





















The reason behind season tickets being inelastic, according to most fans interviewed, is that although it is expensive, it provides entertainment for 8 months of the year at weekends and the attachment and loyalty that fans feel towards their club means that they would pay almost any price for a season ticket.

The response to question 8 shows that £420 was an acceptable price for a club playing in the Championship and therefore 20% decrease in price on the previous season represented a similar drop in the quality of football played.

Secondary research findings

Research conducted by the football website “football transfer tavern”⁹ showed, by analysing the price of season tickets in 2012/13, percentage of home games won and average number of goals per home game from previous season, where each club ranked in terms of “value for money.”

Manchester City ranked highest, with the “price per win” being £23.61, Newcastle were second, at £33.00. West Ham United finished 20th, bottom of the list, with the price per win at an astonishing £123.33.

	Season ticket price 2012/13	% of home games won	Average no. of home goals per game	£ per goal	£ per win	Change on Previous year
★  Man City	£425	95	2.89	£7.73	£23.61	-£0.93
 Newcastle	£363	58	1.53	£12.52	£33.00	-£30.41
 Man Utd	£532	79	2.74	£10.23	£35.47	£2.85
 Southampton*	£495	57	1.85	£8.65	£37.50	NEW
 Everton	£443	53	1.47	£15.82	£44.30	-£8.50
 Fulham	£449	53	1.89	£12.47	£44.90	-£0.22
 Chelsea	£595	63	2.16	£14.51	£49.58	-£7.24
 Tottenham	£730	68	2.05	£18.72	£56.15	-£8.94
 Stoke	£399	37	1.32	£15.96	£57.00	£12.98
 West Brom	£349	32	1.11	£16.62	£58.17	£58.17
 Wigan	£300	26	1.16	£13.64	£60.00	£13.91
 Sunderland	£425	37	1.37	£16.35	£60.71	£16.15
 Swansea	£499	42	1.42	£18.48	£62.38	£28.94
 Reading*	£525	59	1.50	£12.39	£71.25	NEW
 QPR	£499	37	1.26	£20.79	£71.29	£19.50
 Norwich	£547	37	1.47	£19.54	£78.14	£38.35
 Aston Villa	£325	21	1.05	£16.25	£81.25	£36.25
 Arsenal	£985	63	2.05	£25.26	£82.08	£6.60
 Liverpool	£725	32	1.26	£30.21	£120.83	£63.29
 West Ham*	£600	52	1.76	£19.47	£123.33	NEW

* Price of cheapest available season ticket for 2012/13
 ★ Best value for money team based on the price of a season ticket (home), amount of home wins and the number of goals scored during the previous football season.

⁹ <http://www.footballtransfertavern.com/2012/08/premiership/best-value-season-tickets-we-have-the-definitive-premier-league-figures>

This 'value for money' measure suggests that season ticket price is not directly linked to quality, therefore supporting the argument that they are price inelastic due to a very strong club loyalty factor which acts against any decrease in quality or increase in price. Therefore, using economic theory to predict the impact of a decrease in quality on revenue appears limited.

In the Championship in 2011/12, despite relegation from the Premier League, West Ham United had the highest number of season ticket holders in the league, at 19,308. The Hammers also had the highest average attendance in the Football League.¹⁰ However although the average attendance was the highest in the Championship with 31,079, the previous season in the Premier League, West Ham's average attendance was 33,426. This means that the average attendance for West Ham matches fell by 2,347.¹¹

By comparing figures for the 2011/12 season for West Ham United in the Championship and the 2010/11 season in the Premier League, we can see whether the revenue from ticket sales did go down or stayed at a similar rate. Moreover, we can analyse these figures to see whether my theoretical hypothesis was correct.

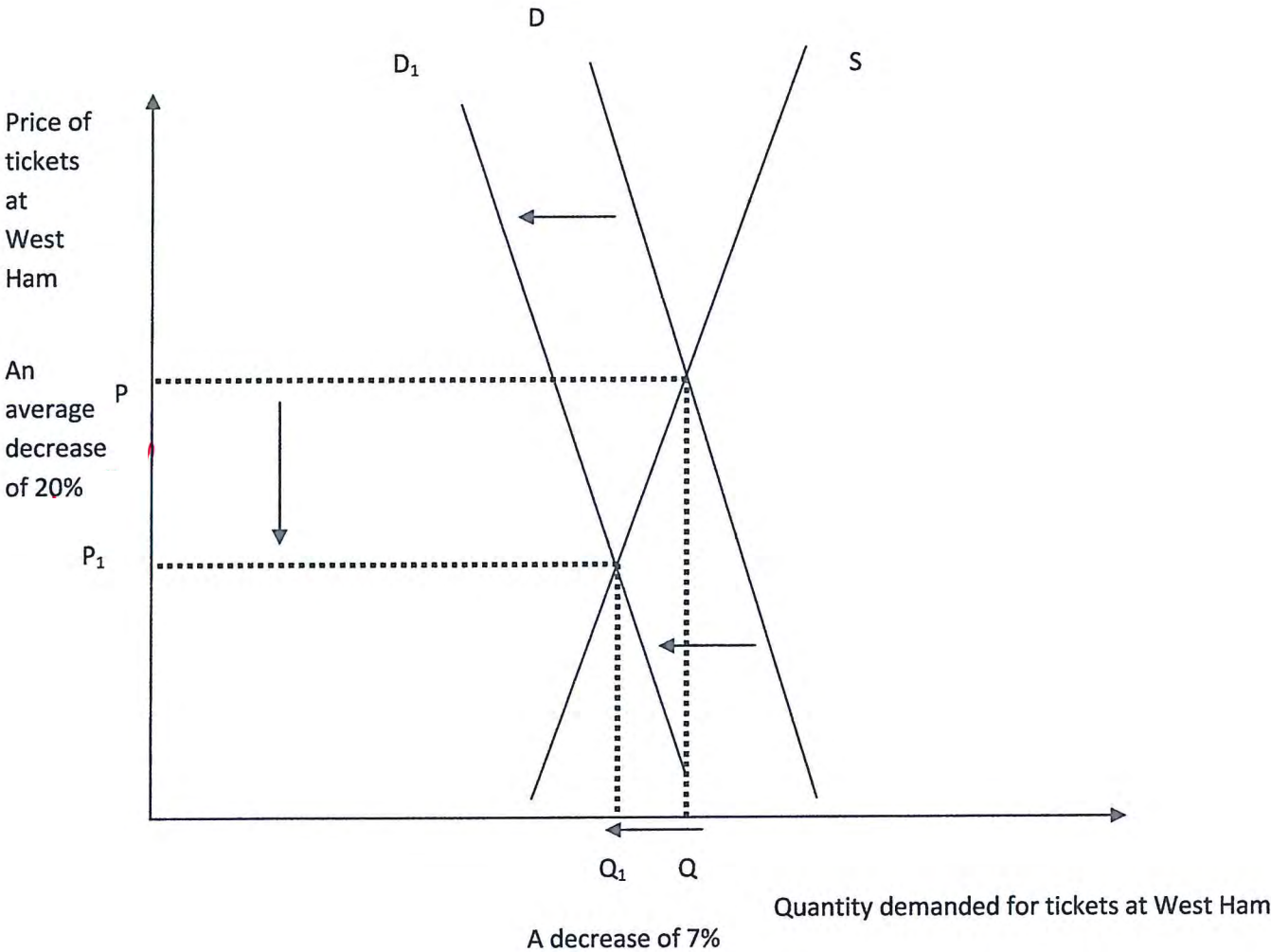
The average attendance during the 2011/12 season for West Ham games was 31,079, which is a 7% decrease from the 2010/11 season.¹² This supports the argument that the decrease in the quality of football leads to a decrease in the demand for tickets. This can be shown graphically overleaf;

¹⁰ <http://www.football-league.co.uk/page/AttendanceStats>

¹¹ http://soccer.net.espn.go.com/stats/attendance/_/league/eng.1/year/2010/barclays-premier-league?cc=5739

¹² http://soccer.net.espn.go.com/stats/attendance/_/league/eng.1/year/2010/barclays-premier-league?cc=5739

Diagram 5 - A 7% fall in the demand for tickets for West Ham games from the previous season shown by a shift of the demand curve left



After relegation, the season ticket prices for the 2011/12 season were reduced by 20% to the average price of £539¹³. In 2011, West Ham United sold 19,308 season tickets, and in 2010 sold 24,300¹⁴ at an average price of £689. Analysis of the difference in season ticket revenue by multiplying the average season ticket price by the number of tickets sold shows:

2011; £539 x 19,308 = £10,407,012 is the revenue received from season ticket sales for 2011/12 season

2010 £689 x 24,300 = £16,742,700 is the revenue received from season ticket sales for 2010/11 season.

That is a fall of £6,335,688, which is a 38% decrease in the revenue from season ticket sales.

Using this data to calculate the PED:

$PED = \% \text{ change in Quantity Demanded} / \% \text{ change in Price}$

$PED = -21\% / -22\% = 0.95$

From this data, I can conclude therefore that season tickets are slightly inelastic. However, the data includes estimations and averages for price, therefore the value for PED is an approximation.

The table in Appendix 2 shows the turnover of West Ham from 1994 to 2008. An interesting observation is the drop in turnover from £45m to £28m. The reason behind this fall in turnover is due to West Ham's relegation from the Premier League during the 2002/3 season, despite the sales of England internationals such as Joe Cole and Glen Johnson, the club still experienced less revenue when in the Championship. One would expect therefore, that relegation in 2011 would follow the same pattern as previous years and there would be a drop in revenue. Accurate financial information is not currently available for this.

¹³ www.whufc.com

¹⁴ <http://www.channel4.com/news/articles/sports/season+ticket+sales+up+survey+reveals/598252.html>

West Ham Profit & Loss Account					
£ mlns	2005	2006	2007	2008	2009
Match Day	12.7	16.5	17.0	18.3	17.6
Television	8.3	28.2	23.9	40.8	44.2
Commercial	10.8	15.4	16.4	22.4	14.3
Turnover	31.8	60.1	57.3	81.5	76.1
Wages & Salaries	(20.2)	(30.9)	(42.4)	(63.3)	(60.0)
Administrative Expenses	(13.8)	(15.5)	(17.8)	(22.8)	(21.0)
Exceptional Items		(0.3)	(8.9)	(27.3)	(10.5)
Expenses	(34.0)	(46.7)	(69.1)	(113.4)	(91.5)
Amortisation	(5.2)	(5.1)	(10.4)	(18.8)	(20.0)
Other Operating Income	0.3		1.0	0.2	0.8
Operating Profit/(Loss)	(7.1)	8.3	(21.2)	(50.5)	(34.6)
Profit/(Loss) on Player Sales	3.9	(0.7)	1.4	16.1	22.4
Net Interest Payable	(1.9)	(1.6)	(2.2)	(3.0)	(4.0)
Profit/(Loss) before Taxation	(5.1)	6.0	(22.0)	(37.4)	(16.2)
Profit excl. Exceptional Items	(5.1)	6.3	(13.1)	(10.1)	(5.7)

¹⁵ The table above shows the profit and loss account for West Ham from 2005 to 2009. In 2005, West Ham had just won promotion to the Premier League and in 2006, had finished 9th in the Premier League and finished runners up in the FA Cup. The turnover from the 2006 against the 2005 season almost doubles. Matchday revenue also increases, from £12.7m to £16.5m. However, the greatest increase in revenue comes from "Television". In the Premier League, more matches will be televised and therefore more revenue obtained.

In a recent newspaper article, Deloitte experts were asked what the economic impacts of relegation were for clubs when relegated from the Premier League. Deloitte predicted a £21m loss in TV revenue and a £4m loss in commercial revenue. However, they predicted that clubs would not lose any revenue from Matchday, as fans will stay "loyal" and there are more games in the Championship.¹⁶ However, from my analysis of season ticket sales, there was a 38% (£6.3m) loss in the revenue from season tickets.

Moreover, in the Deloitte document containing a breakdown of the revenues of the 20 biggest clubs in Europe, they claim that "extended cup runs can provide a significant boost to club's top line"¹⁷ After relegation West Ham did not enjoy the same cup runs as they did the season before in the Premier League. In the 2010/11 season, West Ham reached the semi final of the "Carling Cup",

¹⁵

(http://2.bp.blogspot.com/_jLlqDrcSYeQ/TDa9k1heeFI/AAAAAAAAAB4U/psRJ0c2YFsQ/s1600/West+Ham+P%26L.jpg)

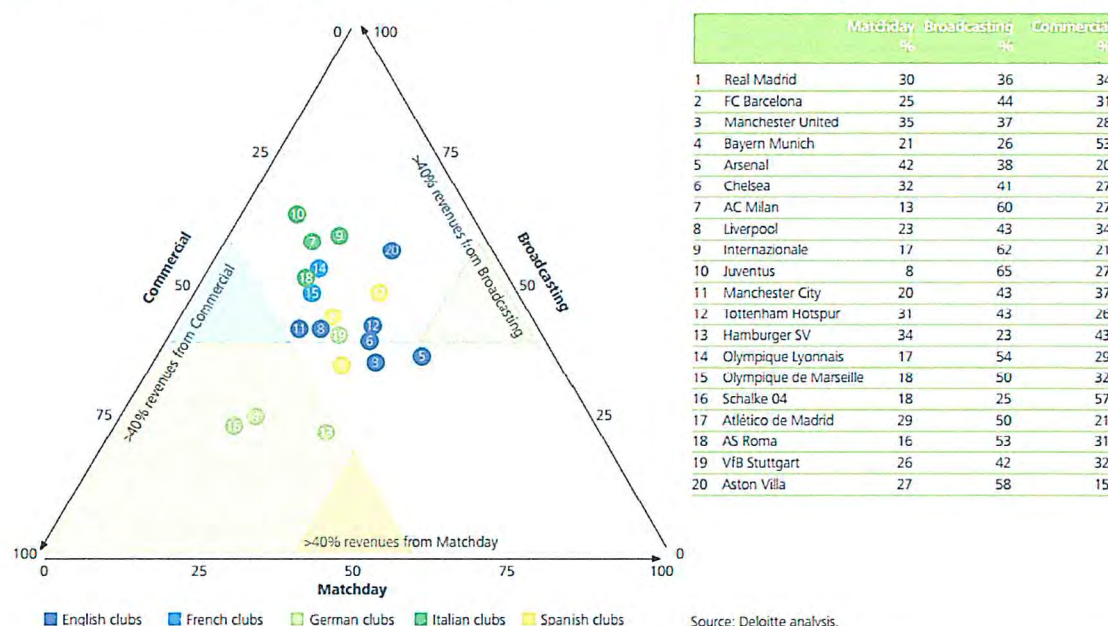
¹⁶ <http://www.telegraph.co.uk/sport/football/competitions/premier-league/8529924/The-cost-of-relegation-from-the-Premier-League.html>

¹⁷ http://www.deloitte.com/view/en_GB/uk/industries/sportsbusinessgroup/sports/football/deloitte-football-money-league/691295aa0c415310VgnVCM1000001a56f00aRCRD.htm

however, in the 2011/12 season in the Championship, the Hammers were knocked out by Aldershot in the first round. Therefore, despite having more games in the Championship, the reduction in the quality of the squad can hinder the number of games played in cup competitions. Moreover, West Ham often offer “Kids for a Quid” at cup matches to try and increase attendances, as they often fall on weekday evenings. This therefore questions the Deloitte conclusion.

Despite there being a fall in the demand for season tickets at West Ham after relegation, it may not be the main cause of a fall in overall revenue for a relegated club. The profit/loss account shown on page 17 shows the breakdown of revenue, which includes Matchday, Television and Commercial. After promotion in 2005, they all increase, however it is Television which provides the greatest source of revenue.

Chart 2: Proportion of revenues generated from matchday, broadcasting, commercial activities (%)



¹⁸The chart above from Deloitte shows the “Proportion of revenues generated from matchday, broadcasting, commercial activities %”. The matchday percentages for Arsenal, Manchester United and Chelsea are of a considerably greater percentage than rival clubs from abroad. Whereas clubs in Italy, such as Juventus rely much more on broadcasting revenue, as high as 65% of their revenue comes from Broadcasting. This shows English clubs rely heavily on revenue from Matchday, therefore relegation could have a serious effect on overall revenue.

In particular Arsenal’s main revenue source is matchday, with 42% of the revenue coming from ticket sales (a breakdown can be found in Appendix 3). West Ham on the otherhand source most of their revenue from Television. This raises an interesting point that each club may face a different fall in Matchday revenue after relegation.

¹⁸ http://www.deloitte.com/view/en_GB/uk/industries/sportsbusinessgroup/sports/football/deloitte-football-money-league-2011/66f55ec578ffd210VgnVCM2000001b56f00aRCRD.htm

Conclusion

This investigation shows that relegation in 2011 negatively impacted the revenue from ticket sales for West Ham, decreasing revenue from season ticket sales by £6.3m. This decrease was a result of a fall in demand and a fall in price.

After relegation, the demand for season tickets fell by 21%. Economic theory would suggest that the fall in quality after relegation would result in a fall in demand, which did occur, however, the theory of PED suggests that a fall in price would lead to an increase in demand, therefore, we can conclude that season tickets are more responsive to the quality of football rather than the price. The application of economic theory to football club revenues therefore seems to be limited.

The decrease in the demand for season tickets was 21%, however the fall in attendance figures was only 7%. Therefore, this shows a limitation in using season tickets only to analyse the impact of relegation on revenue from ticket sales. In addition, as the survey shows, fans were prepared to pay more for season tickets, therefore does this mean that West Ham should have charged more for their season tickets in order to exploit the consumer surplus?

For West Ham, the biggest fall in revenue after relegation was from Television. The findings indicate that this would not be true for all Premier League clubs as those clubs with a greater percentage of their revenue from season ticket sales would experience a greater negative impact.

These findings raise further questions; Due to club loyalty the fall in revenue from ticket sales was not too large, however if the club is not promoted back to the Premier League the following season, will the revenue from ticket sales drop further? If the quality of football remained the same, i.e. West Ham stayed in the Premier League, would a decrease in the price of season tickets result in an increase in demand?

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Appendix 1

Questionnaire

- 1) For next season (in the Premier League), the ticket prices have increased on average by 16.6% from last season (in the Championship), has this affected you when looking to buy a season ticket?
- 2) Prices for this season start at £600 for adults, is this too high for a club of our stature?
- 3) If the prices were to start at £700, would you still buy a season ticket?
- 4) If the prices were to start at £800, would you still buy a season ticket?
- 5) If you were put off from buying a season ticket this season due to the price, what do you think the price for season tickets should be?
- 6) If you are planning to buy/have bought a season ticket for this season, have you sacrificed buying anything else? E.g. a Hammers shirt or any other unrelated football good.
- 7) If you buy a season ticket, do you usually buy goods in the club shop?
- 8) In the 2011/12 season (after relegation to the Championship), the ticket prices were reduced by 20%. They started at £420 for adults. Is this too high for a Championship club and moreover did this put you off from buying a season ticket?
- 9) Did you decide not to buy a season ticket due to the reduction in quality of football played?

Appendix 2

Year	Turnover	Pre-tax profit	Wages / Turnover ratio (%)	Employees
2007/08	71.632	-38.541	86.2	864
2006/07	49.427	-21.181	83.6	816
2005/06	52.007	5.733	54.6	737
2004/05	25.142	-5.810	70.5	162
2003/04	28.217	11.365	73.9	173
2002/03	44.862	-5.298	68.7	186
2001/02	42.756	-2.414	72.5	188
2000/01	33.443	-4.496	90.8	204
1999/00	31.102	-1.573	77.1	174
1998/99	24.317	-2.459	71.2	148
1997/98	21.129	-2.454	52.0	138
1996/97	15.256	-5.495	54.4	
1995/96	11.995	0.653	51.8	127
1994/95	10.075	-2.740		123

Appendix 3

Arsenal: Revenue sources and percentages (€m)

