Espai Barça and other main market case studies

Introduction

When you enter through one of the doors, walking through the crowd, forming part of it and of the shared emotion, the exciting moment arrives when you finally reach the stands and see how this immense coliseum appears before your eyes. You feel something that quite possibly accompanies all of us for the rest of our lives. That magical, unmistakable moment: the first time your father takes you to a stadium.

In the following two modules, we are going to talk about the Espai Barça: the project to remodel, reorganize, and transform the Barça Campus, the plot that the Club has in the Les Corts neighborhood where Camp Nou, the Palau Blaugrana, the Mini Estadi, and the Club offices are located, as well as some other services. It also includes the construction of the Johan Cruyff Stadium in the Joan Gamper sports complex in Sant Joan Despí.

The Barça Campus is the largest club-owned urban sports complex in the world. Its location within the city is privileged, making it the cornerstone of the Club's global project.

But time passes and new challenges arise in order to meet the market and society's demands. FC Barcelona's great challenge, the project that will mark its future, is called Espai Barça.

1. Future Camp Nou (Espai Barça)

1.1 Where we come from. The current Camp Nou: starting point

In this first module, we will focus on the transformation of the crown jewel, the emblematic and internationally recognized Camp Nou.

FC Barcelona's stadium is one of the great temples of global soccer. Undoubtedly an iconic stadium, it's an inseparable part of Barcelona's urban landscape and part of its most notable architecture.

It has a long history. Inaugurated on September 24, 1957 and designed by architects Francesc Mitjans, Josep Soteras, and Lorenzo García-Barbón, it replaced the legendary Les Corts field, located in the same neighborhood as Camp Nou, where Barça had played since 1922.

The significant growth of the Club at that time, reinforced by the arrival of one of soccer's legends at that time, who would later become one of the greatest players in its history, Ladislao Kubala, inspired the idea to build a new field. It would be built on the current plots of land that had been acquired a few years before to meet the enormous increase in attendance demand that had been generated by the success achieved on the playing field.

As we have seen in previous examples, some of which are very recent, history repeats itself. The growth of an entity involves building, renovating, or expanding its stadium to take full advantage of its market potential.

In those years, income was almost exclusively from the sale of tickets and season tickets, and the current market business model hadn't been developed yet.

When the stadium was inaugurated, its capacity was 99,000 spectators. It has been modified over the years depending on different situations that affected the Club.

In 1982, a third level was added to the stadium, increasing the capacity to 115,000 spectators, due to the existing demand. They also took advantage of the fact that Spain would host the Soccer World Cup that year, for which the stadium hosted the inaugural game among others, resulting in a spectacular production.

In 1994, the level of the field was lowered to create additional rows at the foot of the field, and to try to ensure that the new UEFA regulations,

whereby all standing seats were to be eliminated, did not overly affect the overall capacity of the stadium. After these changes, the final capacity was approximately 99,000 seats.

The first VIP boxes were also inaugurated in 1982, becoming one of the first European stadiums to include them.

The stadium has undergone various renovations to modernize and adapt to market needs, although in no case as comprehensive as the Espai Barça project will be.

Image 1: Barça Campus: Camp Nou, Palau Blaugrana and Miniestadi

Source: FC Barcelona, s.f., own archive, unpublished.

It is an elite UEFA stadium that, beyond being the home of Barça, has hosted great events over the last 60+ years. It is an international reference on all levels. It hosted historic events such as the 1964 EuroCup, the aforementioned 1982 World Cup, the 1992 Olympics final, several European finals, including two Champions League finals, and a few Copa finals. Not only has it hosted soccer, but it has also hosted other important events such as mass with Pope John Paul II in 1982, numerous concerts by top artists, as well as the French rugby league final.

But the desire for change, triggered by the need to do so, has been around for a long time, and now the time has come.

The stadium will be completely transformed. There are several clear reasons for this change. Among others, the most relevant reasons that have a direct impact on income generation are:

- High percentage of seats not covered. More than 60%.
- 10% of seats have poor visibility.
- Little comfort in a large part of the stadium, access and traffic flow inside.
- Very low percentage of premium seats (2.6%) compared to the total capacity of the stadium, with respect to the market average, and with redesign limitations.
- Narrow and uncomfortable concourses with little space for spectator flow and few low-quality food and beverage stands.
- Many access points spread all around the perimeter of the stadium, requiring several staircases, and leaving no option for the free flow of spectators through the corridors.
- Inexistent offer of restaurants with views of the field.
- Little space for hospitality areas and sponsor activation.
- Insufficient audiovisual equipment, both in the stands and in indoor areas.

These stadium deficiencies affect the business model and the fan experience, which has increasingly deteriorated as the stadium has gotten older. This is exacerbated when you compare it to many of the facilities built in recent years following the industry boom, which have set the market standards and trends, and that are severely lacking in Barça's facility.

The stadium, in addition to business model shortcomings, also has great technological and space deficiencies that need to be corrected. This cannot be carried out without a comprehensive overhaul of the facility.

It's clear that a new strategic plan and a change in the business model are necessary to achieve the two main objectives behind this change:

- The future economic sustainability of the Club through the use of the stadium to maximize income generation.
- Provide members with facilities that are on par with the sports entity, revaluing its worth.

This is what the Future Camp Nou intends to accomplish, projected within the overall transformation of the Espai Barça.

1.2 The Future Camp Nou project and its business model

The architectural design of the Future Camp Nou, created by Nikken Sekkei and Pascual Ausió Arquitectes firms, projects a series of values that identify with the Club's essence and, at the same time, includes a well-defined business model previously established by the team that directs the project. It takes advantage of the stadium's privileged location within the urban landscape.

The remodeling is presented as open, elegant, serene, timeless, Mediterranean and democratic. It draws its inspiration from the original design, which was already an innovative architectural proposal in 1957, and still maintains its status as a reference point. In this way, the stadium will retain its uniqueness, despite the fact that it is going to be completely renovated.

Teamwork between the Club staff and the companies involved in the project has been one of the keys to achieving a final result that will meet all the priority objectives that a facility of this caliber should set for itself in the current market.

The three key points of the Future Camp Nou project are:

- Stadium open to all, with large spaces and ample access points (walkways/rings, elevators, and stairs).
- Greater capacity, both in general grandstand and premium seating, of up to 105,000 seats.
- Greater comfort (covered, accessible, great Wi-Fi connectivity - currently already one of the best in the market, electronic tickets, cashless payment (smart stadium), and more and better services (food and beverage stands, merchandising, and services in general)).

It will undoubtedly be a modern stadium in the 21st Century that will offer Barça fans and season ticket holders, as well as companies and Club sponsors, avant-garde facilities where they will be able to enjoy a unique and quality experience.

Image 2: Future Camp Nou

Source: FC Barcelona, s.f., own archive, unpublished.

It clearly features a commercial profile, due to its openness and for all the services offered. It even goes a step further by fostering ties with the community and the city, inviting everyone to participate in the facilities.

The corporate profile is also going to be very important within the model proposal. There is a significant increase in premium seats and corporate spaces, both in volume and quality, complemented by the overall offering of the Barça Campus (such as the hotel and the office building), which will boost revenue from corporate clients, both on match day and non-match day.

The project has also gone a step further to improve the passionate stadium profile. It has been achieved with two changes: the reconstruction of the first ring, which apart from fulfilling the main function of creating space for new VIP boxes, brings greater verticality to the stands, and creates continuity with the upper ring by eliminating its overhang; and the roof, which will improve the acoustics inside the stadium.

Finally, the multifunctional or multievent profile. The Future Camp Nou is going to improve its conditions to host and produce events. This will include an increase in audiovisual equipment, with four LED screens, as well as all the improvements already mentioned. However, this revenue stream is less significant for the facility, especially because the New Palau

Blaugrana's proposal will heavily accentuate this section, and will specify the types of events that will be hosted in one venue or the other.

Image 3: Future Camp Nou

Source: FC Barcelona, s.f., own archive, unpublished.

Every aspect of the renovation is important, following a strategic plan that was established based on the analysis of the facility and the market, to maintain as much activity in the stadium as possible during all 365 days of the year. But there are some aspects that have special relevance in the business model and a greater impact on revenue generation.

Let's look at them and develop them.

Open façade with three circular levels

Unlike the new design trends in the industry, which often opt for a protective skin around the common areas and corridors of the stadium, the Future Camp Nou has decided on an open, accessible stadium design, with wide walkways and an uncovered façade.

Whether it is a kind of skin (Allianz Arena) or a different type of closed façade (Old Trafford), closed common areas create an indoor space for the spectator. This element encourages fans to spend more time in the facility, therefore increasing consumption.

However, this open space proposal, which is very different from many of the market proposals, must be analyzed in depth to understand the Club's objective.

The open stadium design includes three determining factors.

The first of these is, as mentioned above, the open nature of the Club. This fosters the integration of the facility in the community, which will benefit the Club not only socially, but also at the brand level, since the message is not only based on the social aspect of the entity, but encompasses a larger positioning.

The second relates to non-match day activity, where it will have a noticeable impact. When they call the design "open", it is not an empty phrase, or one that only alludes to the facility's architecture. The stadium is actually going to be open during non-match days and you will be able

to enjoy walking through the different stadium levels, with a 360° view of the stadium and the city from the highest level. You'll also be able to access the restaurants and other services that are featured on each level. Logically, access to the stands will be restricted, but you'll be able to walk freely around the stadium on each level.

And the third factor is the Mediterranean climate of the city which is mild during most of the year, and which encourages activity outside an enclosed facility. There will be areas where you can enjoy the experience on the few days of the year when the weather isn't so great.

Added to all these factors, this differentiating design gives the stadium an undeniable personality, strengthening the FCB brand.

Image 4: Future Camp Nou

Source: FC Barcelona, s.f., own archive, unpublished.

Reconstruction of the first ring, making it more vertical and improving visibility

This change is necessary to accommodate the new VIP boxes that will significantly increase the stadium's premium offering, and is key to making the business model viable.

The first ring of the grandstand will be demolished and rebuilt. Beyond creating space for the new VIP boxes and improving comfort and visibility, the goal is to create a better experience and enhance two elements:

- To ensure that fans in the last rows of the lower level, which are currently under the overhang of the second level, can enjoy a complete view of the stadium when they are in their seats. As the industry has grown and stadium and arena design models have evolved, giving more importance to how the design can impact the event, fans have increasingly valued this element.

- By eliminating the overhang effect and giving continuity to the angle of inclination of the upper tier, the first ring will be closer to the beginning of the second ring, creating a greater sense of spectator concentration on a single level. This will improve the atmosphere and increase pressure on the rival with the cauldron effect that we have talked about. This will also make the grandstand closer to the playing field and further improve fan visibility.

Expansion of the third ring and increase in capacity

The expansion of the third ring will be carried out by equalizing the height around the perimeter and eliminating the current curve of the third level.

This expansion will compensate for all the seats that will be lost in the first ring due to space problems, and will increase the stadium capacity to 105,000 seated spectators. This will increase the difference over the rest of the stadiums in the market, and will position the Future Camp Nou as the stadium with the highest capacity on the European continent.

The expansion is based on historical sales data that indicate high average attendance at Barça games in Camp Nou and a long waiting list for season ticket holders, making probabilities of success very high.

In the case of Camp Nou, the analysis is almost risk-free. They've only had to wait for the right moment to decide to move forward with the renovation and expansion.

The Club has a season ticket waiting list of about 10,000 fans. The additional seats (approximately 6,500) would be filled even before the renovation is complete.

And that's without taking into account the novelty that normally accompanies the inauguration or major remodeling of a stadium or arena that we will certainly see in this case.

In addition, we must bear in mind that about 4,000 of these new seats will be premium seats, which are clearly lacking at the moment, as we have already explained. Therefore, the direct annual impact on the Club's accounts of this increase in capacity will be between 24 and 28 million euros.

Within this increase in total capacity, although the greatest impact is on the expansion of the third ring, the vast majority of the 4,000 new premium locations will be located in the first ring, as a result of its reconstruction. For this to happen, current seats must be reorganized and relocated, freeing up the ideal spaces to accommodate this type of seating.

To the potential income that results from this modification, we must add the new season ticket holders per-game consumption, which will be higher with the new offering of hospitality, food and drink, merchandising and other services in the Future Camp Nou.

Covered, protecting 100% of the seats

The new roof will occupy the entire perimeter of the upper ring and will cover 100% of the spectators.

This is a substantial advance in comfort that will improve the experience of more than 60% of the fans that currently have no protection from rain or sun.

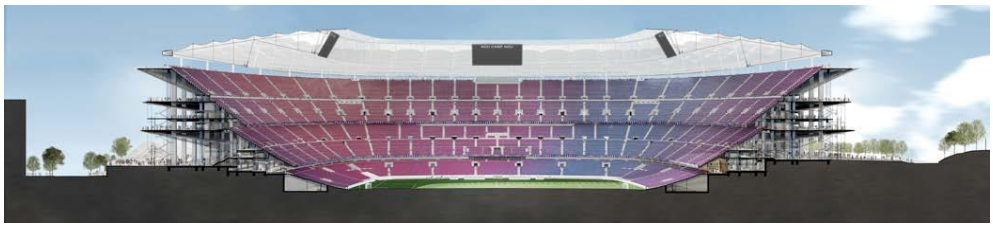
With the expansion of the third ring, the entire level will be raised to match the current highest level, making it possible to build this roof, which will allow sunlight in through part of it.

It will be a 47,000 square meter visor, made with steel cables and ETFE, PTFE, and polycarbonate coating materials.

It will also support the four new video scoreboards, the new lighting, and the entire audio system.

As we mentioned before, the improvement in acoustics as a result of covering the whole grandstand will be an important part of the experience for Barça fans.

Image 5: Future Camp Nou



Source: FC Barcelona, s.f., own archive, unpublished.

Audiovisual Technology

Audiovisual technology is becoming increasingly important in the fan experience.

It is a highly valued element and makes the event dynamic, whether it's sports or any other type of show.

It allows spectators to follow the event closely and from different angles to the ones they have from their seat, improving their view of what happens on center stage.

With the ability to interact with social networks, it also becomes a tool for engagement, which is also directly related to the experience.

And of course, the quality of the projection of advertisements that we are going to offer to our partners and clients will surely affect the facility's advertising prestige.

The Future Camp Nou will have high resolution 11.5 m x 25 m LED video scoreboards that will hang from the roof structure and will be visible from any seat in the stadium, and a 360° LED display around the perimeter of the second level.

An increase in the number of indoor monitors and screens is also planned for the concourses, hospitality areas, and premium areas.

New premium seating and areas

This is one of the most outstanding parts of the project and it is going to have a greater impact on the final economic results.

The premium seats in the current Camp Nou represent less than 3% of the total stadium capacity (2,668 over a total of 99,402: exactly 2.68%). This means that the current Barça facility is far from the market average of 10%.

This exists not because there is no such demand in its market, but because of the stadium's age, and because the stands are almost completely occupied by season ticket holders, which makes it very difficult to find space for the premium offering.

With the complete remodeling of the stadium, FCB is going to make an important leap in this revenue stream with a total of 6,300 premium seats. They will come closer to the market average with 6% of the seats in the Future Camp Nou dedicated to this product. This is an acceptable result considering the Club structure and the high number of season ticket holders it has, which is certainly great news as well.

Of the 24-28 million euro increase in annual turnover from the increase in capacity with the expansion of the third ring, between 18-20 million euros will be a result of the sale of new premium tickets. And, as mentioned before, we would have to add client consumption of these new seats.

Within the premium seating proposal, the distribution of premium seats between Club (shared hospitality) and VIP (private hospitality) coincides almost exactly with the market trend:

- FCB Premium Club seats: 75% (market 78%)
- FCB Premium VIP seats: 25% (market 22%)

This is a confirmation of both the market trend and FCB's correct analysis and design.

The premium seats will be distributed between 7 hospitality areas.

Of these, 1,584 seats will be in 79 private VIP boxes (VIP BoxGold), with capacities of between 9 and 25 seats. All of them will have an exterior balcony, making the seats part of the stadium's atmosphere, and a private hospitality area inside.

The remaining 4,716 premium seats will have shared hospitality areas.

They are:

- Presidential Box (Platinum)
- VIP Superboxes (Gold)
- Tribuna Pitch Club (Gold)
- Tribuna Sky Lounge (Gold)
- Lateral Business Lounge (Silver)
- Tribuna Soci Lounges (Silver)

Distributed throughout the stadium and with a wide range of purchasing options, they try to cover the entire market of potential customers who demand a seat with added service.

The Tribuna Pitch Club (Gold) deserves special mention, where spectators will have access to see the players in the tunnel, right before they take the field for a game. This product is relatively new but already very common in the USA (Lincoln Financial Field, Philadelphia, Stub Hub Center, LA), and it seems to already be demanded in new stadium designs in Europe (New White Hart Lane, London), and it's even being incorporated into some existing stadiums (Etihad Stadium, Manchester City).

The Tribuna Sky Lounge (Gold), located in the highest part of the stadium, has an outdoor terrace. It makes for a different experience, allowing you to see farther than usual. It is so spectacular that it makes it unique.

With this premium proposal, FCB is going to be at the forefront of this revenue stream, which is essential to maximize the income of a stadium or arena nowadays, and meet the demand that sets the clear market trend: more comfortable seats with more additional services.

For non-match days, the stadium's corporate offering has all the VIP spaces to host any type of event, providing companies and professionals a quality, multifunctional space in a special setting.

New restaurants and food and beverage stands

The food and beverage offering is one of the most important elements to ensure that the fan experience is satisfactory. It is also a revenue stream with great potential for sports facilities, and is gaining importance by leaps and bounds in all markets.

The growing tendency to try to increase the time that fans spend in the stadium in the pre and postgame, to encourage consumption and raise match day income, makes it a strategic area within the design of the overall stadium product.

The Future Camp Nou proposal takes this into account, and has developed a model in which it multiplies the current POS (points of sale or points of payment) by 5. This concession expansion is accompanied by a kitchen infrastructure in line with the service they will have to provide at more than 120 of the 455 POS, which will be distributed throughout all stadium levels.

The goal to have a quality service and product is very much present in the project, and will have three main qualities:

- Quality
- Efficiency
- Speed

The distribution of concession stands and kiosks is also designed to reduce the distance from the seats.

The other leap in quality in the stadium food and beverage offering will be the restaurants with activity both on match days and non-match days.

There will be two main restaurants located in premium areas.

The first is a Michelin-star restaurant that will be located in the Presidential Box, the stadium's most exclusive area, with a separate kitchen and access from the stadium's main grandstand.

The second one is a sports bar/restaurant located in the VIP Superbox of Gol Sud, with a capacity for 185 clients on non-match days, also with an independent kitchen and a more informal profile. It is aimed at all types of clients who come to the stadium on days when there is no game.

Image 6: Espai Barça: Campus Barça, Future Camp Nou and Future Palau Blaugrana

Source: FC Barcelona, s.f., own archive, unpublished.

360º scenic walkway on the upper ring

The walkway on the third and highest ring of the stadium, from where you can have a spectacular view of the stadium and the city, promises to be one of the design's biggest attractions.

Although it cannot be considered a revenue stream as such, its capacity to generate traffic that feeds other revenue streams makes it play a major role in the offering designed by the Club.

This type of unique attraction, such as being able to access the stadium any day of the year and enjoy the view, is a unique experience that doesn't have competition in the market.

It is the product model that ends up turning the stadium into a "must visit" as a tourist destination.

A sustainable, smart, and green stadium

Finally, it is important to highlight how the Club has created a sustainable and intelligent stadium model (Smart Stadium).

The goal of sustainability is a responsibility that all clubs must pursue in their facilities. In the case of FCB, with the Future Camp Nou, this has been the case. The project includes several initiatives that promote the use of natural energy and reduce the consumption of resources and non-renewable energies.

The two main stadium-related initiatives are the installation of 2,400 square meters of photovoltaic panels to supply the lights needed for playing field maintenance and to power the electric vehicles, and the collection of rain water on the roof for the irrigation of the playing field.

In addition to the social responsibility of the Club, which also benefits its good image, this will result in substantial cost savings in daily operations.

And as a smart stadium, it will feature all the latest technological developments and trends in the market. It will feature a high-intensity connectivity system that will allow simultaneous and permanent connection for the entire audience, a cashless payment system (cell phone payment), and electronic tickets.

The development of the technological proposal is currently an obligation that is demanded at all levels to satisfy the customer experience. A facility as emblematic and relevant as the Future Camp Nou must be at the forefront of innovation.

To finish, we must emphasize something we have already talked about, one of the pillars in decision making every time we face a sports facility project. I'm referring to the respect that we must have for the fans who consider the stadium their own, which is especially true in this case.

Generations have experienced unforgettable moments, game after game and season after season in that stadium, and they must be considered every time we make a decision about the facility. Otherwise, a decision may be made in the wrong way and not succeed.

In the case of FCB, the project has included a communication plan with partners and season ticket holders, asking for their participation in order to find out their feelings and concerns firsthand, and respect them in their decisions.

They expect concrete initiatives, such as the investment in Club communications or the implementation of tools such as a digital 3D platform for migration operations.

It is a parallel plan that will accompany the project from the beginning until after the new stadium's inauguration.

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