

# A RESOURCE- BASED VIEW OF AL-HILAL FOOTBALL CLUB: USING A QUALITATIVE APPROACH

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## ABSTRACT

*The resources-based view model (RBV) has dominated the strategic management literature since 1984, as well as brought about a dramatic impact of firm's performance in all sectors. The primary aim of this research paper is to investigate the key resources required to create sustained competitive advantage in the light of RBV. Thus, this study was based on a well-established theoretical model, the resources –based view of a firm. The researcher uses a qualitative method to determine how Al-Hilal Football Club achieved its sustained competitive advantage. In operationalizing the research, the data were collected via semi- structure interviews. In total, the elite interview sample consisted of four high-ranked decision-makers from the club. The primary criteria when choosing the sample were that those managers should have great influence and be experienced in strategic decision-making, as well as having the ability to provide the required information.*

*The results show that there are clear trends in how the club perceives its competitive advantage, therefore key resources have been identified as source of competitive advantage. These include fan base size, trust, reputation, communication as well as brand, skills, and cultural capabilities. The managerial role, including identify, develop, deploy, and protect, are perceived by the club as a source of competitive advantage. The findings of this study contribute to the literature on strategic management by providing a critical and thematic analysis of the selective sampled football club. This research paper is the first to offer rich insights into the issues of strategic resources and capabilities using evidence from the Saudi Arabian football industry.*

**Keywords:** Business Management, Strategic Management, Resource-based view, Saudi Football clubs.

## INTRODUCTION

The field of strategic management is relatively young compared to many academic disciplines, although it is developing and fast becoming a major research field, inviting respected academic scholars and practitioners (Cox, Marcus, 2012). Yet, there have been variety of disciplines, which contributed to the literature of strategic management such as history, economic, politics, and mailtry (Mintzberg, 1994, 1998; Ahlstrand and Lampel, 1998; Rumelt, Schendel and Teece, 1991; Okumus, 1999; Barney, 1991).

From the early 1960s, the conceptual framework of strategic management focused on firms' strengths and weaknesses in relation to the opportunities and threats which exist in a competitive environment, while industry based analysis, in terms of the process of establishing a position in the marketplace and profitability, was put forward by Porter (1980, 1985). Such frameworks have dominated the strategic management literature in the search for the reasons

behind firms' superior performance and sustainability in the competitive advantage in the industry. Hence, the issue of competitive advantage in strategic management has attracted the interest of scholars in the field and been investigated, notably, through a number of studies (Lamb, 1984; Porter, 1980, 1985; Wernerfelt, 1984; Barney, 1991; Fahy, 2000; Andrews, 1971; Ansoff, 1960). There remains the need for a worthy contribution to the literature to assess the view of the relationship between the theory and research. Thus, a thematic analysis will assist in providing an understanding of the sources of sustained competitive advantage for firms.

Today, the booming sport industry has brought a dramatic change in many aspects of everyday life, and social activities, as well as affecting different areas of business, including advertising and media, worth billions of dollars. The industry has become extremely important in economic, social, and political terms worldwide. This, together with other economic factors, has increased attendance, which in turn has attracted the attention of more companies and brands wishing to invest in the industry. In recent years, the football industry in the Kingdom of Saudi Arabia has grown rapidly in a highly competitive environment, in terms of market and social value, to attract the government's interest. It has witnessed many opportunities, as well as challenges, especially with regard to the new rules set out by the government concerning the governance of football clubs.

In light of resource-based theory, the football industry is worthy of more in-depth investigation to determine how clubs compete in the market and perceive their competitive advantage

## **THE FOOTBALL CLUB**

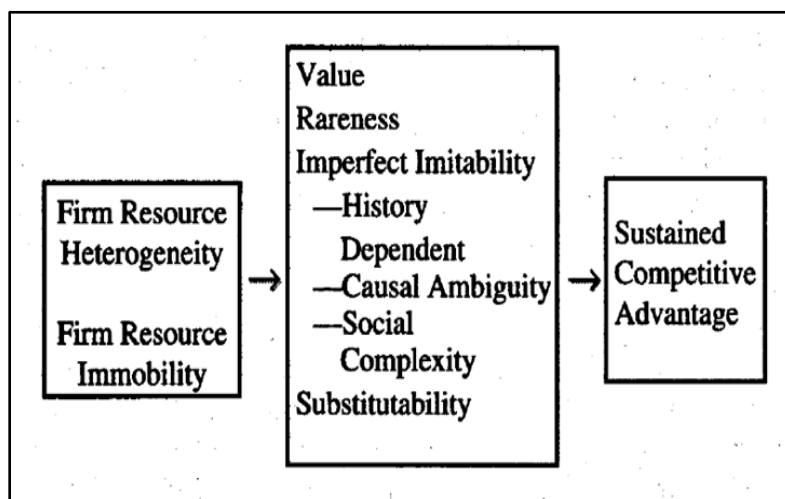
Al-Hilal Football Club, in the Saudi professional league, is one of the most successful teams in Asia, having won the Asian Football Confederation Trophy a record seven times. Al-Hilal has dominated the Saudi league since it was established in 1976. In addition, the club has won 62 official titles on the national and international stage (99 counting friendly trophies). Thus, this research, which is the first on strategic management in the football industry in an Arab nation, aims to conduct an empirical study of this phenomenon and to determine the sources of competitive advantage. Our reason for choosing this particular club is its success over the last two decades, in terms of championships and trophies won, and its reputation worldwide.

## **RESOURCE-BASED VIEW OF THE FIRM**

Before RBV emerged, a number of notable works contributed to our understanding of competitive advantage (Lamb, 1984; Porter, 1980, 1985; Andrews, 1971; Bain (1956); Ansoff, 1960; Barney, 1991, 2005). The findings of these works encouraged further interest in understanding the source of competitive advantage (CA). We can understand the competitive advantage from two main different approaches: First, the economic organizational industry approach looks at external influences to determine an industry's weaknesses and strengths to shape the structure of that industry. According to this approach, a firm uses internal strength in responding to environmental opportunities to avoid threats and minimize internal weakness, for example the SWOT model. Porter (1980) cites three generic CA strategies - cost leadership, differentiation, and focus - of which a firm should choose one in order to gain competitive advantage over its rivals. It is essential to assess the level of the competition within their industry and choose a strategic position which will lead to better performance and long-term profitability; an example of this is the five forces model by Porter (1985), which was directly

influenced by the structure-conduct performance paradigm, a major approach in assessing competitive advantage (Bain, 1956), which emphasizes the external context in which a firm operates.

Another approach which explains the concept of competitive advantage is the resources-based view (RBV) which has dominated the strategic management literature. The first notable work on RBV was by Wernerfelt (1984) in his paper titled ‘A Resources- Based View of the Firm’ which was selected as the best paper in the Journal of Strategic Management, where it looked at firms in terms of their resources rather than their products. The paper encouraged scholars of strategic management to pay more attention to firms’ key resources for high performance outcomes. However, a number of studies have developed and evaluated the RBV theory, including that of Barney (1991) which proposes a conceptual model which is regarded as a comprehensive and empirically testable framework (shows in Figure 1).



Source: Adapted from Barney (1991)

**FIGURE 1**  
**THE RELATIONSHIP BETWEEN RESOURCES HETEROGENEITY AND**  
**IMMOBILITY, VALUE, RARENESS, IMPERFECT IMITABILITY,**  
**SUBSTITUTABILITY, AND COMPETITIVE ADVANTAGE**

Barney’s model is highlighted the impact of unique attributes on a firm’s competitive position and based on the view that the desired outcome of management is sustainable competitive advantage. This model focuses on a firm’s internal resources as the key to superior performance.

Whatever the key resources are they must result in strategic choice or implementation to be converted to a source of sustainable competitive advantage (Barney, 2005).

It is worth highlighting some of the key concepts, which exist in the literature; the term competitive advantage has been the subject of a great deal of discussion and some controversy in this field.

Controversy may be due to the nature of the resources and capabilities of a firm, or its particular organizational context, or it could be due to many variables associated with competitive advantage. According to Barney (2002), the available typologies of a firm’s resources being very broad in scope can be problem. Other scholars go further, criticizing the field of strategic management as failing to have formal definition and lacking its own unique theories (Rumelt,

Schendel, & Teece, 1991); this could be due to both organization and environment, and the substance of strategy being complex (Mintzberg et al., 1998).

However, in order to compete in any given market and achieve competitive advantage, a firm must arm itself with strong resources and capabilities, which will be valued by its customers and place that firm above its competitors. The more difficult it is for competitors to duplicate the strategy, the more likely it is that competitive advantage will be sustained. The question is, what makes some firms' attributes a source of sustained competitive advantage? Barney (1991) goes on to cite four conditions that must be met in order to create the advantage value, rareness, inimitability, and non-substitutability. It has been noted by Newport (2007) that a static nature over time and the key resources process of providing sustained competitive advantage is not systematic.

Nevertheless, the ultimate aim of a firm according to RVB theory is to gain sustained advantage over its competitors in a given market or industry; this can be, for example, through a more effective method of production, lower price, superior know-how, or better technology, or a combination of more than two advantages used effectively to meet the firm's strategic objectives (Fahy, 200).

Needless to say, every successful firm has different key resources that explain its outstanding performance in the market; however, it is not enough simply to have them, the firm should have the ability to develop and deploy these distinctive resources and manage them better than its competitors (Fahy, 2000). In a competitive marketplace, in order to gain a sustained competitive advantage a firm must recognize its key resources and arm itself with the essential capabilities to enable it to compete in that particular market (O'Regan & Ghobadian, 2002). To understand competitive advantage a firm must analyze the fundamental elements of CA and these resources have to be recognized by the firm if CA is to be attained (Fahy, 2000; 1999).

A number of existing studies on RBV, therefore, have researched a variety of industries such as finance, health, and investment banking (Clulow, 2003; Newbert, 2007, 2008; Jay. Barney 1990, 1991; and Muhanna, 2004; De Saá-Pérez and García-Falcón, 2002). However, there has been little focus on thematic analysis of the football industry. The main contributions influenced by studies of fans' attitudes, organizational cultural, and brand emotion, for example, relate to Manchester United's success (Szymanski, S. 1998), Brand emotion in English premium clubs (Abosag, et al, 2010), Organizational culture in football clubs (Harris and Ogbonna, 2014), The role of fan culture (Ederson, 2015), and foreign players in English premier clubs (Madichie, 2009). However, a recent quantitative study by da Costa et al (2018), using the resources-based view model, concludes that variables such as brand management strategy, communication and competition significantly influence soccer clubs' perceptions of competitive advantage in the industry. A study by Clulow et al (2003) employed a qualitative method with face-face interviews (2000). Their thematic analysis was based on financial services firms which selected a key individual manager for the interview. Another quantitative study by Gerrad (2004) was conducted using a benchmark tool to determine the key resources of competitive advantage of Manchester United Football club. The study found that playing resources, fans' goodwill, and coaching resources were the key drivers in creating sustainable competitive advantage for the club.

Despite these different findings regarding the sustainability of competitive advantage, most scholars stress the importance of interaction between the sources of competitive advantage and strategic outcomes or choice (Berny, 1991; 2005; Porter, 1980, 1985; Fahy, 2000). The

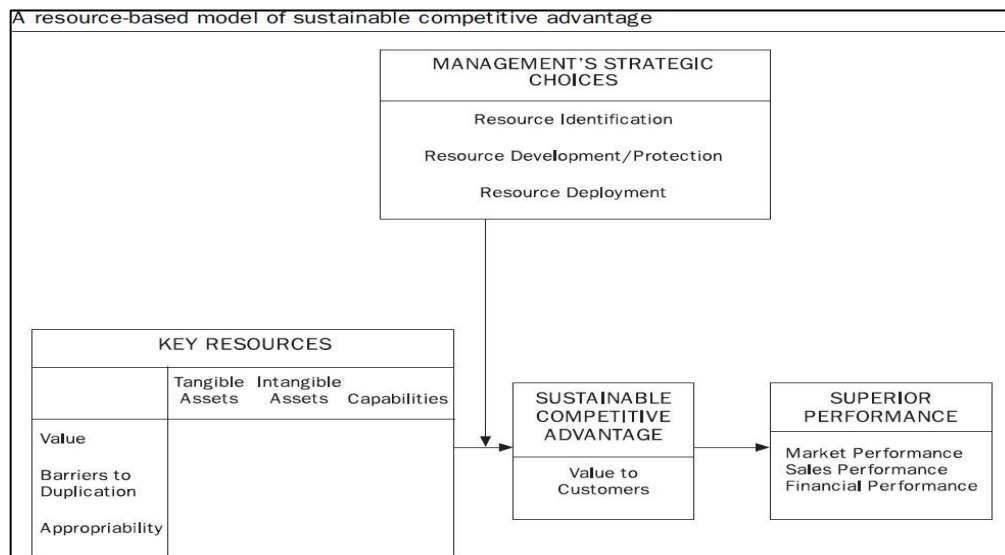
aforementioned variables should not be restricted when identifying sources of competitive advantage, rather they are found to be significant in various studies for particular cases.

In this study, we follow Fahy (2000) in applying the articulated model of RBV to the football industry in Saudi Arabia. The RBV model sheds light on the internal key resources and capabilities that firms can identify and develop in order to achieve SCA in a given market. To date, the focus of the literature has been on organizational business in terms of competitive advantage, but the study of competitive advantage is also applicable to other organizations such as sport organizations. On a commercial basis, data are sensitive and the sport industry is rich in data, combining both sport and business (Gerrad, 2004). Hence, the purpose of this paper is to explore the key resources perceived by the football club as sources of competitive advantage. This thematic analysis has chosen to adopt Fahy’s conceptual model of RBV as it contributes to our understanding and knowledge, making it the most comprehensive theoretical model.

The following sections traces the Fahy’s (2000) model in terms of methodology adapted and data analysis tools employed. The implications are highlighted, and some conclusions are drawn.

### Applying Fahy’s Model to the Football Industry

The model developed by Fahy shows the importance of a firm’s key resources and the role of its management in making strategic choices to identify, develop, protect, and deploy these resources to enable the firm to achieve sustainable competitive advantage, leading to superior performance (shows in Figure 2).



Adapted from Fahy (2000) p.100

**FIGURE 2**  
**A RESOURCE BASED MODEL OF SUSTAINABLE COMPETITIVE ADVANTAGE**

Fahy’s model highlights three essential elements for RBV: Sustainable competitive advantage and superior performance; the characteristics and types of advantage-generating resources; and the strategic choices made by management.

This model also highlights three key characteristics of advantage-generating resources: value, in that key resources must enable strategies to be implemented to create value for customers if they want to be a potential source of advantage; barriers to duplication, meaning that key

resources must be unable to be duplicated by competitors. Such barriers can be said to exist if the resources are inimitable, immobile, and non-substitutable; and appropriability of value, which highlights who appropriates the value once it is derived from the resources.

The model also stressed on the importance of understanding the role of management in identifying, developing, protecting, and deploying such resources, as these steps are difficult due to causal ambiguity. Thus, managerial skills in operating and visualizing these key resources are vital to gaining sustainable competitive advantage that leads to superior performance.

Key reading identified three sources of resources: tangible assets, intangible assets, and capabilities, where tangible assets are clearly defined in the strategic management literatures as buildings, land, and equipment. In creating SCA these resources are less value added and less resistant to duplication by competitors, therefore, it is argued that they have less impact on club performance than intangible resources and capabilities.

In this paper, we focus on the other two key resources as they are more difficult to duplicate and are usually invisible assets, thus they are critical to firms wishing to sustain their competitive advantage. If these resources exist in the football club, we will investigate the roles of management further to see how they influence the club's performance in creating SCA. Fahy highlights key resources in relation to intangible assets and capabilities. Table I illustrates, the key resources found in the literature which help to improve performance.

<b>Table 1</b>	
<b>KEY RESOURCES FOR CREATING SUSTAINED COMPETITIVE ADVANTAGE</b>	
<b>Intangible Assets</b>	<b>Capabilities</b>
Trademarks	Teamwork
Patents	Organizational culture
Brand	Management – workers
System databases	Trust
Company reputation	Individual or group skills
Company networks	

## **RESEARCH METHODOLOGY**

Qualitative research methodology was considered the most suitable for this research in order to measure and show participants' perceptions and understand their opinions on the critical elements of resources and capabilities.

### **Sample and Data Collection Procedures**

The first step was to contact the president of the FC to participate in the interviews and obtain his approval by both email and phone message. Since it was hard to get all the managers involved in the study, we tried to employ the snowball sample technique to ensure the involvement of as many managers as possible in the research. Although the researcher explained the confidentiality of their participation, not all managers agreed to take part as the importance of research is still not greatly appreciated in Arab nations, and interviews are considered a kind of formal investigation; furthermore, most of the clubs' top managers are well known people in the country.

The primary criteria when choosing the sample were that the managers involved should have significant influence and experience of strategic choice as well as the ability to provide the required information. Consequently, we were able to convince four decision makers to take part in the interviews: a former president of the club who was in charge between 2003 and 2005 and

one of the owners and contributors in the international sport industry; the current president who has been in charge of the club since 2019, is a businessman in a variety of sectors and holds CEO positions with many companies; the chief executive officer who has a wide experience in many business sectors; and the club's financial manager.

### Semi Structured Interviews

The interview is the most widely utilized method in qualitative research (Bryman, 2004, 2003). To answer the research questions the researcher had to interact with managers who are involved in strategic implementation, and understand and interpret their behaviors, opinions and perceptions. Thus, semi-structured interviews were deemed the most suitable technique. Each face-to-face interview lasted between one hour and 90 minutes and consisted of a set of themes and open-ended questions to be covered during the interview, with time and questions expanded to cover certain areas in more detail where necessary. This varied from one interview to another depending on the interviewee and the context. It was important for the researcher to establish a safe environment and gain the trust of the interviewees from the beginning.

The interview questions were designed in relation to the nature of the resources and capabilities. Fahy's model was chosen when forming the interview questions (Fahy, 2000, p. 100) in relation to the research question posed at the outset of this study. Furthermore, the literature provided an informed understanding which affected the choice of interview questions. With reference to Fahy's model in figure 1 and the key resources in Table 1, the researcher addressed a number of questions shown in Table 2 to the participating managers with respect to issues related to intangible resources, capabilities, and managerial skills. The interviews were conducted between Jan and March 2021.

<b>Issues</b>	<b>Questions</b>
Intangible Assets	<p>How can you identify the intangible assets owned by your club?</p> <p>To what extent do you think they are valuable to your club?</p> <p>To what extent do you think that it is impossible for competitors to duplicate these key resources?</p> <p>To what extent you do think that the club management appropriates the value of these resources?</p>
Capabilities	<p>How can you identify the capabilities own by your club?</p> <p>To what extent do you think these capabilities are valuable to your club?</p> <p>To what extent do you think that it is impossible for competitors to duplicate these capabilities?</p> <p>To what extent you do think that the club management appropriates the value of these capabilities?</p>
Managerial skills	<p>To what extent do you think that the managerial skills of your club are able to develop and deploy these identified intangible assets?</p> <p>To what extent do you think that the managerial skills of your club able to develop and deploy these identified</p>

	capabilities?
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## **DATA ANALYSIS AND RESULTS**

In analyzing the interview data, this study opted for narrative analysis. The researcher read the transcripts three times, significant phrases and concepts were identified and key themes were recognized in the area of key resources and their relationship with sustainable competitive advantage.

### **Emergent themes related to the Key Resources Which Create Sustained Competitive Advantage**

The researcher chose to categorize the data under main core themes. It should note that other resources were also identified by the interviewees, these appeared to have less value and were easier or less resistant to duplication by competitors. For example, the resources of buildings, club facilities and home developed programs. These are an easy process for the club to design or develop, and the club has not faced any challenges which would cause concern. Talented players are important resources, but they are also subject to duplication by rivals. The following section, however, presents the data findings regarding the resources, which can create competitive advantage.

#### **Key Intangible Assets**

The managers of the football club identified key intangible assets that are significant in creating sustained competitive advantage. To some extent, these key resources are interrelated; for example, trust and reputation lead to an increased fan base and strong relationships while positive communication leads to better financial outcomes. Therefore, resources observed frequently by the interviewees are size of fan base, reputation, trust, brand, and communication with sponsors and supporters. The rest of this section highlights these key resources with respect to Fahy's three conditions.

#### **Value of Identified Resources**

Al-Hilal FC dominates its domestic rivals (Alnassr and Ittihad) on social platforms, with more than nine million followers creating a huge fan base among Saudi football fans. Its closest rival is Ittihad with four million followers and Alnassr with 2.8 million. In addition, attendance at the ground has increased dramatically in the past two decades, particularly since the partnership deal with King Saud University which allows the University to use the stadium for team games as well as for commercial and non-commercial events; the stadium seats more than 25,000. In terms of investments, these figures give companies and sponsors an insight into the value of their investment. As a comparison, the advertisements and marketing of Al-Hilal earned 140 million dollars in revenue in 2018, while Alnassr earned 30 million dollars. In addition, these numbers have strengthened the club financial power and are a reflection of its trust and reputation in the entire region. The current president elaborated on this situation:



*Effective communication with our stakeholders like supporters and sponsors is very important. We communicate with them because they are valued by the club. Those stakeholders are key success drivers in the football sector. By using a variety of communications tools such as TV, social media, and personal contacts. This kind of positive and frequent communication builds relationship with them and increases the level of trust. I will give you a real example: Before kick-off of the final match in the AFC Champions League 2019, a former superstar sent [non-verbal] messages to our supporters and players similar those given by the leaders of the club, stating that we won the game not only because of our motivated playing talent but also because of the fans' support and trust.*

The discussion of the advantages of size of fan base and building relationships and trust with business sponsors through positive communication led to the issue of financial benefits. However, the total spending on purchasing football players coming from government support is almost equal. In addition, it is noted that there is little difference between the qualities of play in the top four clubs in Saudi Arabia, which reflects the high level of competition. Again, the current president explains the advantages of this relationship:

*Managers of the club know the strategic relationship with both supporters and business companies is very important to the club's success because each one of them is a key driver for the club's reputation and brand. They are a reminder of the club's name and stay with us in difficult times. In addition, sponsorship allows Al-Hilal to make the best deals with the most reliable branded companies locally and internationally combined with marketing revenue from sale and advertisement. Therefore, these non-government financial strengths have allowed Al-Hilal to spend millions on the best players and coaches, raising the club to seventh in the world.*

The importance of the fan base in football is built on years of trust and commitment and is viewed by managers as a key driver for success. The team's participation in many championships, both domestic and international, has given its fans a sense of pride in their team. The former president emphasized this aspect:

*The value of the club's brand is increasing year on year; its contributions in football history in the region, having taken seven Asia championships titles and dominated the national titles with 59 trophies. Fans of the club are super advantage in terms of brand, reputation, and financial benefits. In football everything is inter-related; fans want their team to success in the ground; a successful team needs group work, a well structure club, superstars and coaches, and financial power to perform well on the pitch. To gain all of these advantages, we must maintain and develop these resources.*

The financial manager explained the relationship between the number of supporters, trust and brand equity, stating:

*It is sometimes not necessarily the case that more spending on superstars means more success on the pitch. I mean the high performance of the team comes originally from the fans. We see them as more than fans, they are true members and partners of the club's success story. I rather think the resources we have are employed in a clever way to reach strategic goals leading the team to win on the pitch. We have gained a lot of trust, thank God. A firm will sponsor a successful team, stable club structure and surely a team with a big fan base that will be future clients for them to contribute to their business by marketing tools such as product advertisement and increasing their customer base too. In investment, sponsors are interested in seeing positive figures. The better the team's performance, the more satisfied the supporters will be, and the higher the returns to the business. The valuation relies on how healthy the cash flow is, so when the number of fans increases the cash flow will increase too.*

With the new government regulations forcing football clubs to be privatized, with more governance activities and financial rules. Al-Hilal has moved to interact strategically with its brand as a highly reputable club, to capture this external opportunity by positively responding. Thus, it will turn this situation into an opportunity by using its key resources as competitive advantage. The club took the advantage of prime-mover in the new market structure. In this aspect, the

financial manager elaborates:

*The management team made the decision to launch the first investment company belonging to a Saudi Football club. The new company's mission is to create value for supporters, stakeholders, and the community. We are committed to providing value on and off the pitch. The core values of the new project are trust, teamwork, and commitment. These core values are formed from the core values of the club since it was established. This strategic project was supported by highly skilled and expert people. The new management team, formed since last year, comprises people with great experience in the finance and banking industry which has enabled the club to achieve its goal of increasing the power and value of its brand. The club's strong brand comes from stakeholders' trust, including that of supporters and sponsors; trust which has been built over many years, and a highly respected name in world football ranks.*

With the new project of establishing an investment company and re-structuring of the management, teams and style of investment, the club also aims to build its own arena or stadium and invest more in brand equity in terms of value and power. The club seems to have found a new and unique club identity which has strengthened the brand position and increased its market value by adapting flexible change in responding to the development of business and governmental regulations. In this respect, the chief executive officer stated:

*Re-shaping the club's philosophy was a need before it was necessary... if I am allowed to say, it is kind of changing the makeup to give a new look. Sometimes the opportunity comes from outside. By using the intangible resources we own, we consider having more tangible assets such as a new building, and new stadium. As chief officer, I expect a high level of commitment and effort from the team to achieve our goals, integrity to provide the best values to our stakeholders and increase in financial performance. To achieve this, our skilled people, reputation in the football sector, trusted supporters and business partners are the key drivers of success to assist the club in the future and create more business opportunities.*

While businesses are interested in investing in successful clubs, superstars are also looking to join. Al-Hilal has a long history of having a great squad of superstars whose contribution and therefore successful records go hand-in-hand with the club's glory. The value of those players is always shared with the entire team rather than on an individual basis. All managers agreed that:

*The value of the brand and reputation of the club attracts most superstars, because they want to join a famous football club rather than any other club. The chief executive comments: we do not usually get involved in long negotiations with superstars .... We say to them, go and ask about our club.*

## **Barriers to Duplication**

The size of the fan base and the relationship with sponsorship companies are two critical resources of a respected football club. Each has its own expectations based on views and interests. The brand, trust, and reputation of Al-Hilal football club has facilitated those aspects for a long time. The former president comments on this kind of critical interaction between resources:

*We have good aligned business partners whose contributions to the club's success are appreciated. Since we both have the same goals and mutual benefits, the business is going well. With a committed contract, we can work together, achieving our goal of funds needed and other benefits. In return, the sponsor receives the exposure of its brand and promotes its products easily with us; we place advertisements through our wide communication channels. For example, one tweet with comments will go to millions of people in just a minute or so. We have the largest fan base inside and outside the Kingdom whose support is important with our mutual trust having been built over 60 years.*

Strategic sponsorships for the club are critical and are derived from intangible resources of accumulated trust, brand, and reputation. Recently, Al-Hilal signed an investment contract

with new partner Emar Company worth 65 million dollars per year for five years, allowing the club to outspend its rivals, Alnassr and Ithad, by more than 25 million dollars per year, thus enabling the club to arm itself with an excellent strategic partner for five years. This financial strength allows Al-Hilal FC to attract players of the highest quality. Hence, high performance in terms of both profitable investments and results has given Al-Hilal a sustained advantage over its rivals.

This highly trusted football club and reputation with its huge fan base has created a barrier to duplication by its competitors. In justifying this, the current president explains:

*The club has its own management philosophy ... I can tell you that people will not trust you unless you give them reasons to do so... and so we did; we won 59 championships, seven of which were Asian, we ranked seventh in the football world clubs, and sustained number one in the Saudi football league for a long time. All of these are performance indicators of a strong brand, and high level of trust over a long period. These assets speak for themselves and are known by everyone.*

The football sector is characterized by strong and complex internal and external pressure from different parties on an economic, political, and social level. Dealing with such a complex environment requires substantial effort from managers to generate superior performance and to shape a unique identity for differentiation. Working with successful sponsors toward common strategic goals will result in a high level of trust and other financial benefits. The club's reputation in terms of commitment and high performance on and off the pitch has been recorded over a long period, creating a barrier to duplication by competitors.

In a TV interview, the legend and superstar of the club, Sami Aljaber stated, "It is really an astronomical distance between Al-Hilal and other domestic clubs. Whether they agree or not, the number of championships is documented.

The chief executive's response to the issue of inimitability in relation to intangible assets was:

*Reputation, trust and other key resources are not easy resources to gain in a short time; they are valuable because they are inherited resources, they belong to the club not to individuals. We know that rivals have their own key resources, and other clubs have tried to copy what we do, but surely they are incapable of imitating the interactions within the club itself. The entire Saudi FC has fair financial and non-financial support from the government. So, we do what is right.*

This suggests that the club's management skills perform unique and complex interaction with the key resources it owns; for example, these resources can be used whenever and wherever to serve its strategic goals. In addition, key resources of trust, brand, and reputation play a facilitator role in generating other resources such as relationship with sponsor and a huge fan base.

The reference (*belong to the club*) and (*inherited resources*) indicate that these resources are not transferable but are embodied in the entire club, which sounds simple, but is not. The capability in the form of managerial skills rationally interacts with these intangible resources. For example, top managers of the club effectively responded to the intangible resources by establishing an investment company to serve the club's long-term goals. Thus, barriers to duplication by rivals exist since these resources are inimitable, immobile and therefore non-substitutable.

## Appropriability

Appropriating value has become vital and crucial to the football club. In this respect, the values accumulated from the intangible assets mentioned before should be appropriated. Movement of players is normal in the football industry as the market is efficient in terms of

wages and transfer costs vary. Thus, skillful players keep up their high performance to maintain their high wages, and less talented players are encouraged to do better or leave. At managerial level, the Saudi football industry in general has a very low staff turnover. In terms of the key resources identified earlier, the club owns them, not the members; therefore, they are clearly protected by the club.

An interview with the former president elaborates on this issue:

*We do not sell our best players; this is not strategic business to us... selling a player means his performance has deteriorated because of serious injury or he has demanded a higher price than the market would give to renew his contract. This happened before and the club faced no issues with it because our fans understand there would be no change in team performance.*

The current president commented that:

*Some good players moved to other clubs impacting on the team results within a very short time ... we have experienced transferring our unexperienced players to other less competitors clubs because their positions have been occupied by mature players... we transferred them to develop their skills until they get well and their positions were available too.*

The investment approach of Al-Hilal is to make significant steps in purchasing superstar players. The financial manager mentioned that:

*These players soon become valuable assets to the club, increasing revenues commercially, and therefore adding to the book value. Good players want to finish their playing record with a highly successful football team; our reputation is value-added to them.*

In other business sectors, this issue might be a great problem since those key people are intangible assets for a firm. Generally, in the sport industry this is not a problem because most of the key people remain with their clubs for a very long time, particularly in the Saudi Football, league which is characterized by passion and strong loyalty bases.

The chief executive agreed, stating that:

*Both employees and players have great successful seasons with the team and there is no reason for them to leave a club with high reputation and success record. The club also makes an effort to keep those people in the club since this is the management's vision.*

The discussion then went on to ask why coaches do not stay longer with the club, with the current president commenting that:

*There are many reasons for this. I would say not every coach is successful with all clubs. I mean even if you were to bring a big, successful name to Al-Hilal club like Jose Mourinho, it would not necessarily work for us... we have a different management style and cultural values and also the supporters are really insistent that we win games.. This was our management philosophy even before I was appointed to the position.*

## Capabilities

Knowledge management and club culture were identified by the interviewed managers as sources of capability. The capability of talented players is important to the club's performance (stressed by the *financial manager*), yet this is not a sustained advantage in the long run. Since the moving of players is usual practice in the football industry and talented players are affordable by rivals as equality in financial aid exists, such a capability is only a temporary competitive advantage.

It is rather that the process whereby those talented players are engaged in the club's playing style and tied to the cultural basis has created a sustained competitive advantage.

Concerning the value of these capabilities. The former president commented:

*The culture at Al-Hilal FC is very simple... management treats everyone equally and we do not use positions in our meetings and in everyday activities. It is a kind of coming home.*

The chief executive officer elaborated, stating that:

*Every member works hard naturally, based on the fact that the club has a long history of success and a strong reputation in the Middle East. It is inside both the players and managers to achieve the maximum expectations of the supporters. The club culture is built on the concept that everyone has to respond to these beliefs and values with hard work. In addition, the supporters have adopted this culture.*

This suggests that people are more relaxed and the channel of communication between different levels of the club is flat. Their behavior is based on beliefs and values which are shared by all members.

He continued:

*We have a strong philosophy .... (We) at the club (believe) that what we do here is embodied by everyone. I personally view the club as a family base where everyone has the right to say... We shared knowledge and experience.*

In further support of this, the current president commented:

*The game of football is based on bringing in superstars and effective employees, which requires effort and skill. I think our style of playing and the club's ambition are embodied in the players...*

He added:

*We have a club (philosophy) that no one is bigger than the club .... I mean people might move as they like, and the club still exists. Our strategy is to generate the best players internally or buy them from their clubs to keep and involve them with our own (unique) playing style, not to sell them.*

It seems that the club's philosophy is very determined in the sense that it is committed to introducing the best and most unique products (players) to the game regardless of certain environmental circumstances.

The chief executive officer confirmed that:

*When I came to the club... I had good experience from a variety of (sectors) but not sport. My idea or input to management was different ... I remember very well when I had my first meeting that someone told me, listen we have come to this idea before and we found it difficult to implement. So, I learned because everyone in the club is sharing and caring... Ultimately, we all want success.*

In responding to the question of the ability of rivals to capture these valued capabilities.

The managers agreed that:

*The competition in the Saudi football league is aggressive... and one can see this by looking at every season's games. The motivation of players and employees to serve the club comes first from their passion and love of the club. It is very different from other countries' clubs or any other type of business.*

The current president also added:

*The hardest thing is not the ability to capture these capabilities by rivals since there is no great difference*

*between us and our rivals in terms of financial support and quality of players. The question is how we view and treat these resources. I cannot say how things are done in the club because it is a matter of everyday activities and these activities come from the philosophy of previous managements.*

Hence, it seems that managers are required to make a great deal of effort to keep these valued capabilities and create barriers to duplication by rivals. Thus, in terms of capabilities, managers' skills and culture adopted by the whole entity cannot be transferred to other clubs even if the members or players move to rival teams, due to immobility and complex ambiguity embodied within the club itself. This ambiguity can be interpreted by managerial activities. The game of football is mainly based on love and a strong sense of belonging to the team; this was repeated frequently by the managers

In an interview with the financial manager regarding these capabilities, he commented:

*Without mentioning the name, we purchased a superstar recommended by the technical team with little success record for that player. He failed in our club... We were criticized by TV pundits, players, newspapers, and investors and so on, And particularly supporters who attend all matches in the ground and training sessions. I mean our sector is different from businesses in which a firm can re- design a product or even withdraw it from the market; here we are dealing with human beings enjoying football.*

An interesting point was made by the former president in relation to whether the club's culture can create a sustained competitive advantage. He commented:

*The history of the Al-Hilal club shows a well-maintained staff and players who remain part of the entity and support their club even after they leave. The club has known this for tens of years. Their incremental experience with the club for years creates a mutual understanding.... They are still value-added capital. For example, former managers and coaches are former superstars; other players became an intermediate for best international players. Other clubs have managed to do this but for a very short time. We share success and benefits with our people.*

By maintaining close relationships with players who have a limited contract with the club, that human capital continues to contribute to the club beyond the limited age during which they can play.

Knowledge and culture have created close connections allowing the club to benefit from the value of those skilled superstars even after their retirement. This, in turn, creates a unique, sustained advantage for a long time that is imitable by other clubs in Saudi Arabia.

It is essential for a club to have a strong vision and the club's management recognizes that its history and brand bring value that the players, supporters and sponsors can share and take pride in. This enables the club to create a rich and loyal generation to meet its strategic requirement in the future to somehow sustain a competitive advantage, characterized by an inability for it to be substituted and inimitability. In turn, this view allows the club to perform better than its rivals and therefore generate more revenue for a longer time by developing its key resources.

### **The Role of Strategic Choices by Management**

Through discussions with the respective managers in relation to their roles, emphasis was seen to be on brand management and club culture. It should be noted that these resources are recorded as being most frequently cited during the interviews.

The chief executive commented:

*Now we need to look at a different perspective. We have an excellent brandname in the Middle East. For*

*sure this should be well maintained and secured. Our team make this their top priority. I think it is a good time to invest in the brand equity.*

The current president gave a good example:

*Historically, we have seen many clubs rely heavily on their heritage and past success. For example, Manchester United still has the strongest brand and a very good history, but for the last twenty years they have gained nothing in terms of championships. Other clubs like Manchester City and Liverpool took over and now lead.*

The role of managerial skills in identifying and developing these resources is essential and is viewed by the club's managers as a strategic issue to compete in the football sector. In fact, it is seen as a secured resource that should be aligned with strategic growth perspectives.

In response to this issue, the financial manager commented:

*Our new investment company would focus on developing brand strategic reflected in partnership contracts, and income diversification sources. I think this is a very strong, intangible resource we have. Regular meetings at the club have resulted in us reaching this decision.*

From these statements, we conclude that the management of Al-Hilal club, although still young, view their history and well-established brand as valuable resources that will help them to excel against the local competition. By implementing an effective brand strategy through managerial skills capabilities, the club has the potential to increase revenue and benefits from businesses by interacting and growing outside the Kingdom of Saudi Arabia, since the club has created a stable image and has more control of its brand locally.

Similar phrases were found in the interview with the financial manager and the chief executive officer:

*We have had a cooperative management style... for long time this is our cultural bases. The management have many common value, most of the team have banking experience and higher degree education. The door is open to anyone in the club to contribute...*

The former president commented:

*Our talented superstars are part of our success... I can honestly say that we are committed and reliable in the sense that their package is delivered to them on time.*

It seems that the value of cooperative culture arises from the top managers and their style of business. Commitment to the players and engagement with current and previous management via exchanging experiences can create stable and productive environment. All managers stressed the club's value to their members, in the sense that teamwork and collective attitudes are important.

An interesting point was made by the same manager:

*Historically, the club's members are known for not appearing in the media or TV shows... you know our media problems. Some other clubs complain about referees trying to enforce the law of the game. In our club, we believe that everyone should be relaxed and language has to be maintained at a certain level.*

Since the club's style of managing people involves maintaining their level of competence, the current manager stressed the importance of improving staff's skills:

*Our people are central to the club's success story... it is a sort of trade off in this situation. I mean if you invest in your players by providing a good environment with great coach and training teams, you will see the results*

*on the pitch; it is a basic thing. I think it is about team prevalently rather than individual*

An honest response by the financial manager was:

*It is about our people from the bottom level to the top. I mean people are strongly attached to the club... forgive me if I emphasise this, I could liken this attachment to that of one's life.*

## **IMPLICATIONS AND SUGGESTION FOR FUTURE RESEARCH**

The aim of this study is neither to create a new model nor to modify the existing one. The aim is to explore how the football club perceives their competitive advantage in a complex and high-pressured environment. In this regard, we need to build upon Fahy's model to answer the question of how the club perceives its sustainable competitive advantage.

Intangible assets in terms of size of fan base, reputation, brand, trust, and communication have been found to be sources of competitive advantage. In addition, capabilities in the form of skills and culture are viewed as sources of competitive advantage perceived by the club's management. To a great extent, these key resources meet the three criteria set by Fahy: value, barriers to duplication, and appropriability by the management. Interactions between intangible assets and capabilities in terms of their roles and strategic contributions for each type to the club were clearly identified.

The literature on RBV theory emphasizes the importance of integration between the key resources generating competitive advantage and the strategic choices and the implementation outcomes (Fahy, 2000; Barney, 2005). The thematic analysis found that, strategic brand equity benefits from a large fan base, and well-structured communication with both trusted sponsors and supporters resulting in strategic implementation in the shape of an investment company. The outcomes of this strategy implementation are expected to achieve three goals: establishing a wide arena including building and facilities; crowd funding; and applying a brand model to increase supporters' loyalty and gain the competitive edge. In this sense, the dynamic interdependency between resources and strategic outcomes can only be understood by the critical role played by the management.

In terms of capabilities, the culture is embodied by the people from the top down, its complexity is created by layers of shared experiences and traditions and possibly a shared language. The top management maintains the club's cultural attitudes, which are reflected in both managers' and players' behaviors. Evidence has been demonstrated by the managers regarding the value of these complex capabilities.

The managerial role can be looked at as a potential source of sustainable competitive advantage (Fahy, 2000) or as a force to motivate the intangible assets and capabilities to increase their potentiality to be sources of advantage (Clulow et al., 2003). Nevertheless, the critical role played by the management team was to re-shape intangible assets and capabilities to enable them to be sources of competitive advantage. Human capital, therefore, and its development aspects are seen as sources of wealth of a nation, for example the Geneses Adam Smith, source of competitive advantage (Porter, 1980, 1985; Barney, 1991, 2001); firms' basic conditions of both generation of intangible assets for their economic exploitation (Abramovitz & David, 2000), strategic implementation outcomes (Ahearne et al., 2014), influencing others to direct their abilities to the achievements of the organizational goals ( Mefi & Asoba , 2021).

The strategic actions taken by the club's top managers related to these resources require an effective decision-making process to capture the values of these resources better than their rivals



do. If the management is not capable of identifying these resources from the beginning, then the resources will not even exist, or at least they will just be valuable resources themselves.

Resources themselves do not confer a sustainable competitive advantage (Fahy, 2000). The argument here is that resources depend on each other; they have to work correspondingly and therefore have to be recognized and developed within the club. Evidence from the sampled interviews regards managerial skills capabilities as a source of sustainable competitive advantage. Its central role is to identify, protect, develop, and deploy these resources if the key resources are to be a source of sustainable competitive advantage in their own right. The more critical the involvement of managers, the more resources is secured and sustained. Gotha (1980) stressed that the achievement of resource generation is greatly influenced by managerial incubation that enhances the capacity of managers to align resources to strategic choice. It is true that such capabilities are valued, hard to duplicate, and appropriated by management, thereby meeting the criteria of being a source of competitive advantage. Unlike intangible resources which are perhaps more likely to be visible, although their ambiguity complex means rivals are unable to imitate these resources, capabilities are kept hidden within the club and require a high level of managerial process. They are difficult to identify and therefore the process of developing and deploying these resources requires sufficient managerial skills and well-organized management structure, which is sometimes difficult in the case of state-owned football clubs. As the former manager commented, 'I hope the day of privatization comes soon'.

These findings also agree with Fahy that these key resources must be developed, deployed and protected by managerial skills over time to be a sustainable competitive advantage. Therefore, we view managerial capabilities skills as a source of competitive advantage. The managerial role is not just to respond or react to the existing key resources, but to re-shape, or even create those key resources with their critical activities and decision-making process. Otherwise, organizational culture cannot be converted by itself into competitive advantage, because every firm has its own culture; in this sense every firm has a competitive advantage. It is rather the ambiguity of the critical methods utilized by skilled managers and leadership that creates a unique culture in which differentiation from others is made, and therefore rare and inimitable. We should not view managers as organizational enablers since their roles are interconnected in creating and developing key resources. In other words, it is meaningless if we isolate the interdependency of each resource bundle; it is rather a complex relationship at different level of interaction between these three bundles. Therefore, the more the firm develops these resources, the more sustained its competitive advantage will be. Moreover, it has been found that critical key resources could generate other new resources for the club. For example, accumulated trust, brand name, and good reputation in the football sector have generated an excellent relationship and powerful network with businesses, which in return have increased revenue and return in investment by generating more sales, and widening the marketing channels.

It is true that more research and empirical tests are needed to investigate these issues, which could lead to supporting or improving the existing results. For example, more clubs and a larger sample could be studied to make the results robust. Also, with interaction issues in the key resource variables, other techniques might be useful, such as the causal network model which could assist researchers in explaining the relationship between concepts with causal logic. Due to the considerable effort needed in conducting the research to obtain the data via the quantitative

Method, a mixed methods approach is strongly recommended to gain more solid results. There is a long list of other key resources which generate competitive advantage identified in the literature including organizational structure, policies, and technology that are not included in this

study.

## CONCLUSION

The situation seems to be complicated considering the complex interaction between variables or resources, and the entire national football industry. Despite the efforts of football clubs in Saudi Arabia, there is no agreed framework to govern policies and management structures in this industry. State-owned football clubs, therefore, are struggling without commercialization. However, the football club views key resources as an essential source of sustainable competitive advantage; these include fan base size, trust, reputation, communication as well as brand, skills, and cultural capabilities. The managerial role, including identify, develop, deploy, and protect, are perceived by the club as a source of competitive advantage. It can be concluded that this research has fulfilled its aims and objectives as demonstrated by the foundational and empirical findings. The findings demonstrate how the football club perceives its competitive advantage. The results of this study cannot be generalized as they have not provided all the answers for these particular issues. It rather sought to understand how the football club perceives its sustained competitive advantage, based on the knowledge and evidence that were gathered from a single football club. It should also be acknowledged that it has contributed to the existing body of knowledge in the field of strategic management, particularly the resource-based view theory, by extending and providing new evidence from the Saudi Arabian football industry, as the first study of its kind.

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