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MIMETIC ISOMORPHISM WITHOUT MERITOCRACY: A DECADE OF FRANCHISE-LED DEVELOPMENT IN THE INDIAN SUPER LEAGUE

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KEY WORDS

Indian Super League, Sports Economics, franchise model, broadcasting rights, institutional theory, emerging markets.

ABSTRACT

This paper will provide a critical evaluation of the growth path of the Indian Super League (ISL) since its inception in 2014 until 2026, looking at the ISL's franchise system, the ISL's revenue system, the development of broadcast rights in the ISL, and the social impact of the ISL to identify the inherent weaknesses in the ISL structure leading to the collapse of the media rights valuation by 98%. Methods: A systematic scoping review methodological approach was adopted, combining scholarly sources on sports economics, official AIFF documents, audited financial records, and media reporting in the context of the 2025 – 26 crisis. Results: Findings reveal that the ISL's closed franchise system valued immediate commercial appeal over sporting meritocracy, resulting in an inherently flawed revenue system. The open tender in 2025 – 26 revealed the inflated valuations, with media rights per match falling from ₹1.68 crore to ₹9.47 lakh – a fall of 94.4%. Conclusion: This crisis is not an outlier but the expected outcome of the imbalance of corporate governance structures where the highest value extraction is done without investing in the grassroots, resulting in zero European elite export for ten years. Implications: Adoption of the proposed AIFF 20-year model calls for mandatory reinvestment at the grassroots level (15-20% of central government income), transparency in finances through competitive bids, and effective promotion-relegation policy with sufficient parachute payments (5% minimum of central pool).

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1.0 Introduction

The formation of the Indian Super League (ISL) in 2014 can be seen as a bold test case for using sport to achieve economic development by importing the highly profitable franchise system used successfully in the Indian Premier League (IPL) but applying it to Indian football (Borpujari, 2025). The vision behind the creation of ISL was to turn a stagnated local game into a cash cow through use of broadcast revenues, business partnerships, and international stars like Alessandro Del Piero and Roberto Carlos, in order to grab the fancy of a nation addicted to cricket.

Almost ten years on, however, the scenario has completely changed. Although the ISL did boost standards to some extent, with stadiums in Kochi, Kolkata, and Guwahati being able to sell out to audiences of over 35,000 per fixture and Indian talents having secured deals that were unthinkable in 2014, such as Anwar Ali's ₹24 crore, five-year contract with East Bengal (India Today, 2025), fundamental structural weaknesses have begun to surface in earnest. However, the 2025-26 season now finds itself in turmoil, as the commercial deal between the All-India Football Federation (AIFF) expired, and media rights plummeted drastically from ₹275 crore per season to merely ₹8.62 crore, amounting to a fall of nearly 97% (Business Standard, 2026). The veteran administrators pose the central issue succinctly: "If ISL teams really have more money, better coaches, and facilities, why haven’t they at least produced one good player in 15 years?" (former Minerva Punjab FC owner Ranjit Bajaj, India Today, 2025).

This is the fundamental dilemma of the ISL’s legitimacy, which serves as the critical issue for analysis in this review: "Did the expansion of ISL’s growth strategy emphasize form over substance by focusing on creating the image of quality football rather than building the conditions necessary for competition and development?" Utilizing institutional theory (DiMaggio & Powell, 1983; Washington & Patterson, 2011) In conjunction with the existing sports economics literature on closed league systems versus open league systems (Fort, 2015; Szymanski, 2010), this paper analyzes the history of the ISL through an examination of four interrelated dimensions, namely: (i) the controversial business model of the franchises, (ii) the economic structure responsible for propping up the business, (iii) the television rights boom, and finally (iv) its sociological consequences. According to current information available during the time period of the crisis (2025 – 26), it can be concluded that despite providing financial stability to its owners, the closed franchise system adopted by the ISL is a "gated community" which hindered the development of meritocracy within the organization. As a result of which, an ultimate bubble was created, which was bound to burst soon after.

2. Methodology

2.1 Research Design and Rationale

The present study has used a methodology of systematic scoping review (Arksey & O'Malley, 2005; Tricco et al., 2018) that aims at mapping the existing literature regarding the commercial and governance transformation processes in ISL during its first ten years of operation (2014 - 2026). A scoping review approach is well justified in this case due to the emergent nature of the theme under consideration and the lack of an existing body of academic literature, necessitating the use of multiple types of data for analysis.

2.2 Search Strategy

A search was systematically carried out through three databases (Scopus, Web of Science, and Google Scholar) based on the Boolean search query: '("Indian Super League" OR "ISL" OR "Indian football" AND ("franchise model" OR "broadcasting rights" OR "revenue sharing" OR "promotion relegation" OR "grassroots development"))'. The search was restricted to English-language documents between 2010 (AIFF-IMG-Reliance deal) and April 2026. There were 147 studies initially retrieved.

2.3 Inclusion and Exclusion Criteria

The inclusion criteria for selecting sources included: (a) peer-reviewed journal papers in sports economics, sport management, or development;

(b) official documents and annual reports by AIFF or FSDL (Football Sports Development Limited); (c) financial records audited by a recognized agency, including ISL franchises and the league's management; (d) financial and governance information in reputable Indian news publications (Times of India, Hindustan Times, Business Standard, The Economic Times, Sportstar) in connection to the Indian football industry; and (e) AFC circulars about the financial situation in Indian football. The exclusion criteria included: (a) blog reports by fans or on social media that lacked veracity; (b) only on-field strategies and players' performance; and (c) non-English language sources.

From the initial screening of 147 articles and subsequent analysis of 89 full-text articles, 54 sources were included in the synthesis, while another 10 news items of the same period, from 2025-2026, were used after verification through triangulation.

2.4 Data Extraction and Analytical Framework

Data were then organized using a standardized format covering the following areas: governance structure; sources of income (media rights, sponsorships, matchday); expenses by category; franchise payment systems; rules on promotion and relegation; and methods used for investing in the grassroots level. The collected data were examined under institutional theory (DiMaggio & Powell, 1983), particularly in terms of mimicry of institutionalized practices (mimetic isomorphism), wherein the ISL imitates the franchise-based system used by the IPL, as well as financialization (Epstein, 2005), in which case, the ISL’s value lies in its financialization rather than in football development.

2.5 Limitations

The limitation of this review is that there are not many peer-reviewed papers focused specifically on Indian football’s economic aspect; a lot of analysis had to be done on the basis of high-quality articles published in newspapers and reports from reliable sources. Some financial information is also classified.

3. **The Franchise Model: Institutional Isomorphism Without Meritocratic Foundation**

3.1 Origins and Architecture: Mimetic Isomorphism in Action

Unlike a normal football league based on meritocracy as seen in Europe, the ISL is a tournament whose format was modeled after that of the IPL, which qualifies as a case of mimetic isomorphism (DiMaggio & Powell, 1983), where organizations imitate successful models from the surrounding industry. The creation of this league can be attributed to the signing of a 15-year contract worth ₹700 crores by the AIFF with IMG-Reliance back in 2010 with the mandate of restructuring, upgrading, popularizing and promoting football in India (Sarkar, 2025).

In the inaugural season of 2014, eight city-based franchises were awarded, and they were chosen based on criteria such as ability to pay and having influential figures rather than on football history. Additionally, there were no plans for promotion to the league from the I-league in India or relegations for franchises underperforming in the competition. As explained above, this was justified pragmatically because the owners of these franchises required financial stability while Indian football was not ready for a fully open pyramid system (Borpujari, 2025). Nevertheless, as demonstrated in this paper, this justification was misguided.

3.2 The Structural Critique: Closed Shop as Gated Community

The concept of closed franchising system has come under fire for years by developmentalists. Essentially, the fundamental philosophy behind the closed franchising system is faulty. The appeal of football on an international scale is based upon meritocratic mobility, meaning that the fundamental principle behind football was that any team can become good enough to match up against the biggest teams on earth through sporting ability (Szymanski, 2010).

There is plenty of evidence to show how the closed franchise system has had detrimental effects on the sport. Teams like Dempo FC (multiple national winners) and Churchill Brothers (most recent I-League winners) have been barred from being part of the top flight irrespective of their performance (India Today, 2025). Being I-League winners does not guarantee entry into the upper league; until the 2023-24 season, it effectively meant that they would need to pay for the privilege. Punjab FC were able to gain promotion in the 2023 season due to paying the franchise fee (about ₹12-16 crore a year) to ensure a share of the revenue.

This was summed up beautifully by Henry Menezes, former goalkeeper and administrator from India: “Earlier a player in Mumbai could play 100-120 games in an entire season-District or state leagues contributed to national level tournaments, and aspiring professional players could progress one step at a time. This used to be the foundation of Indian football. Today, a district-level team cannot do better than a district level itself. There is no progression possible anymore” (India Today, 2025).

3.3 Financial Barriers to Entry: Cost of Exclusion

The franchising approach comes with a set of financial barriers that inherently rule out community or city clubs. See Table 1 below for a cost estimate.

Table 1. Annual Operating Costs for an ISL Franchise (2024 - 25 Estimates)

	Cost Category	Estimated Annual Expenditure (₹ Crore)
1	Franchise Fee (Central Revenue Access)	12 - 16
2	Player Salaries (Indian + Foreign)	25 - 40
3	Coaching & Technical Staff	5 – 8
4	Stadium Rental & Operations	3 – 5
5	Travel & Logistics	2 – 3
6	Marketing & Community Outreach	1 – 2

	Total Estimated Annual Operating Cost	60 - 100

Note. *Compiled from India Today (2025), Nogomania (2025), and industry sources.*

This makes a "gated community, which allows entry into the gates based not on success or hard work but rather on the basis of balance sheets," according to Bajaj (India Today, 2025). The corporate ownership model (RPSG Group, JSW Group, Tata Steel, City Football Group) is concerned more with branding than grooming talent (Borpujari, 2025).

3.4 The Push for Promotion - Relegation: Institutional Pressure from AFC

There has been external institutional pressure to look again at the issue. The AFC has been making it clear that India needs to merge its best leagues to create a league that is based on meritocracy. The new structure of the AIFF in December 2025 has ensured that the ISL will have provisions for promotion and relegation for the 2026-27 season onwards, as per AFC rules (The Times of India, 2025). The system includes parachute money where two percent of the total central pool goes to relegated teams, but only one percent per club annually over two years. Nonetheless, the proposed scheme deserves some skepticism, given the lack of redistribution discussed in Section 7.

4. Revenues: Financialization and Overvalued Bubbles

4.1 The Architecture Pre-Crisis: Risk of Concentration

During the peak period (2023-25), the revenues of the ISL had been based on three pillars which created high exposure to one counterparty.

Table 2. ISL Revenue Structure at Peak (2023 - 25)

	Revenue Stream	Approximate Share of Total Revenue	Primary Counterparty/Source
1	Media Rights	55 - 60%	Viacom18 (JioStar)
2	Sponsorship & Commercial	25 - 30%	Hero MotoCorp (title sponsor)
3	Matchday (tickets,	10 - 15%	Direct fan purchases

	merch)		
4	International Rights	<1%	Negligible

Note. *Data derived from The Economic Times (2025) and Khel Now (2026).*

The most important weakness is obvious from the outset: an excessive focus on one media rights contract negotiated under no conditions of arm's length bargaining but rather in a related-party environment (FSDL and Viacom18 having a common parent company). The deal reached in 2023 placed a value of ₹550 crore on the media rights for two seasons, which is equivalent to ₹275 crore per season (The Economic Times, 2025). The remarkable transformation of the financial state of FSDL was clearly evident, with a revenue increase of 39% from ₹355.4 crore to ₹492.2 crore during FY 2024 - 25 and the company making the shift from a net loss of ₹14.3 crore to a net profit of ₹45.2 crore (The Economic Times, 2025).

4.2 The Collapse of 2025 - 26: Market Correction

he 2025 – 26 season revealed the weakness of the structure in a raw light. With the termination of the AIFF-FSDL Master Rights Agreement, and due to legal wrangles that halted the automatic renewal process, the league had to resort to an open bidding process—the first real market assessment of the economic worth of ISL (Sarkar, 2025).

Table 3. Collapse of ISL Broadcasting Rights (2023 - 2026)

Metric	2023 - 25 (Peak)	2025 - 26 (Post - Crisis)	% Change
Annual Media Rights (₹ Crore)	275	8.62	- 96.9%
Per - Match Value (₹ Lakh)	168	9.47	- 94.4%
Net Broadcasting Revenue (₹ Crore)	~250 (est.)	~3.4	- 98.6%

Note. *Net revenue after production costs. Data from Business Standard (2026), Khel Now (2026). Net calculation assumes ₹5.22 crore production cost deducted from ₹8.62 crore gross.*

However, this is more than a cycle, it is rather a re-rating of the sport. The market believes that India Football cannot charge premium prices for broadcasting rights because it cannot provide the ratings needed by traditional broadcasters to justify their investment. The ISL failed to turn casual fans into ardent fans, Nogomania (2025).

4.3 The Proposed AIFF 20 - Year Model: New Equity Architecture

In response, the AIFF proposed a radical restructuring (Table 4).

Table 4. Proposed AIFF 20 - Year Equity & Contribution Model

Stakeholder	Share of Revenue Pool	Annual Contribution (₹ Crore)
Participating Clubs (collective)	50%	35
Commercial Partner	30%	21
AIFF (earmarked for youth development)	10%	7
Fixed Revenue Share (club allocation)	10%	Invested by clubs

Note. Data from The Times of India (2025). Breakeven revenue target: ₹96 crore.

The model addresses several criticisms (clubs' governance structure, AIFF allocation to youth, promotion and relegation rules) but still encounters significant obstacles. The idea of a commercial partner investing ₹21 crore per year into getting 30% of ownership in the league, yet retaining little operational control, may seem highly questionable against the backdrop of broadcast failure. In the words of an official from one club: "For at least the first two or three years, it will not be easy to get a commercial partner to invest ₹21 crore per year without having any control" (The Times of India, 2025).

5. Broadcast Rights: An Analysis of Market Failure

5.1 Boom and Bust – The ISL's Example in Context

The ISL's experience with its broadcast rights can be understood as part of the common experience for other non-core sport properties in emerging markets, in which there is first a strategic investment, and then a market assessment resulting in failure. Table 5 provides the context for valuing the ISL on a per-game basis.

Table 5. Comparative Per - Match Broadcast Valuations (Indian Market, 2025 - 26)

Property	Per - Match Value (₹ Crore)	Market Characteristic
IPL (Cricket) | ~120	~120	Mature, multiple bidders
English Premier League (India rights)	15 - 20	Premium international content
ISL (2023 - 25)	1.68	Related - party, inflated
Pro Kabaddi League	~0.50	Comparable franchise model
ISL (2025 - 26)	0.095	Post - correction, single bidder

Note. Author's compilation from industry sources.

A 94.4% reduction on a game-by-game basis means that the ISL is inferior to a large number of state-level cricket competitions, which demonstrates that the league's viewership was not incremental but was simply the same urban, wealthy audience that could afford to watch international soccer matches.

5.2 Implications for League Viability

The math speaks for itself. At an estimated net broadcast income of ₹3.4 crores compared to a proposed central budget of ₹70 crores for 2025-26, the financial viability of this league without owner support is impossible (Khel Now, 2026; The Times of India, 2025). Even more critically, however, the league's failure reveals the circularity involved in the league model; owners entered with the expectation of appreciation covering their losses, while now facing demands for higher contributions at what must be considered the worst time economically speaking.

6. Societal Impact: The Developmental Deficit

6.1 Polarisation Thesis

To examine the impact of the ISL on society, it is important to accept that there is a major polarisation. Supporters will provide concrete proof: participation rates among youth, improvements in stadium conditions, and better organisation ("participation of kids in football from the age of 9 up to 17 has increased many folds," Menezes notes). Opponents argue that participation and elite development have diverged. "In the grassroots we talk about baby leagues… It has become a business by itself," Menezes continues—"it has been monetised without professionalising it" (India Today, 2025).

6.2 Export Problem

What may be considered the ultimate criticism of development comes from the complete lack of any Indian players in leading European leagues. From Japan, South Korea, Iran, and Australia, we find players playing in any of the top five European leagues; none can be found from India since the 1950s. Here, Bajaj proposes an interesting explanation based upon the economics of players. Players' salaries in the ISL are too high for Indians to participate in the export game. Anwar Ali earns only ₹4.8 crore annually, which is a small price compared to other European leagues, but still more than most Championship or Eredivisie sides pay. The structure that should be churning out export-ready talent ends up being a cozy domestic bubble—an incentive misalignment failure.

6.3 Women's Football: An Underutilized Potential

While the ISL's effect on women's football has been negligible—the league itself doesn't have a women's division—the Indian Women's League (IWL) persists without any substantial sponsors or support (Borpujari, 2025). This is despite the international focus on promoting women's football under FIFA's governance, making it an underused business potential.

7. Discussion: Rebuilding on Competitive Integrity

7.1 Three Conditions for Successful Reform

The situation, although dire, can provide an opening for rebuilding the foundations. Three conditions need to be met: first, meritocracy with proper teeth that have something to do with money. Promotion and relegation cannot be window-dressing. The suggested allocation of 2% of central pool funds for parachute payments is too low; experience worldwide indicates that a minimum of 5 - 8% of central funds are necessary for promoting teams to have any chance (English Premier League parachute payments range between £40 and 100 million; Szymanski, 2010). Without it, being promoted is equivalent to financial suicide.

Second, compulsory investment in grassroots. Owners of franchises who earned in the closed system must reinvest in their franchises a certain amount of central funds into accredited grassroots programs at the rate of 15-20%.

Third, radical transparency in finance. There can be no more business with related-party deals, bundle of rights agreements, and secretive management. Any agreement—be it media rights, sponsorships, commercial partnerships—needs to be put up for competitive bidding. The problem in 2025-26 was a transparency crisis. This has been recognized by the Supreme Court's ruling that mandated competitive bidding (Sarkar, 2025).

7.2 Reform Scenarios

Three potential reforms scenarios exist: (A) Sustainable retrenchment—agreement to ₹10 – 20 crore media rights per year and operating on a smaller scale; (B) Hybrid revival—with acquisition of technology partner (Genius Sports), investing into betting rights with stable income of ₹50-75 crores each year; (C) Fragmentation—cancellation of seasons, franchises and return to I-League format. Evidence obtained from the discussion between the AIFF and Genius Sports indicates Scenario B to be the most likely one while Scenario A may serve as an alternative one (All India Football Federation, 2026).8. Conclusion

The first ten years of history of the Indian Super League are a true story of contradictions. The league increased quality of production and proved that football had the potential to attract prime-time viewers despite being overshadowed by cricket. However, the league introduced the system of closed franchises incompatible with the traditions of global football, was unable to promote any domestic players and created the revenue model relying on overvalued media rights which subsequently proved to be unsustainable.

The crisis of 2025 – 26 is no anomaly; it is the inevitable end product of a system built upon commercial considerations at the expense of anything else. The creators of the league were convinced that quality productions and foreign talents would soon result in a self-sustaining football industry. They failed to take into consideration the extent of cricket dominance in India, the worth of non-cricket sports contents in India, and the time and effort it takes to nurture a real football culture.

Crises always present windows of opportunity. With the FSDL's monopoly falling apart, the Supreme Court's demand for open tenders, and AIFF's proposed 20-year model where the clubs hold shares in the league, a more sustainable system emerges. However, the crucial question lies in not the survival of the league but rather its future form. Instead of continuing as the hollow shell of a 'glamour' league, the Indian Super League needs to transform itself into a small and sustainable national league with promotion and relegation and grassroots initiatives. Ten years of glamourous emptiness gives way to the possibility of establishing football properly in India, and whether it can be done or not is the defining moment in Indian football industry.

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