

The successful business model of European football club apply to Chinese football club

Jie Huang

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Jie Huang	
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<p>Abstract</p> <p>Nowadays more and more capitalist invest money in professional football club. Expect get success in athletics, they operation sports club like business company and hope get good result in business. This situation also occurs in China. European football club as Forerunner of professional football with huge capital investment and very profitable, can learn from their business model and applying in China.</p> <p>The thesis mainly discuss what is the business model in sports, how European football club relying on its business model to get success. Then help Chinese football clubs do better in business, and then achieve competitive success.</p> <p>This thesis mainly uses the literature data method and the contrast method. The actual data of the club is obtained by consulting the data, and then compared with the Chinese club. It also analyzes the current situation of Chinese football and how to apply business models to make profits.</p> <p>At the same time, the research scope of this thesis is in the European Football Club and the Chinese Football Super League. The sample analysis of the Brand Business model, player Business model and Sales Business model. These three modes are the main business models of European football clubs.</p> <p>The conclusion of this thesis is that the status of Chinese football is uneven. The big club needs to use the Brand business model as soon as possible to build the brand to make a profit. Emerging clubs need to buy players with star effects to achieve brand awareness. Small and medium-sized clubs use the Sales Business model to provide excellent young athletes with their own good youth training system.</p>	
Keywords	
Business model, Chinese football, European football Club	

Table of contents

1	Introduction	Error! Bookmark not defined.
2	Method	Error! Bookmark not defined.
2.1	Literature method.....	2
2.2	Comparative analysis.....	2
3.	Business model in European football	
3.1.1	The function of Professional football club	3
3.1.2	Competitiveness in professional football clubs	4
3.2	Business model	4
3.2.1	Brand business model.....	4
3.2.2	Definition and characteristics of club brand continuity	5
3.2.3	The benefits of club brand continuity	6
3.3	Case study of Manchester United	6
3.3.1	The successful team	7
3.3.2	Outstanding performance	7
3.3.3	Accurate and meticulous management.....	9
3.3.4	Considerate service	9
3.3.5	Good image	9
3.3.6	Good customer relationship	6
3.3.7	Successful brand communication	13
3.4	Player brand business model	15
3.4.1	The definition of Player brand business model	15
3.4.2	Player brand business model benefits.....	16
3.5	Case Study of Cristiano Ronaldo	17
3.5.1	Soccer player asset model	18
3.5.2	Player awareness	18
3.5.3	Player quality	19

3.5.3.1 Player transfer price	19
3.5.3.2 Player Honor	19
3.5.4 Player image	20
3.5.4.1 Player ability	20
3.5.4.2 Player conduct	21
3.5.4.3 Player apperance	22
3.5.5 Fan loyalty	22
3.6 Professional football club brand management	22
3.7 Sales business model	25
3.7.1 Ajax case study	24
4 Chinese football business model	26
4.1 Advertising business model	26
4.2 Public relations business model	27
4.3 Investment business model	27
4.4 Basics Economic situation of Chinese professional football clubs	28
4.5 The problem of Chinese football business model	30
4.5.1 The overall market of Chinese football	30
4.5.2 Over reliance on sponsor support	30
4.5.3 Incomplete of Chinese football industry chain	30
4.5.4 Lack of high-level club management talent	31
5. Apply European football business model to China	31
5.1 Strengthen brand marketing	31
5.2 New media marketing, developing TV broadcast market	32
5.2.1 Develop revenue in other areas	33
5.3 Promote the development of fan organizations, develop fan-derived services ...	33
6 Conclusion	34
7 Reference	37

1 Introduction

1.1 Background

Modern football is no longer a sport for athletes to win and lose on the field, and various economic activities around it are in fact an indispensable part. This includes the development and operation of football products, the operation of commercial football and tourism industries that are part of the football business model. As a result, more capitalists are investing in the football industry.

At present, succeed in football, heavily relies on how much money that the team or club could earn becomes the ultimate goal. So it makes a perfect sense that the business model has been introduced to European football in particular for quite some time, while which the Chinese clubs still enjoy the state support. Therefore, it comes no surprise that Chinese football has less experience than the Europeans.

1.2 Aims of the Study

The purpose of this study is to introduce how the business model can be introduced and to demonstrate the possibility to work out the commercial problems of Chinese football successfully. Moreover, the study also focuses on how Chinese football clubs can learn from the Europeans, and how soon the Western model could be adopted from Chinese perspective. In this article, I also cite three cases of different business models as a reference to make the reader understand the specific structure of the business model and make this thesis more detailed. The case study method can make this article more professional and clear.

1.3 Method of the Study

Firstly, this study tries to obtain real data on the club by consulting Wikipedia and HUPU SPORTS, and also search for the club's financial report on the Internet. It can lead us to

know better than before. By reviewing related literature it helps to understand how business model. It can be used to establish the sports business.

Secondly, this study also uses the comparative analysis method. Under the same business model, the data of European football and Chinese football club are compared and analyzed.

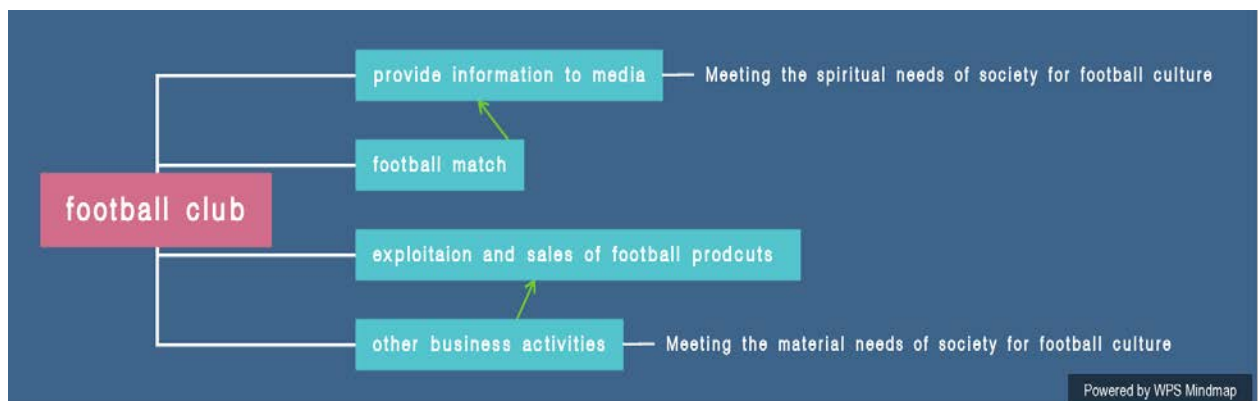
2. Business model in European football club

2.1 Football Club

With the development of society, people's economic needs are no longer as urgent as before, and this demand has gradually turned to spiritual and cultural needs. Football, as the world's number one sport, its unique charm attracts billions of fans around the world. After development, investment in sports is no longer the government's dominant position. More and more people have begun to invest in football and gradually formed an independent industry. As a non-negligible carrier in the football industry, professional football clubs rely on their own development to promote the advancement of the entire football industry. The European football club selected in this thesis is also because the European football club has a long history and there are a large number of fans around the world, and their own development is worthy of our research. (Liu, 2015)

2.1.1 The function of Professional football club

The football industry is to meet the needs and communication services of the society for football culture. Therefore, the function of the professional football club is to produce and provide services. That is to say, the function of a football team is to meet the spiritual and cultural needs of the society. Horizontal competitive games, high-level stars and propaganda. (Liu, 2015)



Graph 1 professional football club function (Peng, 2012)

As can be seen from Figure 1, a high-level football team can fully play the role of the football club, and a good business model and high-quality management methods can make the most of its role. After the spiritual aspects are met, people will gradually shift to

the material aspect to match the status of the two. In this way, the club can win in both competition and economy. (Liu, 2015)

3.1.2 Competitiveness in Professional football club

The competitiveness of professional football clubs lies in their own competitive level, and they can have higher quality competitive games, and better athletes can win competitiveness. Professional football clubs, like companies, can't quickly make significant changes even if they double their investment. For example, investing billions of euros after the Qatar consortium stayed in Paris Saint-Germain could not change their weak performance in the UEFA Champions League. At the same time, the competitiveness of professional football clubs lies in their own style of football competition, such as Barcelona's controlled style of play, Real Madrid's passionate play, are their unique style, and convert this style into a competitive victory. It can also make them economically successful. (Ma, 2013)

3.2 Business model

As everyone knows professional football clubs have their own profitable business models due to their geographical location, competitive level, historical development and other factors. European football clubs have a long history and their business models have developed roughly two type: Brand and sales. (Ma, 2013)

3.2.1 Brand business model

In this case, Brands are essentially the names, logos, symbols, etc. that distinguish different products or services. Brands are products of competition. The core of the brand is a series of associations and knowledge that exist in the minds of consumers. It is the result of interaction between business and consumers. Consumers gradually form an understanding of the interests and values of specific brands by engaging with the products of the company, the personnel of the company, and the information of the company. The overall understanding of these brands constitutes the brand. Someone believes that a brand is a name, noun, symbol or design, or a combination of them, the purpose of which is to identify the product or service of a seller or group of sellers and make it Separate from competitors' products and labor services. The brand effect of football clubs plays a pivotal role in the management of the entire club. A good club brand will greatly promote the sports industry, and consumers will also be determined to love and pursue the club.

3.2.2 Definition and characteristics of club brand continuity

From the legal point of view, continuity is the lineage of law in history, emphasizing the coherence of a law. The football club brand continuity refers to the fact that after the establishment of the football club, the club brand takes the club's sports industry as the economic pillar, and the social group has a wide range of people (members) as the basis, independent operation, several years, even decades. A process. Its characteristics are mainly in four aspects: First, the name of the team is effectively inherited and promoted, bringing more fans and supporters to the club and the team; second, the fund sponsorship of the club enables the team to develop healthily and continuously. And grow up, there are guarantees in cultivating stage players (second and third-line youth football players); third, after long-term operation, the club industry can expand to the surrounding, and can also become a form of multinational company; fourth is continuity Bringing more intangible assets to club sports companies. The direct benefit of the continuity of the club brand for the club industry is to expand the base of the consumer group and lay a consumption environment for the good operation of the sports industry. Whether the continuity of the club directly leads to the profitability of the club sports industry plays a very important role in the operation of the club. Whether in terms of short-term or long-term economic benefits, the continuity of the club brand is one of the important guarantees for a team to survive. (Wang, 2006)

3.2.3 The benefits of club brand continuity

Manchester United Football Club's CRM (Customer Relation management) system has a file of 3.5 million fans, with an annual audience of 1.9 million (Wang 2015). The reason is mainly the brand extension strategy successfully implemented by Manchester United Football Club. The club's management philosophy is also very different from the domestic football club. (Ma, 2013)

The Premier League giants Manchester United released the financial report for the previous year (2016.6-2017.6). According to the report, Manchester United's total revenue reached 581.2 million pounds, adjusted EBITDA (earnings before interest, taxes, depreciation and amortization) 199.8 million pounds, operating profit of 80.8 million pounds, all set a new club high. In the previous annual report, total revenue and operating profit were £515 million and £68.9 million respectively, which was the previous record. (Zheng, 2018)

The brand management of Manchester United Club is also based on the successful global operation of the Manchester United Group. According to statistics, there are more than 1,500 Manchester City marketing projects in various industries around the world. The influence of various business projects around the world and the commercial competition of the team in various regions of the world have also won the international status of the Manchester United brand and won a large number of foreign fans. Through the cross-domain business management of the brand, not only the sales of jerseys and surrounding goods, but also the insurance, tourism, parking and other service industries, so that they benefit a lot, and this is the most direct benefit brought by the brand. (Zheng, 2018)

3.3 Case Study of Manchester United

Manchester United football club is located in Manchester, Manchester, northwest England. Its predecessor "Newton heath" was founded in 1878 by workers of the Lancashire and Yorkshire railway company on the site of Newton heath. The team changed its name to united two years ago and is now the English Premier League football club. Manchester United's home team is the "dream theatre" at Old Trafford, which has been in use since 1910. (Ding, 2018)

Manchester United is one of the most successful clubs in the history of English football and one of the most influential and successful teams in Europe and the world, winning 20 English premier league titles, 11 fa cups, and four league cups (all records except the

league cup). In Europe, united have won three Champions League titles, one European cup winners' cup and one European super cup. (Wang, 2015)

3.3.1 The Successful Team

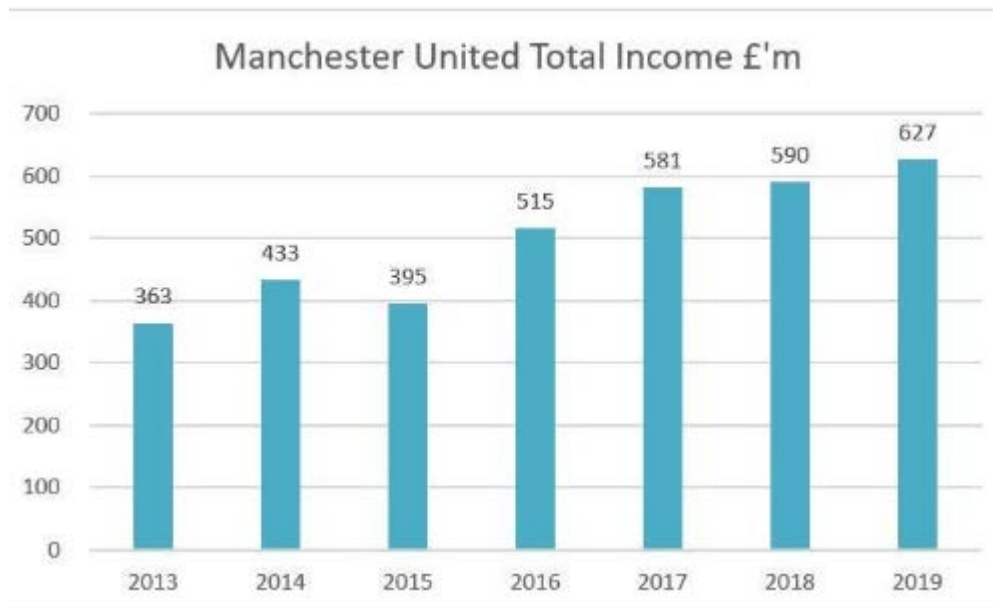
The team's success has given Manchester United a following: "people want to be entertained as well as watch the game," Sir John said. Manchester United on the other hand, have attracted a large following for their aggressive approach to football. Consumers are highly invested in the brand because of the quality of the brand, so Manchester United is not just selling football, but selling an experience. For fans, Manchester United represents extraordinary appeal and leadership, and membership of the club is based not just on priorities, but on deeper reasons. People like to be associated with success, and there is psychological comfort in the fact that unsuccessful people in life are associated with successful brands, and that they can be part of the club family, raising the fans' self-esteem and their sense of belonging. Some believe that the way the Manchester United brand has succeeded is to develop jersey products and strengthen the credibility of the brand name. Team performance is also an important factor, if the team's performance falls, the fans' loyalty to the brand becomes a test. (Ding, 2018)

3.3.2. Outstanding performance

The success of the Manchester United brand is due not only to the team's strong record on the athletic level, but also to its outstanding success in retail, wholesale, business, catering, financial services and advertising media. Some people once believed that the reasons for the success of Manchester City as a brand are as follows :(1) Manchester United successfully implemented the brand extension strategy; (2) because of the excellent performance in the record, the brand is more valuable than other teams. (3) the famous Munich air disaster in history won the sympathy of the majority of fans, and this emergency may help supporters and operators form an unbreakable relationship. (Ding, 2018)

Manchester United's business activities have grown rapidly in recent years, with the group operating 1,500 projects. Hundreds of stores abroad. Manchester United run insurance credit Cards, savings accounts, hotels, leisure facilities and even organised on-field weddings and investments in other European clubs (Anvetrp, Belgium). In the pre-season, the team will also organize a tour of Asia, China, Japan and other countries have a large number of Manchester United fans, further consolidating the brand's international position.

In September 2019, Manchester United officially released its annual financial report, which showed that the club earned £ 627.1 million in the financial year 2019, an increase of 6% over the previous financial year. The club made an operating profit of £ 50m. The results show that Manchester United's commercial revenue in the 2019 financial year was 275 million pounds, roughly in line with 276 million pounds in the previous financial year. Of the £275m in the current financial year, sponsorship revenues were £173m and retail, merchandise and licensing revenues were £102.1m. (Ding, 2018)



Manchester United Total Income (Ding 2018)

Manchester United's financial results also revealed that the cost of wages (for all employees) for the 2018-19 season was 332.3 million pounds, up 12.3 percent from the previous season. In the 18-19 season United's wage-to-income ratio was 53%.

£ million (except earnings/(loss) per share)	Twelve months ended			Three months ended		
	30 June			30 June		
	2019	Restated ⁽¹⁾ 2018	Change	2019	Restated ⁽¹⁾ 2018	Change
Commercial revenue	275.1	275.8	(0.3%)	66.7	63.4	5.2%
Broadcasting revenue	241.2	204.2	18.1%	40.9	38.8	5.4%
Matchday revenue	110.8	109.8	0.9%	23.8	19.4	22.7%
Total revenue	627.1	589.8	6.3%	131.4	121.6	8.1%
Adjusted EBITDA ⁽²⁾	185.8	176.8	5.1%	10.9	10.6	2.8%
Operating profit/(loss)	50.0	43.9	13.9%	(22.1)	(23.5)	(6.0%)
Profit/(loss) for the period (i.e. net income/(loss)) ⁽³⁾	18.9	(37.6)	-	(22.2)	(34.4)	(35.5%)
Basic earnings/(loss) per share	11.48	(22.92)	-	(13.49)	(20.95)	(35.6%)
Adjusted profit/(loss) for the period (i.e. adjusted net income/(loss)) ⁽²⁾	39.6	17.2	130.2%	(21.5)	(19.5)	10.3%
Adjusted basic earnings/ (loss) per share (pence) ⁽²⁾	24.06	10.47	129.8%	(13.06)	(11.90)	9.7%
Net debt ⁽²⁾⁽⁴⁾	203.6	253.7	(19.7%)	203.6	253.7	(19.7%)

Manchester United financial report details (Manchester United, 2019)

3.3.3 Accurate and meticulous management

Manchester United PLC is a publicly traded company listed on the London stock exchange in 1991. As a holding company, it owns the following institutions: Manchester United football club, Manchester United business, Manchester United catering, Manchester United interactive and Manchester United TV. The ultimate authority of the Manchester United group is vested in the shareholders, who appoint directors to the board of directors and oversee and manage the company's operations worldwide. Clubs focus on hiring staff with marketing skills rather than retired professional footballers looking for work. Manchester United also regards brand management as one of the club's four core strategic objectives. (Ding, 2018)

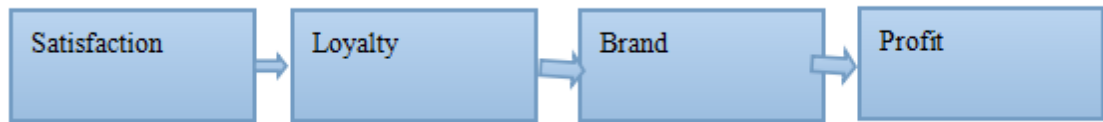
In terms of employee management, the club also stipulates that all employees and supporters, regardless of their race, color, nationality, religion, gender, marital status and age, will be treated equally and provided with the same development opportunities. In the treatment of loyal fans, the club implemented priority booking tickets; there is a 10 per cent discount for Manchester United members who buy more than the specified price. More members to the road to watch the game, will help them buy accident insurance and so on. The sound system, visionary brand strategy and detailed management system make the club's resources play the biggest role. (Manchester United, 2019)

3.3.4. Considerate service

Manchester United has taken the following measures to improve its services: 1. Conduct an annual consumer services survey and publish the results. If you have any dissatisfaction, you can send it to the club by email, fax or letter, and the club will give you a comprehensive answer within 10 working days. 2. Implement customer relationship management. The existing CRM system of Manchester United has more than 3 million fan files. Manchester United, for example, has learned that 60 percent of its fans are male and 40 percent are female. There are hundreds of thousands of active customers and millions of potential customers. 3. Provide convenience for customers: provide tickets of different levels, and at least 20% of the tickets for each game are provided to the audience with non-season tickets; A 50% discount for viewers under 16 and over 65; Fixed areas for family viewing; Fixed areas for unaccompanied viewers aged 11 to 16; Assistance to persons with disabilities and their caregivers; Rematches are free or discounted. (Manchester United, 2019)

3.3.5. Good image

As an internationally renowned brand, Manchester United not only relies on its success on the pitch and commercial ratings, but also on improving the quality of life in the community and the surrounding environment of the club to improve its image. Manchester United mainly help teenagers from three aspects: sports, health and education. In 1999 Manchester United joined UNICEF and the children's charity to help improve the lives of the world's poorest children. Organized anti-race day competitions in China, world street football matches, cancer awareness week, world book day, holocaust remembrance day and other activities. In terms of the environment, the club takes it as its responsibility to provide a safe and healthy environment. The club recycle rubbish and provide environmental protection marketing products. Also to ensure the game day security order and ticket price stability. It has been improving food and drink in the stadium. In terms of community activities, Manchester United actively organized football activities to support the football grassroots program. Provide free training courses to schools to support the poor, minorities and unemployed. The club takes effective measures to greatly improve the club's influence and social reputation, improve the degree of customer satisfaction and loyalty to the club, and form a brand effect to create considerable profits for the club.(Ding, 2018)



The relationship between customer satisfaction, loyalty and brand and profit (Tabriz, 2014)

3.3.6 Good customer relationship

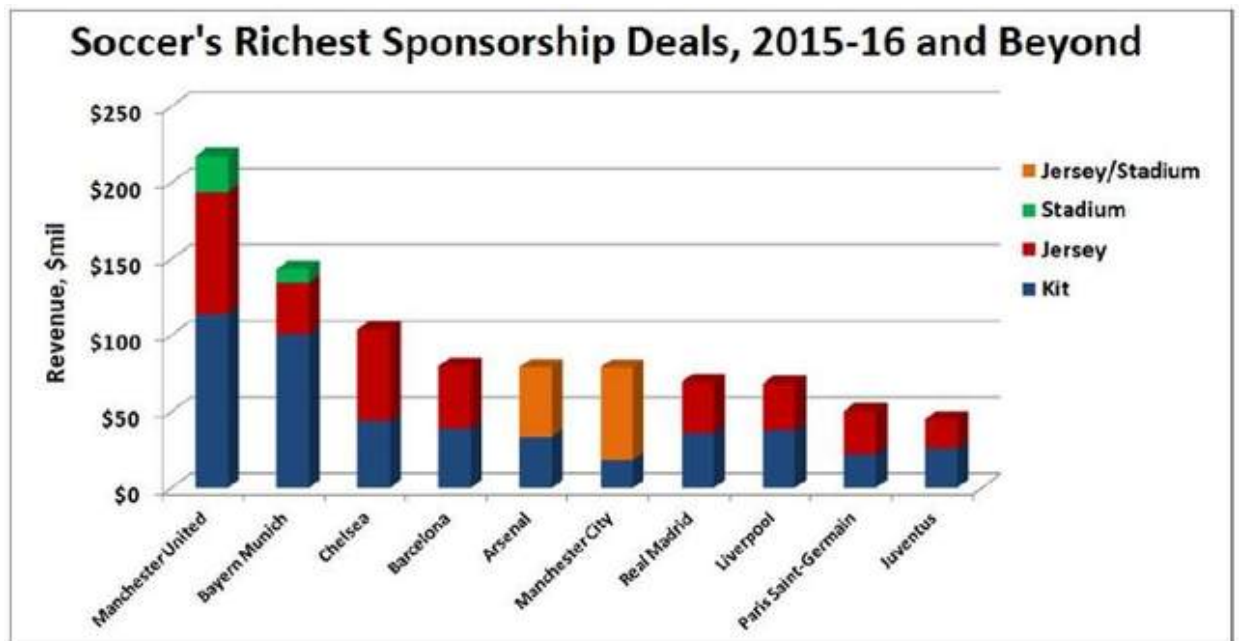
Manchester United in the relationship with the audience, the club in the world has more than 100 million fans, in 2002-2003 season, to the scene to watch the Old Trafford audience of more than millions, an average number of attendance to 60000, Manchester United shirt also sold 58 countries and regions, a fiscal year alone selling jerseys than millions of pieces. And according to the club's official website, with an average 15 million people every month to visit Manchester United official website, time to 8 minutes, each visitors to stay loyal fans of united at Old Trafford every game for Manchester United great support, and fan support will ensure that the team in the competitive and commercial success. (Ding,2018)

List of Manchester United major partner brands (Manchester United, 2017)

Adidas	Official equipment supplier
Aon	Manchester United main sponsor
Chevrolet	Manchester United official car sponsor
Kohler	Manchester United main partner
Russian Airlines	Manchester United's official transporter
Apollo Tyres	Manchester United's official tyre brand
Canon medical system	Manchester United's official healthcare partner
CASILLERO DEL DIABLO	Manchester United official wine sponsor
Chivas	Official partner of Manchester United
DHL	Manchester United official logistics partner
Gulf oil international	Manchester United official lubricant and fuel retail partner

HCL	Manchester United's official digital conversion partner
KONAMI	Official game partner of Manchester United football club
Marriott travel home	Official hotel partner
MAUI JIM	Manchester United's official visual partner
Melaleuca	Manchester United's official coffee partner
Mlily	Manchester United official global mattress & pillow partner
New Era	Manchester United official casual hat partner
Swissquote	ManchesterUnited's official foreign exchange and online financial trading partner
TAGHeuer	Manchester United official timepiece brand and global watch partner brand
Aland	Manchester United China's official nutrition partner
Harves entertainment	Partner of united China's official indoor entertainment center
Pingan Bank	Manchester United's official retail banking partner in mainland China
Pccw	Mutv Hong Kong regional official partner
TRUE RELIGION	Official partner of Manchester United football club cowboy outfit

According to a survey, Manchester United has tens of millions of supporters in China. In terms of partnership relationship, the club has established close cooperation with media, business, gambling and other companies, forming a win-win situation.



In the 2015-2016 season, Manchester United signed sponsorship deals that topped the league table (Forbes 2016)

Manchester United sponsorship principle has always been to team up with top brands and develop a detailed plan to identify, attract and serve sponsors. In fy16, Manchester United received six global sponsors, five regional sponsors and three financial services and telecommunications sponsors. From fiscal 2014 to 2016, Manchester United sponsorship revenue grew at a compound annual rate of 8.6%. In addition, Manchester United has focused on finding business opportunities by product category and region. In addition to its offices in London and Manchester, for example, the opening of an overseas office in Hong Kong in August 2012 has brought many sponsorship deals to Manchester United. (Zheng, 2018)

3.3.7 Successful brand communication

Customer loyalty to the brand is formed through the influence of various channels. Enterprises should spread a variety of brand information to the society and show their own characteristics and personality through brand communication. Manchester United brand communication strategy mainly adopts :(1) to maintain a stable and lasting club name. In the 100 years since its name was changed to Manchester United in 1902, Manchester United has kept its name unchanged, which is very beneficial to the brand management. (2) to choose the right color of team uniform, Manchester United red shirt and white shorts

left the most impressive impression on the audience, so united fans also gave the team a nickname: red devils. (3) in terms of team style, Manchester United maintained the traditional power style and integrated the technical characteristics of South America to form its own characteristics. The game is more entertaining. (4) Club logo: the logo of Manchester United is not only printed on various jerseys and commodities, but also displayed on the broadcast screen of football matches. The benefit of this approach is to help the audience associate the logo with the club name and promote the protection and dissemination of the brand. (5) Vigorously promote the corporate development goals and corporate mission: in 2002, the chairman of Manchester United football club issued 10 strategic goals for the next decade, and put forward new requirements for Manchester United's development from all aspects. Manchester United mission is to give back to fans all over the world. (6) through various means, Manchester United releases the most authoritative and timely Manchester United activities through its own TV station, mobile phone service, overseas commercial matches, Manchester United official website, MUTV, etc., such as match results, transfer materials, stock quotations, player information, game schedule, etc. All this has helped make Manchester United the most successful sports brand in the world. (Wang, 2015)

The 581 million pounds represents Manchester United revenue in fiscal year 2017. What is the concept? Roughly, Manchester United annual revenue is equivalent to that of nine Guangzhou Evergrande football club (Most successful football club in China). It is the second year in a row that united have crossed the 500 million pound mark. In financial 2016, Manchester United reported revenue of 515 million pounds, an increase of 12% over last year. (Ding, 2018)

Not only are revenues up, but in terms of profits, united are also growing. In fiscal 2017, Manchester United adjusted EBITDA (earnings before interest, tax, depreciation and amortisation) was 199.8 million pounds, up 4.1 percent year-on-year. Operating profit was £80.8 million, up 17.3 per cent year-on-year; Net profit was £39.2m, up 7.7 per cent on the same period last year. (Ding,2018)

The 2016-2017 season has been a success, with united winning the treble (Europa league, community shield and league cup) and securing a place in the champion's league next season, according to Ed Woodward, the club's executive vice-chairman. This year has seen record revenues and EBITDA and we look forward to another great season. (Manchester United, 2019)

While revenues and profits have risen, Manchester United debt position has improved significantly. In fy17, united's net debt was £ 213m, down 18.3 per cent from £ 261m in

fy16. In terms of cash flow, net cash generated by the club's operations during the reporting period was £ 228m, an increase of £ 416m or 22% over the same period last year. (Manchester United, Arsenal, financial situation analysis, 2018)

Several core financial indicators show that Manchester United did well in fiscal year 2017. Manchester United forecast revenues for the 2018 financial year to be between £575m and £585m, with adjusted EBITDA between £175m and £185m. (Manchester United, Arsenal, financial situation analysis, 2018)

As with most professional football clubs, United's revenue is made up of match-day revenues, television revenues and commercial development revenues. Match-day revenues go without saying that Old Trafford, the home of the red devils, has always been famous. With a capacity of 75,643, the Old Trafford stadium is the largest football club owned stadium in England. Over the past 18 years, the Old Trafford stadium has been more than 99 percent full of English premier league matches on average. Match day earnings are generally determined by the number of home games played and the team's record in each season, and Manchester United are no exception. (Manchester United, Arsenal, financial situation analysis, 2018)

In the 2017 financial year, Manchester United's match-day revenues were 112m pounds, up 4.7 per cent year-on-year, mainly due to the club playing two more home games this season. In 2016-17, united played 19 premier league, seven Europa league and five domestic cup games at home. Eight away games in the Europa league and five in the domestic cup. In the previous three financial years, united's match-day revenues were £ 107m, £ 90.6m and £ 108m respectively. (Manchester United, Arsenal, financial situation analysis, 2018)

Television revenues rose 38.2 per cent to £ 194m during the reporting period, helped by the introduction of a new Premier League broadcasting contract and United's successful run to the Europa league that season. In the previous three financial years, Manchester United television revenues were £ 140m, £ 108m and £ 136m respectively. (Manchester United, Arsenal, financial situation analysis, 2018)

In the first three seasons of the 2016-2017 season, the total value of new broadcasting contracts in the Premier League reached 5.136 billion pounds, a 70% increase from 3.018 billion pounds in the previous three seasons, making it the largest television contract in the UK. Revenues from broadcasting contracts outside the premier league have also risen significantly in the three seasons since 2016-17, to a total of £3.2bn, up 40 per cent from

£2.2bn in the previous three seasons. (Manchester United, Arsenal, financial situation analysis, 2018)

With premier league television revenues soaring, Manchester United share of the revenue is also rising. Manchester United financial results for fiscal year 2016 revealed that TV revenues from the premier league were 95.7 million pounds in 2015-16, 95.6 million pounds in 2014-15 and 88.9 million pounds in 2013-14. (Manchester United, Arsenal, financial situation analysis, 2018)

In financial 2017, Manchester United commercial development revenue was 276 million pounds, up 7.2 million pounds from 268 million pounds in financial 2016 and 2.74 percent year-on-year. During the reporting period, commercial development revenue accounted for 47.4% of Manchester United total revenue. Manchester United commercial development revenue mainly consists of sponsorship, retail, peripheral sales, jerseys and product licensing, and mobile content. (Manchester United, 2018)

3.4 Player brand business model

The traditional brand effect is not particularly easy to emulate, because traditional clubs like Manchester United have a history of 100 years, and many fans have been accumulated around the world, so their brands can continue. It is difficult for emerging clubs to do this, but in addition to the brand effect of the club, players themselves have a huge brand effect as individuals who actually perform spiritual and cultural functions on the court. (Yang; Zhang & Tao, 2016)

3.4.1 The definition of Player brand business model

It is expensive to buy football players with great personal strength. These players are usually the most forwards on the court. The goal is the guarantee of the appearance rate, so these players naturally become the focus of attention on the court. Sports brands will find their own to sponsor them, such as Adidas and Nike. Football clubs can also use these players to acquire their portrait rights to develop and sell their own club accessories. Not only that, but when the player shoots commercials, because the portrait rights are

acquired by the club, they also have to pay a sum of money to the club.(Yang; Zhang & Tao, 2016)



Picture 1 Number of Cristiano Ronaldo fans in Instagram (Cristiano, 2019)



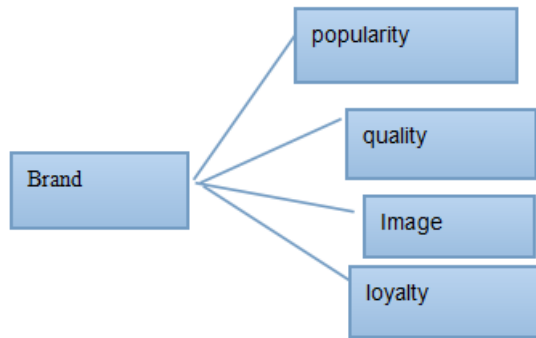
Picture 2 Number of Juventus fans in Instagram (Juventus, 2019)

Based on the information in Picture 1 and Picture 2, we can very intuitively feel that fans who follow Cristiano Ronaldo on social media far exceed the club Juventus. Cristiano Ronaldo is one of the world's strongest forwards. He has accumulated hundreds of millions of fans in his football career for more than a decade, relying on his attracted performance on the court. Since Cristiano Ronaldo joined Juventus, Juventus's share price has doubled in just three months, and the market value has once increased by more than 600 million euros. This figure far exceeds the transfer price of 100 million euros. This is player brand business model takes profit to Juventus. Juventus is not the first club to do this. As early as 2003, every year Real Madrid has purchased Beckham, Zidane, Figo and Ronaldo. How do they recover these high transfer fees? Real Madrid gave the answer with their commercial development. First of all, Real Madrid pushes the idol stars to attract fans to the club through their own charm. When these idol stars help Real Madrid succeed on the competitive level, they sell jerseys, receive commercial advertisements, and manufacture football peripheral products. To realize the value of their star. Win-win in both competition and economy, the player brand business model is a good way to rapid effects. (Juventus financial report, 2019)

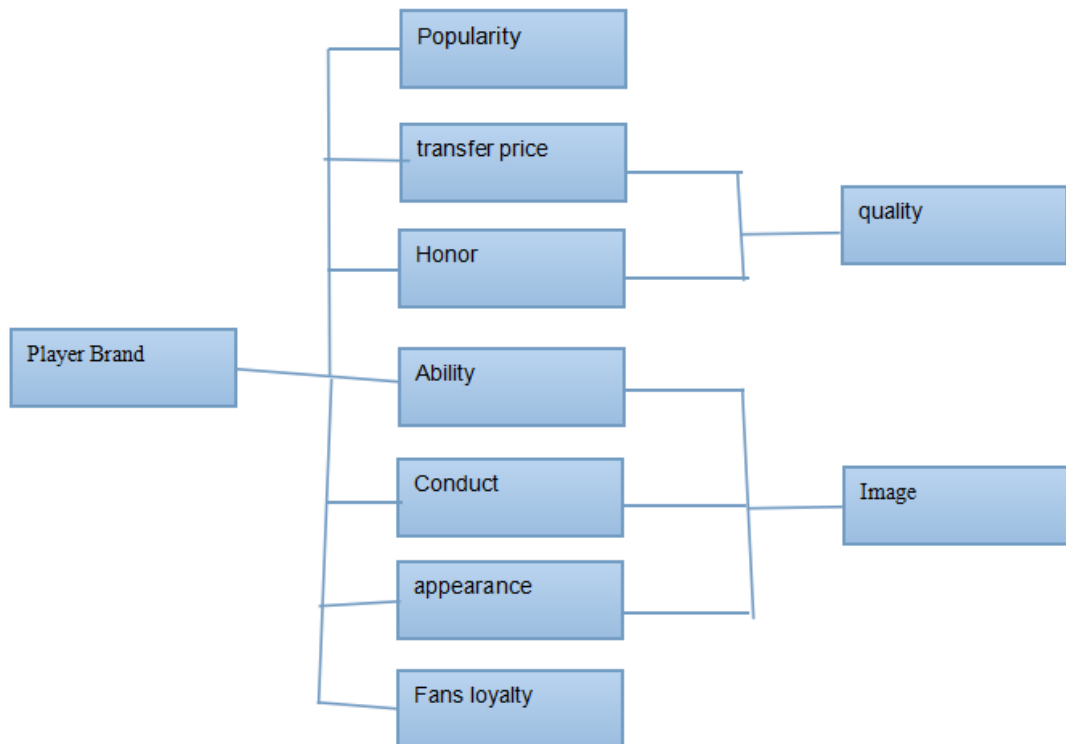
3.5 Case Study of Cristiano Ronaldo

3.5.1 Soccer player asset model

According to the player brand theory, the player can be used greatly as the image of public in term of commercial advertisements, for example, Cristiano Ronaldo. In today's football world, one can see the image of famous athletes everywhere in the football world.



Aaker Brand Model



Football player brand model (Yang; Zhang & Tao, 2016)

According to the brand equity model proposed by Aaker (Aaker Brand concept, 1998) in 1991, this thesis constructs an asset model that conforms to football players.

3.5.2 Player awareness

Brand awareness refers to the ability of consumers to recognize or recall a certain brand of a certain type of product. Raising player awareness is the first step in building player brand equity. In this thesis, the player brand theory is put into the most fans and

commercial advertisements of Cristiano Ronaldo in today's football world to see whether he is really the most outstanding player who plays the player brand effect in today's football world. (Yang; Zhang & Tao, 2016)

Brand awareness refers to the ability of consumers to recognize or recall a certain brand of a certain type of product. Raising player awareness is the first step in building player brand equity. As public figures, the popularity of athletes is almost the same as the measure of money. Ronaldo reached 150 million followers on Instagram earlier this year, and recently reached the top of the list as the most famous athlete in the world after being evaluated by ESPN. (Baidu Baike of Cristiano Ronaldo 2019)

But player awareness is only a necessary, not a sufficient, condition for creating positive brand equity. Because name recognition does not equal praise, some players may be notorious name recognition. The impact on their individual player brand could be negative. (Yang; Zhang & Tao, 2016)

3.5.3 Player Quality

Brand quality refers to consumers' overall perception of the quality or superiority of a product/service. In what ways do players differ from products, fans, clubs and sponsors in perceiving the quality of players? There are two main aspects of player value and honor room.

Player transfer price

The price of the player is the simplest and most direct criterion to reflect the quality of the player. According to figures from famous player transfer website Transfermarket in 2019, Ronaldo's net worth reached 100 million pounds (Transfer Market 2019), the highest price for a player over 30. Considering that he is 34 years old, this price is undoubtedly the best reward for his self-discipline and consistent training.

The most expensive Chinese player is Wu Lei, who is currently playing for Espanyol. At 8 million euros, the quality of the player is clear. (Transfer Market 2019)

Honor

The player's value mainly reflects the player's personal brand value, while football is another team sport, so another standard to measure a player is the honor that the player wins for the team. For example, Spanish midfielder Xavi has never won the golden ball award, but has won the Grand Slam in honor of the club and the national team. He has won almost all the honors that players can win. He is a champion player. Of course, personal honor is also a standard to measure the quality of players. Cristiano Ronaldo has won five Golden Globes and has tied with Messi to become the player who has won the most Golden Globes in history. (Baidu Baike of Ballon d'Or, 2019)

3.5.4 Player Image

Brand image refers to consumers' overall perception of the brand. It reflects the various associations of consumers with products. In ancient China, the image of a person should be analyzed from talent and morality. Just refers to appearance and ability, while virtue refers to character and so on.

Of course, the image of players is also divided into talent and virtue. As a public figure, to attract fans, clubs and sponsors, the appearance of players is also very important. (Yang; Zhang & Tao, 2016)

Player ability

The ability of football players includes passing, shooting, speed, strength, physical strength, consciousness and technology. These indicators can reflect the ability of players. Clubs are more willing to attract players with high ability or outstanding ability. Player's ability is the most important aspect of player's image. Next, let's look at the ability value of Ronaldo in the famous football game manager who restores the player's ability value most realistically.



Age: 33 position: striker Club: Juventus country: Portugal best data: 20 shots, 20 long shots, 20 penalties worth £ 68 million. (Football Manager, 2019)

As the best two players in the world, Ronaldo is always linked with Messi's score. If his performance at Juventus remains strong, there is no doubt that Ronaldo will be the greatest player of all time. The 33 year old left winger or striker has won the Premier League and La Liga titles, as well as five Champions League titles. Although he is 33 years old, Ronaldo is still the most terrible attacker on the planet, relying on the data of shooting 20, long-range shooting 20 and penalty 20. The score of 195 was only slightly lower than his 196 potential. (Football Manager, 2019)

Player Conduct

Simple ability does not necessarily win the support of fans, clubs and sponsors. For example, Italian striker Balotelli, although he has strong ability, but in his life, he repeatedly broke out scandals, and lit candles at home to burn his home. The negative events of celebrity spokesmen have a great relationship with their brand image. Clubs and sponsors often keep away from the players with poor personal conduct. In his career, Ronaldo not only didn't have too many scandals, but also often because of his self-discipline, many people praised him. (Yang; Zhang & Tao, 2016)

The reason why Ronaldo succeeded is not only because of his talent, but also because of his diligence and self-discipline. A self-disciplined person is very scary. Ronaldo, 34, always acts like an 18-year-old in football, which is a very physical sport. He always has a lot of spirit. The secret of Ronaldo revealed in Tuttosport is scientific training and a high degree of self-discipline. According to the sports newsthesis, Ronaldo trains every day. Whether there is a competition or not, after dinner training is his leisure time, and his diet is also very scientific. He only eats salad and chicken breast meat for almost every meal, rarely eats junk food and never drinks. (Tutto Sport, 2019)

Sleep accounts for more than half of a person's life. In this regard, Cristiano Ronaldo also has its own way to control the sleep time and ensure sufficient energy every day. In normal people, 7 hours is the best sleep time. Cristiano Ronaldo is the same, but his sleep method is different. He will not let himself sleep until he wakes up naturally. He will sleep for about 7 hours, and he will break down into 5 times of sleep, each time about 90 minutes. This is a very scientific method. The human sleep cycle is divided into 5-6 cycles, each cycle is about 60-90 minutes. But it takes a lot of perseverance to be able to do it in this way. However, Ronaldo did it, which is one of the important reasons why he can keep his body function young. (Tutto Sport, 2019)

After Cristiano signed for Juventus on July 5 for 100 million euros, he handed over a medical form with a body fat rate of 7%, just as he did at Manchester United 15 years ago. It can be said that in the past ten years, he has kept self-discipline every day. (Tutto Sport, 2019)

Player's appearance

Different from ordinary people, famous players are public figures. Players with outstanding appearance are more likely to win fans' love and sponsors' support. Although Beckham's skill did not reach the top level, but because of his outstanding appearance, he once occupied the top of Forbes players' income list for many years. Therefore, appearance is also an important part of the player's image. And Ronaldo's 185 height, 80kg (Baidu Baike 2019) weight and 7% body fat rate all show that he is the most perfect figure in the football world. Not only that, he also used this to create his own brand "CR7". CR7 not only registered its trademark, but also opened four hotels in Madrid, Lisbon, Madeira and New York, and entered the fashion industry. This brand can be seen in casual wear and perfume. (Baidu Baike of Cristiano Ronaldo, 2019)

Fan loyalty

Brand loyalty refers to consumers' biased response to a certain brand in their purchase decision-making. It is a kind of behavior process as well as a kind of psychological process. Players are different from brands. The loyalty of players' fans is reflected in the number of fans of social media and the support of players' brands. Ronaldo's millions of fans on social media prove his popularity, while his CR7 series shoes in Nike have always been the sales champion, which also proves that fans pay a lot for his brand. (Baidu Baike of Cristiano Ronaldo, 2019)

3.6 professional football club brand management

The development of the brand must have a strategic height and must also be implemented. In the development of the brand of professional football clubs, foreign countries have a good start, good foundation and a certain success experience. First of all, we must attach great importance to the idea and regard brand development as the core development strategy of professional football clubs. Secondly, it is necessary to strengthen the cultural connotation and extension of the brand and enhance the brand's popularity. Third, we must increase the brand's communication efforts and enhance brand recognition and reputation in a variety of ways and channels. Finally, we must pay attention to the maintenance of the brand and enhance the trust and loyalty of the brand.

2014 World football Brand value and total value ranking list (Statista 2014)

Club	Brand Value (one hundred million US dollars)	Brand ranking	Total value ((one hundred million US dollars)	Total Value ranking
Bayern Munich	8.96	1	18. 50	4
Real Madrid	7.68	2	34. 40	1
Manchester United	7.39	3	28. 10	3

Barcelona	6.22	4	32. 00	2
Manchester City	5.10	5	8. 63	7
Arsenal	5.05	6	13. 31	5
Chelsea	5.02	7	8. 68	6
Liverpool	4.69	8	6. 91	10
Borussia Dortmund	3.27	9	5. 99	11
Paris Saint-Germain	3.24	10	4. 15	15

According to the historical data, the top ten clubs on this list have not changed the club name, which shows how important the brand building is.

At the same time, the construction of brand culture is also crucial. The construction of brand culture includes brand material culture, brand system culture and brand spirit culture. The club's brand material culture construction includes team name, team logo, team uniforms and so on. The club's brand system culture refers to external constraints such as relevant management regulations and disciplines. The club's brand spirit culture refers to the team's technical and tactical style, fighting spirit and so on.

For example, Manchester United, which has its own nickname "Red Devil", uses Tiki-taka as a way to make the world-famous Barcelona, a sensational real Madrid that buys an idol star every year. (Wang 2006)

3.7 Sales business model

In addition to the big clubs that rely on the brand effect to generate revenue, European small and medium-sized clubs rely more on sales-oriented business models. For example, a club like Ajax, in the Dutch Football League, is not very competitive, and it is difficult to get the focus of the world. The revenue from the brand effect is very small, so it depends on the sales-oriented business model to succeed. Many famous Dutch stars are from this football club. The team is a domestic player with all the players, and the young players are the backbone. This team not only dominates the domestic first-class league, but also

passes through the championship and wins the European Champions Cup. Ajax Club attaches great importance to cultivating young players and providing them with a stage to show their talents, so that they can stand out as quickly as possible. Ajax did not rely on foreign aid to win the European Champions Cup with a young team. It is amazing. Through the training of young players, Ajax not only solved the problem of the team's own candidates, but also sent a number of stars. They used the money transferred by the stars to train young players. This is a virtuous cycle. The Ajax team is always prosperous. (Yang; Zhang & Tao, 2016)

3.7.1 Ajax case study

European football has always been known for its high degree of professionalism and operational standards. The youth training system that was born in such an environment also inherits the advantages of European football – professionalism and efficiency. Ajax also has its own complete and reasonable youth football training system. They will go to the world to find talented teenagers, test their football ability through trial training, and generally include physical fitness tests and football tests. If this series of tests is passed, the club will sign an apprenticeship contract with these teenagers. Ajax's youth coaches will use their unique youth training to make these teenagers grow in football. Often they will upgrade layer by layer, from the youth team to the reserve team to the adult team. Some of these players will be eliminated by the club because of various factors, but they will not be able to play the ball anymore, and they can transfer to a lower-level football league or engage in other industries. (Yang & Cong, 2014) If you transfer to a lower-level league, Ajax can also charge the corresponding training fee. Ajax also has its own complete and reasonable youth football training system. They will go to the world to find talented teenagers, test their football ability through trial training, and generally include physical fitness tests and football tests. If this series of tests is passed, the club will sign an apprenticeship contract with these teenagers. Ajax's youth coaches will use their unique youth training to make these teenagers grow in football. Often they will upgrade layer by layer, from the youth team to the reserve team to the adult team. Some of these players will be eliminated by the club because of various factors, but they will not be able to play the ball anymore, and they can transfer to a lower-level football league or engage in other industries. If you transfer to a lower-level league, Ajax can also charge the corresponding training fee. According to the UEFA transfer regulations, each transfer can charge 5 percent of the training fee, and when there are expensive youth players to

transfer, they can earn a lot of training costs. Just this summer, Ajax' s latest player, Frankie De Jong, will transfer to FC Barcelona, and his transfer fee will reach 70 million euros, which also creates a transfer of their players Record. Taking the example of last season (2016-2017), Ajax's annual income was 118.2 million euros, which is their historical high, mainly due to the club breaking into the final of the European Football League, although ultimately lost to Manchester United, but the economy the aspect has also been greatly improved. The net profit finally reached 49.5 million euros, which is more than many European football giants earned. Here we can find that the sales-oriented business model does not earn less than the brand-effect business model, because the player's transfer price is rising, and the top young players are even worth hundreds of millions of euros, and this sale will create huge amount of profit. But this business model also has a lot of drawbacks. It is because of the external influence will be relatively large, when the club's youth training talents have bottlenecks, it will affect the team's performance. The results are generally tied to the player's worth. For example, in the 2017-2018 season, the team sold two key players (asper Cillessen and Davy Klassen) for 78.6 million euros. The team's performance was affected and the league was lost Champion. This is also directly reflected in the financial report, with a loss of 12 million euros for the whole year. (Ajax Financial Report, 2019)

Player name	Price(Million Euros)	Transfer Club
Frankie De Jong	75	Barcelona
Justin Kluivert	17	Roma
Luis Suarez	26	Liverpool
Zlatan Ibrahimovic	19	Juventus
Davinson Sanchez	40	Spurs
Davy Klassen	27	Everton
Arkadiusz Milik	30	Napol
Daley Blind	17	Manchester United

Figure 2 Ajax player transfer history (in no particular order) (Transfermarket, 2019)

4 Chinese football business model

Above we have analyzed the business model of European football, which allows us to clearly understand the survival of clubs that have existed for a hundred years, and also see that small clubs can also maintain their survival by buying and selling players. These models are the result of the development of European football for a hundred years. Now let's take a look at the Chinese football business model that has been developed for decades.

4.1 Advertising business model

In China, football clubs can be renamed at will. Unlike European clubs, a name can last for hundreds of years without change. So in this context, the name of the club is generally the name of the place + the name of the sponsor. The profit of this business model is almost negligible, because the sponsors will invest a lot and do not count the return, and they only want to achieve the influence through the influence of football. The public recognizes the sponsor's brand, and this kind of investment will be counted in the sponsoring company's publicity expenses, and its ultimate goal is not to make a profit. Examples like this are everywhere in Chinese football, but the most influential ones still belong to Guangzhou Evergrande. In March 2010, Evergrande Group entered the Guangzhou Medical Team, which was just downgraded by soccer fraud. After Evergrande entered the Guangzhou team, it brought in billions of investments. In just three years, it completed the rush into the top league and won the Chinese Football Super League and the Asian Football Champions League. At the same time, the Chinese people are paying more and more attention to football. The repeated wins of Guangzhou Evergrande have caused Evergrande Group to appear in the headlines of the news media many times. This has invisibly made the reputation of Evergrande Group even further. Evergrande Group's financial report shows that in 2009, Evergrande had not yet stayed in front of the Guangzhou team. Their real estate sales were 30 billion yuan (about 3.8 billion euros). In 2012, this figure has grown to 93.9 billion yuan (about 11.5 billion euros). Among them, the economic effect on Evergrande is remarkable. When the sponsor tastes the sweetness, it will invest more and more money into the football club. Even though Guangzhou Evergrande is in a state of loss every year, the benefits it brings to sponsors far exceed the number of these losses, which makes Guangzhou Evergrande can continue to invest a lot of money to maintain its dominance in Chinese football. . This is a win-win situation at the competitive and economic level. Of course, this is inseparable

from very efficient internal management. (EverGrande and Shanggang Financial report 2019)

4.2 Public relations business model

This kind of business model can be said to be unique in Chinese characteristics. Enterprises use the local government to develop and attach importance to football, invest in football, obtain preferential policies from the government in other aspects, and establish a good corporate image. As local governments, they also need football matches to meet the spiritual and cultural needs of the local people and improve urban cohesion. However, the football industry is an industry that burns money. The government cannot invest a lot of financial resources in it. Therefore, it needs the support of local enterprises. Naturally, the government will give preferential treatment to this enterprise policy through other aspects to achieve a mutual help effect. This kind of good partnership will also drive the development of the local football market. The specific example is Dalian Shide. The sponsor of Wanda Group, the sponsor behind this club, is one of the best real estate developers in China. Dalian Shide, which is backed by Dalian in the northeast, achieved seven consecutive championships in China's top league through Wanda Group's investment. Its competitive advantage at the competitive level is also translated into an economic level. The Dalian Municipal Government has sold a number of land with important development status to Wanda Group. This mutually beneficial cooperation is very common in previous Chinese football. (Chen& Wang, 2015)

4.3 Investment business model

This business model is mainly because the football industry has huge profits and development space, while some companies do not invest in football for brand promotion, but for profit. Clubs such as Zhejiang Greentown and Liaoning Hongyun, through the sale of youth players to obtain high profits, but also because of the lack of domestic excellent players, making the domestic players market prices generally high. This also creates a profitable space for them. (Chen& Wang, 2015)

4.4 Basics Economic situation of Chinese professional football clubs

Football is one of the most popular sports events in the world. It is also the sport that is most prone to foaming. In 1994, the Chinese football league was unprecedentedly hot, and sports hotspots became commercial hotspots. Since 1995, Merchants began to flood into Chinese football. The club bosses worked tirelessly and spared no expense to build a splendid football building. They are waiting for the harvest. The football building has a gorgeous appearance, But there are many variables that make return on investment difficult. (Chen& Wang, 2015)

Take the Shenyang Haishi Club as an example. In 1998, according to calculations, plus their ticket fees for each home game, as well as income from chest advertising, excluding salary and other expenses, their income may be 10 million yuan. (Chen& Wang, 2015)

On December 30, 2002, Guangdong Jianlibao Group acquired the Shenzhen Football Club from China Ping An Insurance Co., Ltd. at a price of 50 million yuan, and successfully carried out the shareholding system transformation, and changed its name to Shenzhen Jianlibao Football Club Co., Ltd. In the two-year development of football clubs, the group invested nearly 200 million yuan, but the returns were minimal. Jianlibao Group has been in trouble, production has almost come to a standstill, and it has been acquired by Huizhong Tianheng Investment Co., Ltd. Jianlibao Football Club has not paid wages for more than 7 months, with a debt of nearly 60 million yuan. In 2004, the Super League won the championship and only got the municipal government. The season won the second prize of 2.5 million yuan. (Chen& Wang, 2015)

"The vast majority of companies are basically at a loss" is the current status of the Chinese professional football league. According to the financial data of the Super League 2016 released by the Chinese Football Association in 2017, the total revenue of the Super League in 2016 was 7.082 billion yuan, while the total cost was 11.014 billion yuan, with a total loss of 3.932 billion yuan. From the perspective of the income structure of the Super League club, commercial sponsorship income accounts for 64% of total revenue, player transactions account for 11%, ticket revenue only accounts for 3%, and the profit model is unreasonable. (Sports weekly, 2018)

Evergrande is directly listed on the New Third Board and has detailed financial data. Shanggang, Shenhua, and Huaxia are subsidiaries of listed companies. The financial information is partially disclosed in the parent company. Due to the different characteristics of the parent company, the information disclosed by the company is slightly different. The remaining teams are not listed companies (subsidiaries), it is difficult to obtain

comprehensive data information. Below we can see the operation of the Super League Football Club based on the financial data of the football clubs that can be obtained.

In 2011-2018, Guangzhou Evergrande Taobao Club suffered losses for eight consecutive years. From the financial statements of the club in the first half of 2018, Evergrande Taobao's total operating income in the first half of 2018 was 262 million yuan, the total operating cost was 903 million yuan, and the net profit was -630 million yuan. In the same period, the operating income of Shanghai Shanggong was 900 million yuan, operating costs of 1.269 billion yuan, net profit -367 million yuan. (Sports weekly, 2018)

Club	Operating income(million yuan)	Total operating costs(yuan)	Net profit(yuan)
Guangzhou everguangde	262	903	-603
Shanghai Shanggong	900	126.9	-367

Figure 3 Revenue and profit of Guangzhou Evergrande and Shanghai Shanggong in 2018(Evergrande and Shanggong Financial Report, 2019)

4.5 The problem of Chinese football business model

4.5.1 The overall market of Chinese football

The overall low level of Chinese football is mainly reflected in the decline of the national team's performance, the lack of talents in the youth echelon, the incomplete youth training system, the lack of youth leagues, and the backwardness of the football concept. The most intuitive performance is that the national team and the Chinese Super League rank backward. This has led to a decrease in the number of fans, excessive risk of sponsor investment, low TV broadcast ratings, and indifference to the general public. This has made the club's core resources a target of public criticism and is not conducive to club operations. There are also events such as fake gambling in recent years and the results of the national team. (Tan & Wei, 2017)

4.5.2 Over reliance on sponsor support

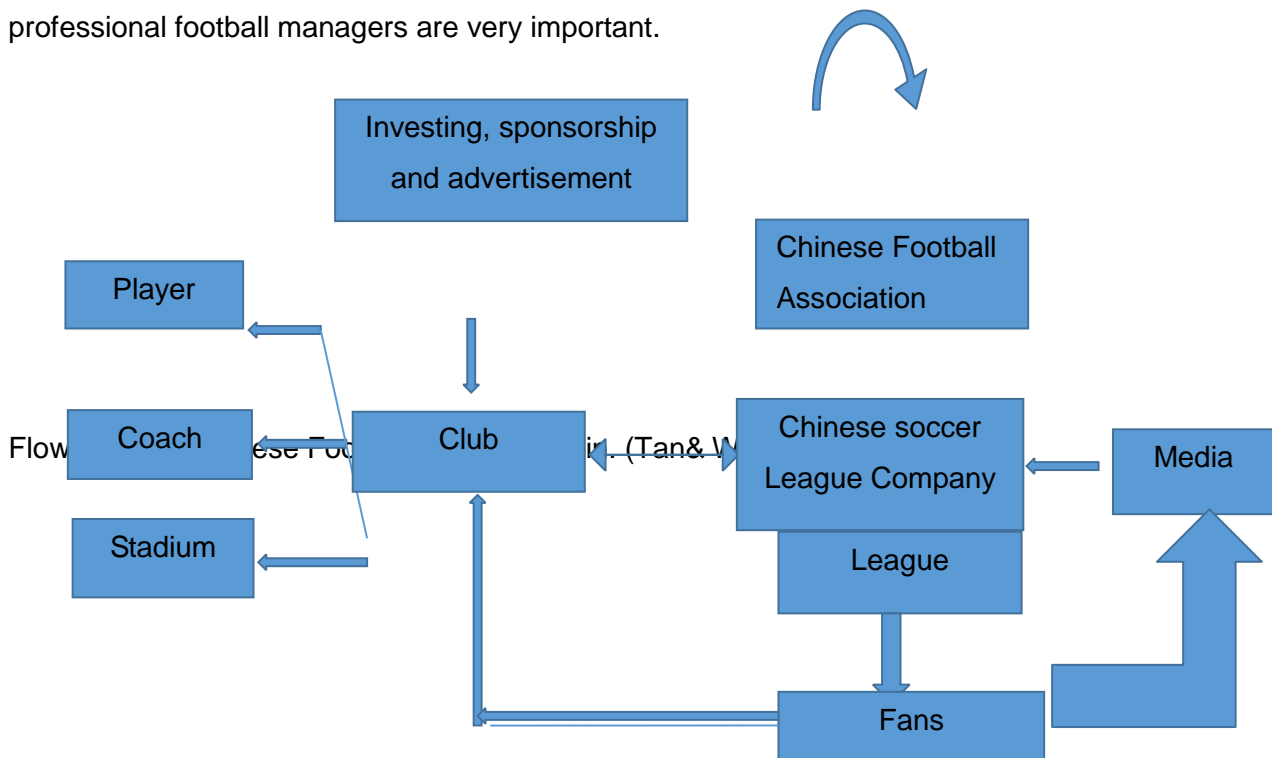
Today, 80% of the income of Chinese football clubs is sponsored by sponsors. They invest a lot of money in an attempt to get financial or other returns. Although the Chinese professional football club has achieved self-financing, but because its operating capacity is too weak, small and medium-sized clubs cannot survive. The club relies too much on the sponsor's support in the course of its business, and does not have to do business development on its own. Moreover, the sponsor's support is a market investment behavior, and the risk is high. Once the investment is not continued, the operation and survival of the club will be greatly affected. (Chen & Wang, 2015)

4.5.3 Incomplete of Chinese football industry chain

Incomplete industrial chain is mainly reflected in the lack of market development capabilities. Today's Chinese football clubs only have some traditional peripheral products, such as fans' commemorative shirts, scarves, cups, towels and other products with little profit. Even if the team has a high popularity, it can't turn these popularity into a source of income. This is the embodiment of insufficient development ability. How to design more team-rich products is the place for big clubs to think about in the future. In addition, foreign teams have also made great profits in terms of franchise rights, and Chinese football clubs can also conduct research in this area. In addition, the imperfect Chinese football industry chain is also reflected in the lack of links with tourism, hotels, restaurants and other service industries, which can generate more profitable industries, domestic clubs have almost no involvement. These ancillary facilities are also essential for the football industry. (Wang, 2006)

4.5.4 Lack of high-level club management talent

This is also the case that only in Chinese football will happen. Because the sponsor's huge investment does not want to be squandered, usually the club's sponsor company executives will be the top management of the club, which is not illegal, but it is not reasonable. Because the football industry is a unique sports industry, it has something in common with other industries but cannot be compared. Because football management is made up of its professionalism, although laymen can help with commercial development, they can't succeed in competition. Moreover, the current status of Chinese football, commercial development is generally not successful, so this appointment can be said to be very unsuccessful. High-level, professional managers can make decisions that follow the rules of football and will not let the club fall into chaos. Therefore, high-level, professional football managers are very important.



5. Apply European football business model to China

5.1 Strengthen brand marketing

As mentioned above, brand continuity in the European business model has played a very large role. For Chinese football, only professional football has been developed for decades, and their brand continuity is not as strong as that of European clubs. However, we can start from now and continue the team brand.

Club	Year of construction
Real Madrid	1902

Barcelona	1899
Manchester United	1878
Ajax	1900
Liverpool	1892

Figure 5 European famous club building year (Baidu Baike, 2019)

Club	Year of construction
Beijing Guoan	1992
Guangzhou Taiyang Shen	1994
Henan Jianye	1994
Shanghai Shenhua	1994

Figure 6 Chinese famous club building year (Baidu Baike, 2019)

Through figure1 and figure2, we can find that the brand continuity of Chinese football is not strong, so it also leads to the fans' distrust of the team brand. Naturally, they will not pay for the fans' products. The creation of club brands can bring fans to the club and bring a sense of belonging to the city. A good brand image and intangible assets with great potential are the basis for the strategic cooperation between the club and the target company. Connotation construction is an important part of brand building. Clubs need to integrate regional culture, urban culture, corporate culture and club culture into club brands and intangible assets. This is a different sign that the club is different from other clubs and an important reason for the choice of target companies.

While improving team performance and winning the competition, we will use a variety of information dissemination methods and diverse social activities to expand the propaganda and breadth of the club, integrate club brands into residents' lives, and enhance club influence and intangible assets. The domestic football club's own operation lacks the "hematopoietic" ability of an economic entity. The club's income is mainly derived from tickets and uniforms. Imagine that if its brand effect does not reach a certain level, then its club will lose this precious fiscal revenue, which is called the phenomenon of "fan loss".

The brand operation of European football clubs can be said to be obvious to the world. Although the club has strong dependence on back-office companies in operation, after a long-term operation, the club has a certain independence in the development of the sports industry. Mainly in the service to the majority of fans, with football matches as a selling

point, with clothing, spirit and other aspects to provide services. The football club's own hematopoietic function is very powerful. In terms of business philosophy, each club has a high management system. The ticket income shows that the support of the club's fans is far more terrible than imagined, and it is shocking. For example, in the case of tickets for the Manchester United club in the league in 1998-1999, the income was 41.9 million pounds. The income from ticket sales only accounts for about 30% of the club's total revenue, and the pillar income such as TV broadcasting rights is even more impressive. The club's good brand image is even more important. The popularity of the ball market largely reflects the brand effect of the club. (Wang, 2015)

5.2 New media marketing, developing TV broadcast market

TV broadcast rights are an important source of club revenue, but each professional league will face the TV broadcast rights buyer market during the operational development phase. The Chinese Football League not only faces the market for broadcasting rights, but also the monopoly buyer's market of CCTV. In addition to efforts to improve the level of the league and its own construction, the club needs to carry out overall marketing under the unification of Super League, and negotiate with the TV broadcasters, especially CCTV.

In addition, the rapid development of network technology has made the game broadcast path diversified. The enormous influence of the Internet has been reflected in all aspects of social life. In the case of CCTV monopoly broadcasting rights, the club can choose the increasingly competitive online platform as a breakthrough point, and negotiate network rights with various new media such as Internet websites, Internet TV, digital media, self-media, and mobile APP applications. This not only directly increases the club's income, expands the influence of the league, but also facilitates the promotion of market competition in the broadcasting rights and changes the monopoly market of broadcasting rights. (Chen& Wang, 2015)

Club	TV broadcast income(million euros)	Total income(million euros)	TV broadcast income as a percentage of total income(million euros)
Juventus	116	218	54%

ACMilan	112	200	55%
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Figure7 2002-2003 season Juventus, AC Milan club TV broadcast revenue situation table (Yang & Cong, 2014)

From this we can see that TV broadcast revenue accounts for half of the income of these top teams, which also reminds us that in a country with a population of 1.3 billion, the TV broadcast rights of football matches can actually reach tens of millions of euros. But now that most of the income of Chinese football clubs comes from tickets and jerseys, you can know that this is the key goal of the club in the future. The Chinese Super League company should be negotiated with the broadcaster, which is also a very profitable market.

5.2.1 Develop revenue in other areas

Developing market resources and realizing club diversification is an effective way to improve club management, improve club income, and improve income structure under the current system. The club can focus on the main venues and training bases, develop industries related to football and club culture with a radius of surrounding communities, and develop multi-channel markets, from hotels, tourism development, business activities, real estate, to star products, to Small items with club logos such as jerseys and scarves can be included in the market development content. At the same time, hotels, tourism development and business activities are very profitable markets. The fans watched the ball on the court and they were able to get to the club's theme hotel when they were looking for a break. And Guangzhou Evergrande is very influential in the whole of China. If you use this brand as a signboard for tourism development, it is also very profitable. The club can arrange a series of team culture activities, fans only need to pay and enjoy.

5.3 Promote the development of fan organizations, develop fan-derived services

Fans are the foundation on which the club lives, and are direct consumers of club products, bringing direct benefits to the club. The fan organization is a support club formed by the fans spontaneously, which is the performance of the club's cultural strength. The club supports the development of fan organizations to enhance the loyalty of the fans,

expand the fan base, and also convert the fans' feelings towards the club into purchasing power and gain sales revenue. The specific method is to divide the fan market according to the loyalty of the fans, and carry out differentiated marketing, such as building a clubhouse, ticketing discounts, fan meeting, internal training of the team, and guidance of the fans. (Zheng, 2018)

One of the important means of expanding the foundation of the fans is to promote the membership system. Members are the core supporters of the club and the core service of the club. A well-established membership system and standardized membership management can enable the club to have a solid fan base and consumers, not only to obtain stable income from membership dues, but also to participate in club operations management and market development, and to help the club grasp the consumer needs of the fan community. Market dynamics make the club's market development strategy more targeted and purposeful. (Zheng, 2018)

Business model	Core Concept	Advantages	Disadvantages	Suitable condition
Brand business model	Brand promotion	Increase profitability while enhancing brand value	Higher risk	Powerful and high popularity
Player Brand business model	High investment	more income and increased club affinity	High risk, easy to ignore the reserve talent training	Membership club
Sales business model	Player resale	Low cost, low risk, high return	Affected by external influences	Have a good youth training system

Figure 1 Comparison of European business models (Chen & Lu, 2015)

6 Conclusions

The development of professional football in the world for more than 100 years and the successful experience of European professional football have shown that the development of professional football is the only way to improve the national football level. The professional development of football in China has only been 20 years. Although it has achieved certain results, there are still many imperfections.

(1) The administrative monopoly of China's professional football league is strong. The cooperation is a monopoly position for government agencies in the field of football. At the same time, it has the ownership and management rights of the league. Other stakeholders are subordinate, which easily leads to the transaction of capital and power. Black whistle, fake ball, etc. appear.

(2) Ignoring the economic characteristics of professional football, the alliances own hematopoietic function is insufficient. The capital operation mainly comes from enterprise investment, and it is in a dilemma of insufficient fiscal revenue and singleness.

(3) The interests of various stakeholders are not unified. Driven by the diversification of interests, all stakeholders will choose behaviors for their own interests, which will form various conflicts of interest and affect the normal operation of professional football leagues.

(4) Insufficient supervision and punishment, leading to the phenomenon of fairness and fairness in sports such as unfair enforcement of referees, causing chaos in the league. Professional football is an artificially set confrontation game formed by competitions of multiple sports teams. Its game rules are competitive.

The dual constraints of the rules of the game and the rules of economic games. The success of European professional football is the result of obeying the above two rules of the game. It also brings the following enlightenment to the development model of professional football in China: (1) Obey the economic rules of professional sports: 1 The football industry as a special economic phenomenon, as Part of the whole social economy should be integrated into the big environment of China's market economy, follow the laws of market economy, and develop the basic role of the market. The role of the government is limited.

Within the scope of macroeconomic regulation and control of the professional sports economy. Change the status quo of China's administrative monopoly football economy, let the government's role voluntarily withdraw within a certain scope, realize the development

of football economy with market-oriented development model, and make tickets, TV broadcast, commercial sponsorship and business through improving competition quality and market development. Sales and other incomes continue to increase, diversifying the source of funds, allowing clubs to develop into an entity that has clear property rights, can operate independently, and is responsible for its own profits and losses, forming a modern enterprise management system. 2 The competition balance between clubs affects the demand for competition performances by the influence of the uncertainty of the competition results. Therefore, it is possible to enhance the training of athletes, trainers, talents and incentives. The level of competition of the club is to ensure the balance of competition among the clubs, thereby improving the quality of the competition, and ultimately improving the audience's demand for the competition performance, achieving the goal of profit, making the output of the football industry more than the investment, realizing the good operation of the football industry capital. Continue to develop.

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