



Strategic Reputation Management in Sports Governance: A Game-Theoretic Analysis of the Manchester City Premier League Case

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Abstract

The Manchester City Premier League case, comprising 115 charges of alleged systematic financial misconduct spanning over a decade, represents one of the most consequential regulatory challenges in the history of professional football. This paper investigates whether the case outcome will inflict long-term reputational damage on the Premier League and assesses the utility of game theory as a primary analytical framework for understanding these complex dynamics. Through an integrated theoretical approach that combines game theory, Situational Crisis Communication Theory (SCCT), and organisational reputation theory, the study provides a multifaceted analysis of the strategic interactions among the league, the club, and a diverse array of stakeholders. Employing a qualitative case study methodology, the research models three principal resolution scenarios—lenient, moderate, and harsh—to forecast their respective impacts on the Premier League’s institutional reputation. The findings indicate that long-term reputational outcomes are less dependent on the specific verdict and more contingent upon the perceived consistency, proportionality, and integrity of the league’s enforcement actions. A lenient outcome risks generating perceptions of regulatory capture, whereas an excessively harsh penalty could be perceived as disproportionate, potentially damaging the league’s commercial brand value. Game-theoretic modelling demonstrates that establishing a high-enforcement equilibrium is crucial for maintaining long-term institutional credibility. This paper makes a significant contribution by applying a formal game-theoretic framework, including signalling theory and Bayesian belief updating, to the domain of regulatory reputation in sports governance, offering actionable insights for regulatory bodies as they navigate the intricate balance between credible enforcement and commercial viability.

Subject Areas

Sports Management, Economics, Law, Manchester City FC, Game Theory, Situational Crisis Communication Theory

Keywords

Game Theory, Reputation Management, Sports Governance, Financial Fair Play, Crisis Communication, Premier League, Manchester City, Signalling Theory, Regulatory Credibility

1. Introduction

The governance of professional football in the twenty-first century is characterised by an inherent tension between the imperatives of commercial success and the demands of regulatory integrity. As clubs have evolved into global commercial enterprises with revenues exceeding hundreds of millions of pounds, the financial regulations designed to maintain competitive balance and fiscal sustainability have come under increasing strain. No case illustrates this tension more acutely than the ongoing proceedings against Manchester City Football Club, which faces 115 charges from the Premier League for alleged breaches of its Profit and Sustainability Rules (PSR) and associated financial regulations, covering a period from 2009 to 2018 [1]. The scale and alleged systematic nature of these violations have prompted widespread debate about the future of football governance and the long-term reputational consequences for the Premier League itself.

The Premier League is one of the world's most commercially successful sports properties, generating an estimated global audience of 4.7 billion people and broadcasting revenues exceeding £10 billion per cycle [2]. Its reputation for competitive excellence, commercial innovation, and, crucially, fair competition underpins this extraordinary commercial value. The resolution of the Manchester City case therefore carries implications that extend far beyond the fate of a single club; it is a test of the Premier League's institutional identity and its capacity to act as a credible, independent regulatory body. A failure to enforce its own rules convincingly risks undermining the very foundation of trust upon which its commercial value is built.

This paper addresses the central research question: Will the outcome of the Manchester City case inflict long-term reputational damage on the Premier League, and can game theory provide a robust analytical framework for understanding these dynamics? This is not merely a question of public relations; it is a question of institutional economics and strategic governance. Game theory, with its focus on strategic decision-making under conditions of incomplete information and repeated interaction, provides an exceptionally powerful lens through which to analyse this situation [3]. The repeated nature of regulatory relationships, the strategic behaviour of clubs in response to enforcement signals, and the multi-stake-

holder environment in which the league operates are all conditions that game-theoretic models are specifically designed to illuminate.

While game theory has been applied productively to aspects of sports economics such as competitive balance, player contract negotiations, and league design [4], its application to the dynamics of regulatory reputation in a multi-stakeholder sports governance environment remains a relatively underexplored area of inquiry. This paper seeks to address that gap by developing an integrated framework that combines formal game-theoretic modelling with insights from organisational reputation theory and crisis communication research. The aim is to provide both a theoretically rigorous and practically useful analysis of the strategic challenges facing the Premier League.

For the purposes of this analysis, “long-term reputational damage” is defined operationally as a persistent, multi-year decline in key stakeholder trust metrics, such as fan confidence, sponsor association value, and media sentiment, leading to a measurable negative impact on commercial revenues and institutional influence. “Institutional credibility” is defined as the sustained belief among stakeholders that the league is both willing and able to enforce its own rules consistently and impartially, irrespective of the commercial stature of the club involved.

The paper is structured as follows. Section 2 reviews the relevant literature across three key domains: game theory in sports economics, organisational reputation theory, and crisis communication. Section 3 presents the integrated theoretical framework and the methodology employed. Section 4 applies this framework to a detailed analysis of the Manchester City case, examining stakeholder dynamics and resolution scenarios. Section 5 discusses the broader findings and their implications for sports governance. Section 6 concludes with key recommendations.

2. Literature Review

The analysis of reputation dynamics in sports governance requires the integration of insights from multiple theoretical domains. This review synthesises three distinct but complementary streams of literature, each providing a unique perspective on the strategic, reputational, and communicative dimensions of the Manchester City case. As shown in **Table 1**, these three interrelated theoretical perspectives provide the conceptual foundation for examining the strategic, reputational, and communicative dimensions of the Manchester City case.

2.1. Game Theory in Sports Economics

Game theory has emerged as an indispensable analytical tool in sports economics, providing a rigorous framework for understanding strategic interactions between players, clubs, leagues, and regulatory bodies. The field’s application to sports contexts has evolved considerably since Neale’s (1964) foundational work on the peculiar economics of professional sports, which first identified the unique interdependence between competing teams that distinguishes sports leagues from con-

ventional markets [5]. This interdependence—where the value of any single team depends on the existence and quality of its rivals—is a defining feature of the game-theoretic environment in which the Premier League operates.

Table 1. Summary of theoretical frameworks and their application.

Literature Stream	Key Scholars	Core Concepts	Application to This Study
Game Theory	Kreps & Wilson (1982); Spence (1973); Mailath & Samuelson (2006)	Repeated games, signalling, reputation mechanisms, Bayesian updating, equilibrium analysis	Models the strategic interaction between the Premier League and stakeholders; analyses the credibility of enforcement signals and the conditions for a stable, high-reputation equilibrium.
Organisational Reputation	Eccles <i>et al.</i> (2007); Fombrun & van Riel (2004); Freeman (1984)	Reputation-reality gap, reputation capital, stakeholder theory, multi-constituency reputation	Frames reputation as a strategic asset at risk; explains how diverse stakeholder groups (fans, sponsors, media) form and revise their perceptions of the league's institutional integrity.
Crisis Communication (SCCT)	Coombs (2007); Benoit (1997); Weiner (1985)	Crisis clusters (victim, accidental, intentional), attribution of responsibility, image restoration strategies	Classifies the case as a high-threat "intentional crisis"; guides the analysis of how stakeholders assign blame and prescribes appropriate institutional response strategies.

The theory of repeated games is of central importance to this study. Kreps and Wilson's (1982) seminal contribution demonstrated that in repeated interactions, players can build a reputation for a particular type of behaviour, and this reputation then shapes the strategies of other players in future encounters [6]. This insight is directly applicable to the Premier League's regulatory role. The league's enforcement decisions in the Manchester City case are not isolated events; they are moves in a long-running game with all 20 member clubs. A decision to enforce the rules strictly builds a reputation for rigour that deters future non-compliance. A decision to act leniently, conversely, signals a low commitment to enforcement, potentially incentivising other clubs to test the boundaries of the regulations.

Signalling theory, as developed by Spence (1973) in the context of labour markets, provides a complementary framework for understanding how the Premier League can credibly communicate its regulatory "type" to stakeholders [7]. The core insight is that a signal is only credible if it is sufficiently costly for a "low-type" (weak regulator) to mimic. An enforcement action that imposes high costs on the league itself—such as a harsh punishment that reduces the commercial value of a top club—is a costly signal that credibly communicates a genuine commitment to regulatory integrity. Conversely, a low-cost signal, such as a minor fine, provides little information about the league's true commitment.

Mailath and Samuelson's (2006) comprehensive treatment of repeated games with reputation further illuminates the long-run dynamics at play [3]. Their work demonstrates that reputation can serve as a powerful substitute for formal contractual enforcement, incentivising cooperative behaviour even when direct monitoring is imperfect. In the context of football governance, where the complexity of financial arrangements makes perfect monitoring impossible, the Premier League's

reputation for rigorous enforcement is itself a governance tool. A strong reputation reduces the incentive for clubs to engage in financial misconduct, as the expected cost of detection and punishment is high.

Despite these contributions, the literature reveals a significant gap in the application of game theory to the specific domain of regulatory reputation in multi-stakeholder sports governance. Most existing work focuses on bilateral interactions between leagues and clubs, with limited attention to the broader stakeholder environment—including fans, sponsors, and media—that shapes and is shaped by the league’s regulatory decisions. This paper seeks to address this gap.

2.2. Organisational Reputation Theory

Organisational reputation theory provides the conceptual tools to understand what is at stake for the Premier League in this case. Reputation, in this context, is understood not merely as public image but as a strategic asset that generates tangible value through stakeholder relationships, market positioning, and institutional legitimacy. The work of Eccles, Newquist, and Schatz (2007) is foundational, identifying the “reputation-reality gap” as a primary source of reputational risk [8]. This gap arises when an organisation’s perceived standing—its reputation—diverges from its actual conduct and capabilities. When reputation exceeds reality, the organisation is vulnerable to a sharp and damaging correction when the gap is eventually exposed.

The Manchester City case threatens to expose precisely such a gap. The Premier League has long cultivated a reputation for being the world’s most commercially successful and competitively fair football league. If the case reveals that systematic financial misconduct was possible over a decade without detection or effective sanction, it suggests that the league’s reputation for governance has exceeded the reality of its regulatory capabilities. The resulting reputational correction could be severe.

Fombrun and van Riel’s (2004) concept of “reputation capital” is also highly relevant [9]. Reputation capital is the accumulated goodwill and trust that an organisation has built with its stakeholders over time. It functions as a buffer during crises, providing a degree of protection against reputation damage. The Premier League has accumulated considerable reputation capital through decades of commercial success and entertaining competition. However, this capital is not inexhaustible; a sufficiently serious governance failure can deplete it rapidly.

Stakeholder theory, as advanced by Freeman (1984), is essential for understanding the complexity of the Premier League’s reputational challenge [10]. The league’s reputation is not a single, unified entity; it is a composite of the perceptions held by a diverse array of stakeholder groups, each with its own interests, values, and criteria for evaluation. Fans prioritise competitive fairness; sponsors prioritise brand safety and association with integrity; broadcast partners prioritise the quality and credibility of the product; and other clubs prioritise regulatory consistency and a level playing field. A decision that satisfies one group may alienate another,

making the management of reputation in this context an inherently complex, multi-objective problem.

2.3. Crisis Communication and SCCT

Situational Crisis Communication Theory (SCCT), developed by Coombs (2007), provides the most systematic framework for assessing the reputational threat posed by the Manchester City case and prescribing an appropriate institutional response [11]. SCCT is grounded in attribution theory, which examines how individuals assign causality and responsibility for events [12]. The theory proposes that the level of reputational threat posed by a crisis is primarily determined by the degree to which stakeholders attribute responsibility for the crisis to the organisation.

SCCT identifies three crisis clusters, each associated with a different level of reputational threat. Victim crises (e.g., natural disasters) involve minimal attribution of responsibility to the organisation and pose a mild reputational threat. Accidental crises (e.g., technical failures) involve some attribution of responsibility and pose a moderate threat. Intentional crises (e.g., deliberate rule violations, product tampering) involve strong attribution of responsibility and pose the most severe reputational threat. **Table 2** applies SCCT's crisis typology to the context of sports governance, illustrating how different forms of organisational failure generate varying levels of attributed responsibility, reputational threat, and strategic response.

Table 2. SCCT crisis clusters applied to sports governance.

Crisis Cluster	Attribution Level	Reputational Threat	Recommended Response Strategy	Sports Governance Example
Victim	Weak	Mild	Bolstering (sympathy, vicariousness)	Fixture disruption due to extreme weather
Accidental	Minimal	Moderate	Diminishment (excuse, justification)	Inadvertent administrative error in financial reporting
Intentional	Strong	Severe	Rebuilding (apology, corrective action)	Deliberate and systematic financial rule violations

The allegations against Manchester City—involving deliberate and systematic violations of financial regulations over a period of nearly a decade—unambiguously place this case in the “intentional crisis” cluster. According to SCCT, this carries the most severe reputational threat. Critically, however, the reputational threat is not solely to Manchester City; it extends to the Premier League as the regulatory body that failed to detect or prevent the alleged misconduct. Stakeholders may attribute secondary responsibility to the league for its oversight failures, compounding the reputational damage.

SCCT prescribes “rebuilding” strategies for intentional crises, which involve full apology, acceptance of responsibility, and corrective action [13]. For the

Premier League, this translates into a clear and decisive enforcement action, transparent communication about the process and outcome, and a commitment to governance reforms that prevent future recurrences. A strategy of denial or minimisation, while potentially tempting given the commercial stakes, would be inconsistent with the severity of the crisis and is likely to exacerbate reputational damage.

3. Theoretical Framework and Methodology

3.1. The Integrated Theoretical Framework

This study employs an integrated theoretical framework that combines game theory, reputation theory, and SCCT to provide a comprehensive model of the reputation dynamics at play. The primary analytical lens is a signalling game, chosen for its specific utility in modelling situations where one party (the Premier League) must take an action to convey private information (its regulatory commitment) to other parties (stakeholders). While the broader context is a repeated game, as discussed in the literature review, the immediate, high-stakes nature of the case resolution makes it a critical signalling juncture. The outcome of this single interaction will disproportionately influence all future rounds of the repeated game, making the signalling model the most appropriate primary framework for this specific analysis.

The framework conceptualises the situation as a multi-stage signalling game with incomplete information, embedded within a multi-stakeholder reputation environment.

The central actor is the Premier League (PL), which must choose an enforcement level, e , in response to the Manchester City case. This choice is observed by all stakeholders, who then update their beliefs about the league's "type"—either a "strong" regulator committed to governance integrity or a "weak" regulator that prioritises short-term commercial interests. The league's utility function can be formally expressed as shown in Equation (1).

$$U_{PL}(e) = w_r \cdot R(e) + w_c \cdot V(e) - C(e) \quad (1)$$

where:

- $U_{PL}(e)$ is the Premier League's total utility from an enforcement level e .
- $R(e)$ is the long-term reputational capital of the league as a function of enforcement level. It is assumed that $\frac{\partial R}{\partial e} > 0$, *i.e.*, reputational capital increases with enforcement rigour.
- $V(e)$ is the short-term commercial value of the league, which may be negatively affected by harsh punishments against a major commercial asset. It is assumed that for sufficiently high values of e , $\frac{\partial V}{\partial e} < 0$.
- $C(e)$ represents the direct costs of enforcement (legal, administrative, and operational).
- w_r and w_c are the respective weights the Premier League places on long-term

reputational capital and short-term commercial value, where $w_r + w_c = 1$.

The key insight from this model is that the optimal enforcement level depends critically on the relative weights w_r and w_c . An institution that heavily discounts the future (high w_c) will choose a low e , prioritising short-term commercial stability. An institution with a long-term orientation (high w_r) will choose a high e , accepting short-term commercial costs to build durable reputational capital.

Stakeholders observe the enforcement level e and update their prior belief, $P(\theta = strong)$, about the league's type using Bayes' rule, as shown in Equation (2).

$$P(\theta = strong|e) = \frac{P(e|\theta = strong) \cdot P(\theta = strong)}{P(e|\theta = strong) \cdot P(\theta = strong) + P(e|\theta = weak) \cdot P(\theta = weak)} \quad (2)$$

A separating equilibrium is achieved when the "strong" and "weak" regulator types choose different enforcement levels, thereby revealing their type to stakeholders. For this to occur, the incentive compatibility constraints shown in Equation (3) and Equation (4) must hold. The strong regulator must prefer its own equilibrium action, e_s^* , over the weak regulator's action, e_w^* .

$$U_{PL}(e_s^*|\theta = strong) \geq U_{PL}(e_w^*|\theta = strong) \quad (3)$$

And the weak regulator must prefer its own equilibrium action over mimicking the strong regulator.

$$U_{PL}(e_w^*|\theta = weak) \geq U_{PL}(e_s^*|\theta = weak) \quad (4)$$

This separating equilibrium is the most desirable outcome for the Premier League as an institution, as it allows stakeholders to correctly identify the league as a "strong" regulator, maximising long-term reputational capital $R(e)$.

3.2. Methodology

This research employs a qualitative, single-case study methodology, which is well-suited for the in-depth investigation of a complex, contemporary phenomenon within its real-world context [14]. The Manchester City case was selected for its analytical suitability as a critical case; its unprecedented scale, the commercial importance of the club, and the public nature of the dispute make it a revelatory test of modern sports governance, allowing for the generation of theoretical insights that are applicable to other leagues and regulatory bodies. The case study approach allows for the integration of multiple theoretical perspectives and the examination of nuanced causal mechanisms that quantitative methods may not capture.

The analysis proceeds through three stages. First, a comprehensive review of publicly available data was conducted based on a defined source-selection protocol. The protocol included official documents from the Premier League and Manchester City, financial reports from Deloitte, UEFA, and club accounts, and ex-

tensive media coverage from Tier 1 UK and international outlets (e.g., *The Times*, *The Guardian*, *The Athletic*, *The New York Times*) within the period from February 2023 to March 2026. This systematic review provided the evidentiary base for the case. Second, three primary case resolution scenarios were constructed as analytical constructs: a Lenient Outcome, a Moderate Outcome, and a Harsh Outcome. These are not predictions but structured thought experiments designed to explore the reputational consequences of different strategic choices. Third, the integrated theoretical framework was applied to each scenario to analyse stakeholder attribution patterns, the credibility of the league’s enforcement signal, and the likely impact on long-term reputation.

4. Analysis: The Manchester City Case through the Theoretical Lens

4.1. Case Overview and Charge Analysis

The charges against Manchester City were formally referred to an independent commission in February 2023, following a four-year investigation by the Premier League [1]. The 115 charges span the period from 2009 to 2018 and fall into several distinct categories, as summarised in **Table 3**.

Table 3. Categories of Premier League charges against Manchester City.

Charge Category	Approximate Number	Period	Core Allegation
Failure to provide accurate financial information	~54	2009-2018	Misleading the league regarding revenues, costs, and player/manager remuneration
Failure to provide accurate details of manager remuneration	~14	2009-2018	Concealing true payments to managers
Failure to comply with UEFA Financial Fair Play rules	~7	2013-2018	Breaching UEFA regulations incorporated into Premier League rules
Failure to provide accurate details of player remuneration	~5	2009-2018	Concealing true payments to players
Failure to cooperate with Premier League investigations	~35	2018-2023	Obstruction and non-cooperation with regulatory inquiries
Total	~115	2009-2023	

The systematic and prolonged nature of the alleged violations is a critical factor in the reputational analysis. These are not allegations of a single administrative error or an isolated incident of poor judgment. They describe a pattern of alleged conduct sustained over nearly a decade, which, if proven, would suggest an institutional culture of deliberate non-compliance. This is precisely the type of conduct that SCCT classifies as an “intentional crisis”, carrying the most severe reputational threat.

4.2. Stakeholder Attribution and Perception Analysis

The multi-stakeholder environment of the Premier League means the case’s rep-

utational impact is not uniform; it is refracted through the distinct interests and values of each stakeholder group. The stakeholder responses outlined in **Table 4** are derived from a synthesis of public statements from fan groups and rival clubs, prevailing media narratives identified in the source review, and analytical inferences based on the principles of stakeholder theory [10]. **Table 4** provides a structured analysis of the key stakeholder groups, their primary interests, and their likely responses to different case outcomes.

Table 4. Stakeholder attribution and scenario response analysis.

Stakeholder Group	Primary Interest	Reaction: Lenient Outcome	Reaction: Moderate Outcome	Reaction: Harsh Outcome
Rival Clubs	Competitive Fairness, Level Playing Field	High dissatisfaction; perception of regulatory capture; potential legal challenges.	Cautious acceptance; may question proportionality.	High satisfaction; strong signal of governance integrity.
Fans (Non-MCFC)	Integrity of Competition	Outrage; loss of faith in the league's fairness; potential disengagement.	Mixed; some satisfaction, some scepticism.	General approval; validation of rules-based competition.
Fans (MCFC)	Club Success, Sense of Injustice	Vindication; but long-term reputational cloud remains.	Frustration; perceived as unjust.	Deep alienation; perception of a "witch-hunt".
Sponsors & Broadcasters	Brand Safety, ROI, Stable Asset Value	Private concern; risk of association with weak governance; contract scrutiny.	Cautious monitoring; acceptable if proportionate.	Concern over diminished asset value if a top club is severely penalised.
Media	Accountability, Narrative	Narrative of a "toothless" regulator; sustained critical coverage.	Nuanced coverage; debate over proportionality.	Landmark decision narrative; intense but potentially positive long-term framing.
Government/Regulators	Public Interest, Governance Standards	Increased pressure for an independent regulator; legislative intervention.	Some pressure for reform; continued scrutiny.	Reduced immediate pressure; evidence that self-regulation can work.

This analysis reveals the fundamental dilemma facing the Premier League. No single outcome will satisfy all stakeholders simultaneously. A lenient outcome satisfies Manchester City's supporters and avoids short-term commercial disruption, but at the cost of alienating the majority of other stakeholders and inviting government intervention. A harsh outcome satisfies the majority of stakeholders concerned with competitive integrity, but at the cost of alienating Manchester City's global fanbase and potentially reducing the commercial value of the league's product in the short term.

4.3. Signalling Dynamics and Equilibrium Analysis

The game-theoretic framework provides a way to move beyond this apparent impasse by focusing on the long-run dynamics rather than the short-run stakeholder satisfaction of any single group. The key question is not "which outcome satisfies the most stakeholders today?" but rather "which enforcement strategy establishes the most stable and credible long-term reputation for the league?"

For clarity, the three scenarios are defined by concrete sanction examples. A

Lenient Outcome would involve primarily financial penalties (e.g., a fine below £100 million) with no points deductions. A Moderate Outcome would involve a significant fine and a minor-to-moderate points deduction (e.g., 10 - 30 points) that does not result in relegation. A Harsh Outcome would involve a severe points deduction leading to relegation, and/or the stripping of historical titles. As presented in **Table 5**, the three sanction scenarios can be interpreted as distinct signalling strategies, each with different implications for stakeholder belief updating, equilibrium formation, and the long-term credibility of the league.

Table 5. Scenario analysis—signalling and reputational equilibria.

Scenario	Enforcement Level (e)	Signal Credibility	Stakeholder Belief Update	Equilibrium Type	Long-Term Reputational Impact
Lenient	Low (e_{min})	Low; costless to a weak regulator	$P(\theta = strong e)$ decreases; league perceived as weak	Pooling	Erosion of regulatory credibility; invites future challenges; increased risk of government intervention.
Moderate	Medium (e_{mid})	Medium; some cost but ambiguous	$P(\theta = strong e)$ increases slightly; uncertainty persists	Semi-separating	Ambiguous; may prevent worst-case scenario but insufficient to establish a firm reputation for rigour.
Harsh	High (e_{max})	High; costly even for a strong regulator	$P(\theta = strong e)$ increases significantly; league perceived as strong	Separating	Enhancement of regulatory credibility; deters future breaches; reduces risk of government intervention.

The separating equilibrium, achieved through a harsh or significantly costly enforcement action, is the most desirable long-term outcome for the Premier League as an institution. In this equilibrium, the league's enforcement action is sufficiently costly that only a genuinely "strong" regulator would choose it, making the signal credible. Stakeholders update their beliefs accordingly, concluding that the Premier League is indeed a committed and capable regulator. This belief, once established, reduces the incentive for future non-compliance across all member clubs, as the expected cost of violations is perceived to be high.

The pooling equilibrium, resulting from a lenient outcome, is the most damaging long-term scenario. In this equilibrium, the league's action is indistinguishable from what a "weak" regulator would do, providing no credible signal of commitment. Stakeholders cannot distinguish between a strong and a weak regulator and, in the absence of a credible signal, will rationally update their beliefs towards the less favourable interpretation—that the league is weak. This erodes the deterrent value of the regulations and may invite further challenges.

4.4. The Reputation-Reality Gap in Practice

The reputation-reality gap framework, drawn from Eccles *et al.* (2007), provides a complementary perspective on the long-term dynamics [8]. Prior to the emergence of the Manchester City case, the Premier League had cultivated a strong reputation for being a well-governed, commercially successful league. The case

has raised the possibility that this reputation may have exceeded the reality of the league's regulatory capabilities and enforcement resolve. If the case is resolved leniently, this gap will be confirmed and exposed, leading to a potentially sharp and lasting reputational correction. If resolved harshly, the gap will be closed, and the league's reputation will be realigned with a demonstrated reality of effective governance.

This analysis suggests that the long-term reputational cost of a lenient outcome is likely to be significantly higher than the short-term commercial cost of a harsh one. The commercial value of the Premier League is ultimately derived from the perceived integrity and fairness of its competition. An institution that is perceived to be unable or unwilling to enforce its own rules is one whose core product—competitive football—is devalued. The financial modelling of this trade-off can be conceptualised as follows. Let ΔR represent the change in reputational capital and ΔV represent the change in short-term commercial value. For a lenient outcome, the change in utility is shown in Equation (5).

$$\Delta U_{PL}^{lenient} = w_r \cdot \Delta R_{negative} + w_c \cdot \Delta V_{positive} \quad (5)$$

For a harsh outcome, the change in utility is shown in Equation (6).

$$\Delta U_{PL}^{harsh} = w_r \cdot \Delta R_{positive} + w_c \cdot \Delta V_{negative} \quad (6)$$

The net utility of a harsh outcome exceeds that of a lenient outcome if and only if the inequality in Equation (7) holds.

$$w_r \cdot |\Delta R_{positive}| + w_c \cdot |\Delta V_{positive}| > w_r \cdot |\Delta R_{negative}| + w_c \cdot |\Delta V_{negative}| \quad (7)$$

Given that reputational capital is the foundation of long-term commercial value, and given the severity of the alleged violations, it is reasonable to argue that $|\Delta R_{positive}|$ from a harsh outcome significantly outweighs $|\Delta V_{negative}|$, making a decisive enforcement action the utility-maximising strategy for an institution with a long-term orientation.

5. Discussion: Implications for Sports Governance

5.1. The Strategic Value of Institutional Credibility

The most fundamental insight from the game-theoretic analysis is that institutional credibility is a long-term strategic asset that must be actively invested in and protected. For a regulatory body like the Premier League, credibility is not simply a matter of reputation management; it is the foundation of its governance effectiveness. A regulator that is not believed to be willing to enforce its rules is, in effect, not a regulator at all. The Manchester City case is therefore not merely a legal dispute; it is a test of the Premier League's institutional identity.

The analogy to a central bank is instructive. A central bank's primary asset is its credibility in maintaining price stability. To protect this credibility, central banks are often willing to impose significant short-term economic pain (e.g., sharp interest rate increases) to signal their commitment to their mandate. The Premier

League faces a structurally similar choice: accept short-term commercial disruption to signal its commitment to regulatory integrity, or avoid disruption at the cost of its long-term credibility.

5.2. The Danger of Regulatory Capture

A lenient outcome would risk the perception of **regulatory capture**, a phenomenon in which a regulatory body comes to serve the interests of the industry it is supposed to regulate rather than the public interest. In the context of the Premier League, regulatory capture could manifest as the league prioritising the commercial interests of its most valuable clubs over the integrity of its own rules. This perception would be deeply damaging, as it would suggest that the league's regulations are not genuinely binding constraints but rather negotiable guidelines that can be set aside when the commercial stakes are high enough.

The risk of perceived regulatory capture is particularly acute in this case because Manchester City is one of the most commercially valuable clubs in the league. A lenient outcome would inevitably invite the inference that the club's commercial importance shielded it from the full consequences of its alleged misconduct. This perception would undermine the credibility of the league's regulations for all other clubs and stakeholders.

5.3. The Role of Transparency and Communication

Regardless of the specific outcome, the manner in which the Premier League communicates throughout this process is critical to managing reputational damage. SCCT prescribes 'rebuilding' strategies for intentional crises, which require transparency, accountability, and a clear commitment to corrective action [11]. For the Premier League, this means providing clear and accessible explanations of the regulatory process, the evidence considered, and the reasoning behind the final decision.

Transparency serves a dual function in this context. First, it demonstrates procedural fairness, which is a key criterion by which stakeholders evaluate institutional legitimacy. Even stakeholders who disagree with the outcome are more likely to accept it if they perceive the process to have been fair and transparent. Second, transparency reduces the information asymmetry that fuels speculation and rumour, allowing the league to shape the narrative around the case rather than ceding that ground to critics and commentators.

5.4. The Broader Context: Independent Regulation

The Manchester City case has unfolded against the backdrop of a broader debate about the governance of English football. The UK Government has been actively considering the introduction of an independent regulator for English football, a proposal that has gained significant momentum in recent years [15]. The outcome of the Manchester City case will inevitably influence this debate. A lenient outcome would strengthen the case for external regulation by demonstrating the lim-

itations of self-regulation in the face of powerful commercial interests. A decisive outcome would provide evidence that self-regulation can work, potentially reducing the pressure for legislative intervention.

The Premier League therefore has a strong institutional interest in demonstrating its capacity for effective self-governance. A failure to act decisively in the Manchester City case would not only damage its reputation with fans and sponsors; it would also invite a fundamental restructuring of its governance model through external regulatory intervention.

6. Conclusion and Recommendations

This paper has examined the reputational implications of the Manchester City Premier League case through an integrated theoretical framework combining game theory, organisational reputation theory, and Situational Crisis Communication Theory. The analysis has demonstrated that the case poses a significant but manageable reputational challenge for the Premier League, and that the long-term outcome depends critically on the strategic choices made by the league in its response.

The central finding is that a lenient outcome poses a greater long-term reputational risk than a harsh one. While a harsh punishment carries high short-term costs—commercial disruption, legal challenges, and the alienation of Manchester City’s global fanbase—it is the only strategy that can establish the separating equilibrium necessary for long-term institutional credibility. The game-theoretic analysis demonstrates that the credibility of the league’s enforcement signal depends on its cost; a costless signal provides no information about the league’s true commitment to governance, whereas a costly signal credibly communicates that commitment.

The application of game theory to this case has proven to be a highly productive analytical approach. The formal models of signalling and Bayesian belief updating provide a rigorous language for conceptualising the strategic trade-offs involved and for identifying the conditions under which different reputational equilibria emerge. The utility function framework, incorporating both reputational capital and commercial value, provides a structured way to think about the league’s decision-making calculus and the relative weights it places on long-term and short-term objectives.

The integrated framework, combining game theory with reputation and crisis communication theories, has provided a holistic view of the challenge. SCCT correctly identified the case as a high-threat “intentional crisis”, while reputation theory highlighted the diverse and often conflicting expectations of the league’s multiple stakeholders. Together, these frameworks suggest that the Premier League’s optimal path is to act decisively to reinforce its identity as a “strong” regulator, thereby establishing a separating equilibrium that enhances long-term institutional credibility. **Table 6** synthesises the main recommendations arising from the analysis, linking each proposed action to its theoretical foundation and expected con-

tribution to the Premier League's long-term institutional credibility.

Table 6. Summary of key recommendations for the Premier League.

Recommendation	Theoretical Basis	Expected Outcome
Prioritise long-term reputational capital ($w_r > w_c$) over short-term commercial value in enforcement decisions.	Game Theory (Utility Function)	Establishes a separating equilibrium; deters future non-compliance.
Pursue a decisive, proportionate enforcement action that imposes meaningful costs.	Signalling Theory	Sends a credible signal of commitment to governance integrity.
Communicate transparently about the process and reasoning behind the decision.	SCCT (Rebuilding Strategy)	Demonstrates procedural fairness; manages stakeholder attribution.
Implement governance reforms to close the reputation-reality gap.	Reputation Theory	Aligns reputation with demonstrated reality; reduces future risk.
Use the case to demonstrate the effectiveness of self-regulation.	Stakeholder Theory	Reduces pressure for external regulatory intervention.

In conclusion, the Manchester City case is a crucible for the Premier League's institutional identity. It is a test of whether the league is genuinely committed to the rules-based order that underpins the integrity and value of its competition, or whether it is ultimately a commercial entity that will subordinate governance to commercial interest when the stakes are high enough. The game-theoretic analysis presented in this paper demonstrates that the path to preserving and enhancing the Premier League's long-term reputation lies not in avoiding conflict, but in embracing its role as a credible, consistent, and independent regulator—whatever the short-term cost.

Limitations

It is important to acknowledge the limitations of this analysis. The conclusions are based on publicly available information, and the actual evidence before the independent commission is unknown. The final legal outcome is pending and subject to appeals, which could significantly alter the context. Furthermore, the regulatory landscape of English football may itself change, with the potential introduction of an independent regulator. This analysis should therefore be interpreted as a scenario-based application of theory, intended to illuminate strategic dynamics rather than to predict a specific outcome.

Conflicts of Interest

The author declares no conflicts of interest.

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