International Marketing of the German Football Bundesliga:

Exporting a National Sport League to China

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Abstract

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Selling sport broadcasting rights abroad is of increasing importance for national sport organisations, leagues and clubs as revenues in their domestic markets are limited. The technologies of the New Media enable the realisation of international marketing strategies. Asia is a growing market with millions of people interested in sports. This study investigates the potentials in international marketing of the German Football Bundesliga in China. Therefore, 15 experts from sports business, science, organisations and the media were interviewed in order to identify value drivers of the Bundesliga in China and to compare the results of the survey with the market leader: the English Premier League. International marketing potentials and perspectives for the Bundesliga in China are discussed and implications are given.

JEL-Classification: M31

Keywords: China, Football, Bundesliga, English Premier League, International Marketing, Sports Broadcasting
1 Executive Summary

Professional sports like football attract masses and are a billion Euro business today. Revenues are generated by media broadcasts, tickets, sponsorships, merchandises, etc. During the last years sport has become more and more global. Sport events are transmitted easily all over the world as media content. Hence, international marketing is getting more and more important for sport organisations. Selling broadcasting rights abroad and merchandising in foreign countries promise sport leagues and sport clubs additional income.

The issue on exporting national sport leagues is definitely of practical relevance, but research on this field is rare. This study does its bit to approach research by regarding the international marketing of national football leagues in China. In Germany, the German Football Association (DFL) promotes the German football league, the Bundesliga. For this study the Bundesliga was selected as case example and its position in relation to the English Premier League was analysed. Compared to other European top leagues, export incomes of the Bundesliga underachieve. International marketing carries great potential for the Bundesliga to improve considerably.

This study aims at finding attraction factors for national football leagues in China, analysing the position of the Bundesliga within these attraction factors and giving implications to the Bundesliga and its clubs. Based on theoretical considerations and expert statements concrete measures to improve the international marketing of the DFL, the Bundesliga and its clubs are discussed for target market China.

Data was collected by qualitative interviews. Interviews with 15 experts from sport management and marketing, media, culture and science were conducted. All interview partners are involved in or focus on export of national sport leagues to China.

The analysis of data put forth five attraction factors considered as core value drivers of international marketing national football leagues abroad. These are firstly International Top Stars, secondly Historical Relations, thirdly Local Heroes, fourthly International Sporting Achievements and fifthly Technical Broadcasting Quality. Both leagues, German Bundesliga and English Premier League underachieve in terms of the number of local heroes; but perform well in terms of the broadcasting quality. However, the Bundesliga underlies the Premier League regarding the value drivers top stars, historical relations and international sporting achievements.
In order to catch up with other European leagues the DFL and the Bundesliga clubs have to cooperate within their international marketing strategy for China. They need to specify their strategies in the afore-mentioned core value drivers, to optimize the league structures and intensify the collaboration between China and Germany. Especially contracting more local heroes from China by Bundesliga clubs could be a benefit for the DFL. In regard of the German Football Association the organisational structure should be professionalized and be focussed more internationally. The DFL and its members need experts in international marketing and overseas branches to be able to cooperate closely with stakeholders on location. Intercultural management is a key issue to be emphasised.

2 Introduction

Football (soccer) is one of the most popular forms of sport worldwide. Only the TV broadcasting rights on the FIFA World Cup 2006 in Germany achieved an income of about 1.01 billion Euros whereas the total revenue of the FIFA World Cup exceeded 1.73 billion Euros (FIFA Financial Report, 2006). An analysis that was done by Deloitte (2007a) underlines the economic relevancy of the football industry: In 2006 the income of the European football market totalled up to 12.6 billion Euros. About 53 % account for the top 5 football leagues in Europe: the English Premier League, the Italian Serie A, the Spanish Primera División, the French Ligue 1 and the German Bundesliga. The present work aims at investigating the Bundesliga in first place, that is the responsible managing organisation “Deutsche Fußball Liga” (DFL) and the participating football clubs like FC Bayern München or FC Schalke 04.

In season 2006/2007 the DFL had a record income of 1.52 billion Euros (Deloitte, 2007a) through its national marketing of the Bundesliga: e.g. selling broadcasting rights, ticketing or merchandising in its domestic market. But if the DFL wants to stand in the global competition between competing football leagues, it has to cross national borders searching for new selling opportunities internationally. The focus is on generating additional income for the league and its clubs by selling broadcasting rights abroad and international marketing.

In times of the New Media and the current advances in digitalisation, spread of broadband, and increases in convergence of media and technologies the transmission of broadcasting signals to foreign countries is easy and costs are low. Only commentators in foreign languages might be needed. Compared to stadium capacities New Media coverage does not
have any capacity restrictions. Hence, the demand of sports media recipients worldwide is unlimited. Through the New Media sport business has become a global marketplace.

Asia as an international target market takes an outstanding position in this context. Approximately 33% of DFL’s international revenues already derive from Asia (DFL, 2007). Football Association Premier League (FAPL) generates even 55% of its international revenues in Asia (Deloitte, 2007a). The English Premier League is the international market leader and therefore main competitor of the German Bundesliga. In Asia, China represents one of the most attractive markets for international Bundesliga marketing activities deriving from its size, its economic growth and its high number of fans devoted in international sports, especially basketball, baseball and football.

Our paper deals with the following research questions: Why do the Chinese attend to foreign football leagues? Hence, what are the attraction factors of the Bundesliga from a Chinese perspective? How could the DFL create more value and increase the attractiveness of the Bundesliga in China in order to augment their revenues? Finally, which marketing measures could the DFL appropriate to earn points against the market leader in China: the English Premier League?

Experts in international sports marketing of national football leagues were asked these aforementioned questions in an exploratory interview study. The interviews were conducted with sport managers of German football clubs and the DFL, international sport marketers, Chinese media managers, international scholars of sport management science and Chinese cultural studies.

The next part of this article delivers a literature review and some backgrounds to the topic about selling sports broadcasting rights abroad and international sports marketing. After introducing the research method the findings of the survey concerning the value drivers of the Bundesliga in China are presented and compared to the English Premier League. Based on these results international marketing measures are discussed and implications for the DFL as well as their clubs are given. The paper ends with limitations and further research opportunities.
3 Background

The international marketing of national football leagues is a young but very interesting field of research with practical relevancy. In some European leagues there is stagnation in the income from stadium tickets (Germany) or TV rights (France) (DFL, 2007). The international markets bear great potential for further marketing (Ergenzinger, 2005). Especially for the Chinese market there is great potential because of the huge interest in European football, the recently opened market that allows more and more international programmes to be broadcast in China and the huge number of potential consumers for football broadcasting and football related goods (Gratton & Solberg, 2007).

In Germany, sport leagues have to be marketed by a central association while in some other European countries, e.g. the United Kingdom, the individual marketing of football clubs is allowed. The DFL markets the product Bundesliga internationally as a whole package whereas English Premier League clubs market themselves individually abroad. For more than the last ten years the German Bundesliga has been broadcast on China Central Television Sports Channel (CCTV-5), the biggest sports channel in China. CCTV-5 is the only Chinese sports channel which is allowed to broadcast nation wide. This fact puts the Bundesliga into the position to reach a huge TV audience in China. In season 2007/2008 every weekend four Bundesliga matches are broadcast by CCTV-5. One match on Friday night, two matches on Saturday evening and one match on Sunday evening. Two out these four matches are broadcast on CCTV-digital, a new digital sports TV channel. The developments in the New Media open up even more and new distribution channels for marketing football in China (Theysohn, 2006).

Basic research on the success of European sports leagues in foreign countries has been started recently. The results lead to factors that influence the demand abroad (Woratschek & Schafmeister, 2007; Gratton & Solberg, 2007; Solberg, 2007; Schafmeister, 2006; Woratschek & Schafmeister, 2005; Solberg, 2004; Solberg & Turner), as well as to price determination factors for selling a sport league abroad (Woratschek & Schafmeister, 2005; Solberg, 2004) or the value of TV rights and the process of selling them abroad (Solberg, 2004). Factors under examination are popularity, consumption capital, competition, buying power or the structure of foreign TV markets (Woratschek & Schafmeister & Hoeneß, 2008). The reasons for clubs to market themselves abroad are analysed as well (Puck & Wirth 2007, Hill & Vincent 2006, Ergenzinger 2005) and special attention is paid to the monetary
outcome of clubs and leagues from doing international marketing (Deloitte, 2007a; Deloitte, 2007b; DFL, 2007; Pfeiffer & Hovemann, 2007; Pfeiffer & Hovemann, 2006; FAPL Report, 2006; Elter & Süßmilch, 2004). Further, Chinese sport market development with strong focus on cultural particularities is analysed (Winkler, 2006; Ollig, 2005; Theodoraki, 2004; Parks & Quartermain, 2003). Finally, the importance and particularities of marketing a media product to China are examined (Santomier, 2007; Theysohn, 2006; O’Reilly & Rahinel, 2006; Ollig, 2005; Kops, 2005; Bensinger, 2005; Tapp, 2004).

China is one of the international key markets for international oriented sport leagues. But a detailed analysis of the value drivers of an international football league in China is still missing. This paper aims to analyse the international marketing of the German Football Bundesliga in China, with an explicit view on the core value drivers of European football leagues in China from a Chinese perspective.

Marketing of a German league in China is different from the marketing in its domestic market. As stadiums of Bundesliga clubs are based in Germany and, hence, immobile it is hardly possible for Chinese fans to get in touch with the athletes and watch a match on the ground personally. Therefore, Bundesliga marketers have to find other possibilities to make the Chinese identify with the Bundesliga. One option is the media as a distribution channel. Television, internet and mobile broadcasts are ideal transport media to cross borders and to get over long distances. Plus, broadcasting signals already exist for the domestic market. So, sport can easily be exported as media content.

However, geographical distance is not the only obstacle to take into account in this context. Differences in the cultural background have to be regarded as well. People from different cultural regions differ in visible and invisible signs (Osgood, 1951). These cultural differences certainly exist between Europe and Asia. So, marketing concerning the export of German football to China has to take them into account. Cultural understanding and intercultural competence are valuable assets in marketing a product like sport abroad (Winkler, 2006).

End of the 1970s a political change in the Chinese government initiated by Deng Xiaoping occurred and the Chinese market was opened up to international markets (Theodoraki, 2004). One of the first TV programmes brought to China were international famous sports events such as the FIFA World Cup 1978 in Mexico (Ollig, 2002). China is an upcoming country with the strong will to show the international power of the nation by hosting the biggest world sports events such as a Formula 1 race, an ATP tennis tournament, the women football world
cup or of course the Olympic Summer Games 2008 in Beijing. The importance of sport in China is about to grow, especially in the younger generation. Younger sport fans try to follow their heroes, like Yao Ming, Liu Xiang or recently the football player Sun Jihai who used to play in the English Premier League for a certain time.

There is a great potential in marketing football to China because it is the world’s most popular sport. Football is fascinating, easy to understand, and exciting. Moreover, football is non-political, an ideal prerequisite for being marketed to China easily (Woodward, 2002). But there are great differences in the demand for football. Compared to other European football leagues the English Premier League is by far the most demanded league in China and even more popular than the domestic Chinese league (Gratton & Solberg, 2007). Right now, the demand for football is the greatest in China. Football got ahead of all other forms of sport, even NBA Basketball, but the competitors are gaining market share. Although each European football league will try to improve its individual appearance in China, they have to bear in mind the principle of coopetition: If they want to beat other forms of sport and succeed in China in the long run they have to cooperate in terms of joint concerns while competing among each other. The objective is to improve the image and publicity of football in general which means football in China on the grass roots to keep the leading position in China.

4 Method

The international marketing of the Bundesliga in China has not been of interest for scientific work historically. For this reason, the authors of this paper conducted qualitative interviews to create a basis for further research. Data of qualitative research cannot be used for statistical analyses. Those have not been the objective of this study either, but could be done in future research. However, research methodology used in this study is consistent with the existing literature about qualitative research (Mayer, 2004; Mayring, 2002; Merten, 1983).

In order to get a broad overview of the sports market, fifteen international experts in the fields of sport management and marketing practice, sport management science, Chinese cultural studies, and the media were interviewed. Two German football club officials were interviewed because they are involved in the international club marketing on a daily basis. Furthermore, one member of the DFL association was interviewed to consider an organizational view of the international marketing. In order to cover the media one expert of a German media company was interviewed. The media view was extended by interviewing two Chinese media experts from a Chinese TV station and a Chinese sports newspaper because
they are confronted with German football on a daily basis. Moreover, a leading member of a football charity organization in China was interviewed to get an impression about the football development in China on a grass roots level. The science field was considered by interviewing five scientists from German, US, British and Norwegian universities because they are experts in the field of international marketing of sports leagues. Additionally, a sinology scientist was interviewed to cover the cultural importance of marketing a product to China. In order to account for a sports business view a leading manager of a German sports marketing company as well as a leading Chinese member of a global sports betting company were interviewed because they are involved in the international marketing of the Bundesliga to China.

An individual interview guideline was created for each partner and the interviews took place on the phone or in face-to-face conversations. The interview guideline is theory based and basically consists of six batteries of questions. By using a semi-directive technique the questions dealt with:

1. Cultural influence on football marketing to China
2. Value creation factors of international football leagues in China
3. Revenue model of the German Bundesliga in China
4. Media development and media presence of the Bundesliga in China
5. Comparison of the German Bundesliga and the English Premier League in China
6. Promotion strategies of the German Bundesliga in China

All interviews were conducted between June and August 2007 in German or English language.

5 Findings on Attraction Factors of National Football Leagues in China

It is obvious that attraction factors for national football leagues abroad differ from those at the domestic markets. According to this, international marketing of a national sport series has to be adapted to local conditions and the league has to be localised. “If you look at anything from an international business perspective you have to have localization” (IX). China is not the only target market of the Bundesliga, but an important one which is worth to be considered.
As consumption capital and buying power of the Chinese are strong two important preconditions of a potential target market are complied with China. The consumption capital theory (Stigler & Becker, 1977) says that consumers derive more utility from using products or services in case they have knowledge about the product or service. The more they know, the higher their utility. In the context of sport marketing consumption capital means that the target group has knowledge about the rules, is attracted by the sport and therefore derives utility from watching the game or event. Brand creation and brand management of both Bundesliga and club brands have the potential of increasing awareness, knowledge, fan base and finally consumption capital of football in China. The second precondition is buying power. Only if sufficient buying power in the international target market exists, additional income for the national football league is to be expected; either from the broadcasting media or from merchandising, etc. The Chinese media has to generate revenues by its sportscasts. Be it pay-TV fees or advertising, both revenue models require buying power of the Chinese recipients. At least in China’s metropolises buying power can be regarded as high enough (Wang, 2007).

In consequence, we have to focus on attraction factors on the one hand and revenue models to absorb buying power on the other hand. The existence of relevant attraction factors, or rather core value drivers, leads to brand awareness, a growing fan base and demand for Bundesliga matches or merchandise. As a result of the increasing value of the Bundesliga in China additional income can be achieved by the parties involved.

Within the interviews several factors on the popularity of a national football league in foreign countries have been mentioned by the experts. Five of these attraction factors we want to declare as central core value drivers of a foreign football league in China. These five factors have in common that they were identified by at least 50% of the experts. These core value drivers are: 1. International Top Stars, 2. Historical Relations, 3. Local Heroes, 4. International Sporting Achievements, 5. Technical Broadcasting Quality.

Throughout the expert interviews other factors appeared as well. Among others speed of game, suspense of competition, cultural differences and time difference between Germany and China were mentioned. Regarding these factors expert opinions differed. Some were only mentioned rarely such as speed of game. Some were rated inconsistently regarding their importance. Suspense of game was identified as a value driver of a foreign league in China on the one hand, but on the other hand it was also described as one of the hygiene factors.
Hygiene factors are those that do not increase the attraction of a league, their absence would lead to a decrease in demand for the sports league, however. In this paper suspense is seen as one of the hygiene factors, since without suspense, e.g. about who will win the game, the Bundesliga would not arouse very much interest, neither in Germany nor in foreign countries abroad. Just being suspicious does not mean that the Bundesliga creates more value than another European top league such as the Italian Serie A. So, suspense like the other factors is not regarded as a value driver.

In the following, the identified core value drivers of national sport leagues abroad are introduced. These value drivers are interdependent and not clearly delimitable in every part. As the English Premier League, which is marketed by the FAPL, represents the benchmark in international marketing of European football leagues, DFL and FAPL will be compared regarding each value driver. In addition, insights from literature are cited as well.

5.1 Value driver International Top Stars

Firstly, a great majority of interviewed experts identified international top stars as the most important attraction factor of a sport league in foreign countries, since superstars raise the popularity of league and clubs by their own popularity. Plus, international players have the potential of establishing a new style to the game. The standing of top stars can be a result of extraordinary performances or a very good marketing of their own personalities. Clubs as well can be recognized as stars. For this reason the popularity of international star athletes or successful clubs increases their demand. The reasons why the English Premier League signs so many international top players are: “The Premier League has become the richest league in the world. And they are attracting so many star players. I think their strongest point is to take advantage of star powers from David Beckham to Cristiano Ronaldo” (XIII).

The Premier League signed on more international professionals and derives a benefit from local heroes in their home countries. In season 2004/2005, 56 % of Premier League’s athletes came from abroad while 48 % of Bundesliga’s players. A look at the most noticed in public top 4 clubs of each league underlines the difference: 68 % of English top 4 clubs’ players and only 45 % of German top 4 clubs’ came from abroad (Gratton & Solberg, 2007). One of the interview partners gave the following statement about why the English Premier League has signed on so many international top players: “When you look at the Italian site and you look at the Spanish site, they tend to be a large proportion of domestic native players. In England it doesn’t happen. One of the reasons for that is because of the servants’ support and because
of the amount of money the clubs make from television coverage. What do they do? Essentially, they’ve got open check books and they can bid for and sign on the best players in the world” (I).

That way, English top clubs have built up an international publicity and image. The English Premier League holds a lot of internationally famous top players like Didier Drogba or Cristiano Ronaldo. In relation to the Premier League the Bundesliga only possesses few internationally successful clubs and top stars. The acquisition of international top players is hampered due to the lack of international success in the recent past. Only FC Bayern München seems to be able to cope with the international challenge. Thus, the English Premier League is by far more popular and well-known in China than the Bundesliga.

5.2 Value driver Historical Relations

Secondly, demand for broadcasts of a national football league can also be affected by historical relations between countries. Traditionally, in former English colonies the demand for English football is bigger than the demand for football series of other foreign countries. Hong Kong for instance used to be a British colony and its inhabitants still feel connected to Great Britain. Part of this connection is sports, especially the preference for the English Premier League. Such historical relations take long term effects. “I think history is a huge value generator. Very often when we talk to overseas fans in particular, what appeals to them most about English football, one of the things that are very often mentioned, is history. I think English football has got a history that German football doesn’t have” (I). But it takes a long time as well to establish these relationships. Premier League clubs have been travelling to Asia on a regular basis for more than 20 years now. The FAPL has been maintaining these historical relations and benefits from these by a well-known brand, a demand for its matches and additional incomes resulting from marketing activities abroad.

Clubs like Manchester United (ManU) form the image of Premier League abroad. Retrospective this club always used to have a professional management and used to be a precursor in England and Europe concerning encouraging young talents or its attractive way of playing. Some of the greatest European players in history played for ManU, from Bobby Charlton (England) to John Best (Ireland), from Eric Cantonar (France) to David Beckham (England) or currently Cristiano Ronaldo (Portugal). ManU therefore has a long and successful history. This is of great advantage for marketing abroad. Plus, since the 1990s
ManU has been travelling to Asia. So today, Manu has a brand image in Asia facilitating highly endowed marketing contracts with sponsors etc. (Hill & Vincent, 2006).

From 1898 until 1914 Germany possessed a colony in the Chinese province Shandong. But this period of 16 years was too short to have positive effects on historical relations to German football (Fischer, 2007). Bundesliga matches have only been broadcast in China since mid 1990s. Because of lucrative incomes from domestic marketing the DFL disregarded international marketing in China until the beginning of this century. Not until sports marketer Kirch declared bankruptcy in 2002 and the DFL suffered a lack in incomes international marketing of the Bundesliga became strategically important. Since 2006 DFL employs an agent for international marketing affairs. Anyway, preconditions based on historical relations are definitely on the side of Premier League.

5.3 **Value driver Local Heroes**

Thirdly, in China higher attention can be achieved by those European sport leagues or clubs contracting Chinese players with existing great local value in their home country, meaning local heroes. Unlike international top stars local heroes are not necessarily famous in the whole world but in their home countries. Especially in European top clubs local heroes are an important attraction factor for China, because at this stage there are only a few Chinese players. Demand for a club can increase as a result of an international squad holding local heroes. A match between Manchester City and FC Everton in 2003 showed the relevance of local heroes from China and the resulting impact of contracting Chinese athletes in European football clubs. Both participating teams deployed Chinese players in their starting line-ups. In consequence, this match has been watched by approximately 365 million Chinese TV viewers in China. For a short period the interest in both clubs even surpassed the interest in top clubs such as FC Liverpool or ManU (Gratton & Solberg, 2007).

Football fans usually identify themselves not only with a club, but often with single players of a club. Team sports give this opportunity. Depending on their loyalty level, sometimes fans even change their club preference when their devoted star changes clubs; in first place if the star player changes to a club in another country and league. That way the attractiveness of a team or league can grow in short-term. If the local hero leaves the foreign club again fans in his home country loose interest in the foreign club soon. To give an example: As soon as German football club TSV 1860 München sold its Chinese player Shao Jiayi, the interest in 1860 München sunk rapidly in China. As a result, the Chinese website was closed, because of
a lack in demand. “Hiring foreign players can be done really quickly. They help to increase the popularity of a league in the home country of the player. For example when a Japanese or Chinese player is hired it leads to a higher demand of a sports league in the home country of these players. But it has to be considered that it is a short term effect. As soon as the player leaves a club or a league the popularity decreases” (X).

A deal with local heroes should not be based on economic reasons only, because a negative image effect could occur if the athlete does not play. By contracting the Chinese Yang Chen and Shao Jiayi interest in the Bundesliga was increased in China. But both did not become world-class players. That is why the positive effect of local heroes stands back behind the factors international top stars and historical relations.

In terms of local heroes the English Premier League falls against the Bundesliga. Indeed, as already seen the Premier League contracted more international professionals than the Bundesliga. But in the long run both leagues did not manage to deal with this attraction factor well, yet referring to Chinese players. Chinese players did not come out on top in their teams and the number of Chinese local heroes in both leagues decreased.

**5.4 Value driver International Sporting Achievements**

Fourthly, international sporting achievements such as winning the UEFA Champions League on club level or FIFA World Cup on country level can lead to a growing interest in successful clubs or national team players and their clubs. This can be the starting point of an international league and club marketing crowned with success. These sporting achievements are widely spread and transmitted globally by the media. Chinese recipients are able to permanently identify with athletes and clubs more easily that way.

For international marketing of a national sport series abroad, international sporting success has a very high significance. Especially during the first years of Bundesliga broadcasting in China mid of 1990s German clubs have been very successful in international competitions. Borussia Dortmund won the Champions League and FC Schalke 04 won UEFA Cup in 1997. FC Bayern München reached the Champions League final in 1999. However in recent past, international sporting achievements of German Bundesliga clubs did fell against those of Premier League clubs. The participation of three English clubs in the semi-finals of the Champions League in season 2006/2007 illustrates the dominance of Premier League in an impressive way. For this reason, regarding international sporting success of its clubs the
English Premier League is leader in Europe and far ahead of the Bundesliga. Hence the DFL should help the Bundesliga clubs to improve their level. "Then they should more often go to the Champions League and win the title. That would much more improve the reputation in China." (II)

5.5 Value driver Technical Broadcasting Quality

Fifthly, the technical broadcasting quality of the presentation is an important factor for marketing national sports leagues internationally. A broadcasting system such as high definition television (HDTV) and camera work can attract consumers. Bundesliga matches are broadcast at least by eight regular cameras and one super slow-motion camera. "The level of the broadcasting of the Bundesliga is so high and very professional" (XV). Quality can even be increased at top clashes by increasing the number of regular as well as slow-motion cameras and HDTV.

The European top leagues differ from each other in broadcasting quality. These differences in broadcasting quality are recognized by the Chinese consumers and the demand for high quality is great. Hence, technical broadcasting quality is an important unique selling proposition for football leagues in China. The English Premier League for instance used to be quality leader for a long time. Since season 2006/2007 Bundesliga broadcasts are produced by the DFL itself. For the international markets four matches per match day are produced with Spanish and English comments and sent to international partners such as CCTV-5. The top match is broadcast in high definition. In the meanwhile Premier League and Bundesliga have closed ranks in regard of this value driver.

5.6 Summary

Within our survey experts were interviewed about attraction factors of national sport leagues abroad and asked for a comparison of the German Football Bundesliga and the market leader English Premier League in China. Comparing Bundesliga and Premier League both are considered on same level regarding the core value drivers local heroes and technical broadcasting standard. While both leagues come off badly concerning the number of local heroes, they come off well concerning the broadcasting quality. In regard to the implementation of the core value drivers international top stars, historical relations and international success Premier League was seen prevailing over Bundesliga.
The value of a league abroad is determined by its performance within the attraction factors. Thus, the English Premier League features the best position in China. The identified five core value drivers represent areas in which the DFL could gain on the FAPL. The Bundesliga just has to face the challenge. By focusing and working on the mentioned core value drivers in international marketing DFL could increase the attractiveness of the Bundesliga, grab market share and generate additional incomes. Using the media it is able to leverage sports content to a large audience in China without much added expenses. The most promising area in which the Bundesliga could perform best in relation to the Premier League might be the factor local heroes. By acquiring more local heroes, the Bundesliga would have the chance to realise a unique selling proposition.

6 Discussion and Implications

The DFL and the Bundesliga clubs have to cooperate within their international marketing strategy. They need to join forces in order to succeed in China. That is why the DFL should try to improve the specification of the afore-mentioned core value drivers of foreign football leagues in China, optimize its own league structure and intensify the collaboration between China and Germany. In the following, theoretical and practical ideas to improve the DFL marketing in China will be discussed and implications will be given.

6.1 Promotion of core value drivers

Clubs could increase their fame in China by hiring International Top Stars (Hill & Vincent, 2006). In season 2006/2007 e.g. FC Bayern München hired with Luca Toni, Franck Ribéry and Miroslav Klose three internationally well known top football players. The objective should be to make use of this potential. Even measures are tiny, they can be effective. One idea would be directing messages of internationally well known top stars to the Chinese audience via podcast. That way season newcomers like Diego or Mario Gomez could be staged and presented to China. A leading member of the DFL noted: “It is in our own hands now to set the standards for the Bundesliga production and presentation” (VII). Another idea could be placing an icon like Oliver Kahn in a Chinese soap opera which Chinese viewers are crazy about. A third and funny idea might be producing a well known German football song with FC Bayern stars Toni, Ribéry and Klose.
It is obvious that **Historical Relationships** cannot be built up in short terms. But the DFL could create a basis for long term cooperation by strategic marketing in China with main focus on sustainability.

There is a need to set up a DFL representation office in China. Yet, such an office does not exist. This representation office could be managed by Chinese who lived and studied in Germany for a certain time. Their knowledge about both countries and devotion for German football could be an additional value for Bundesliga marketing in China striking a new path. “Chinese scholars that come to Germany are disseminators and sometimes even opinion leaders. So they can spread knowledge about German culture and boost the image of Germany in China” (XIII).

**Local Heroes** are a promising possibility to increase interest in German football in China, because right now there are just a few Chinese players to be signed in Europe’s best football leagues. While Yang Chen, a former Chinese player of football club Eintracht Frankfurt, was playing in Germany, matches of the Frankfurt club have been very highly demanded in China.

“Yang Chen was the first Chinese player ever playing in the Bundesliga. I remember the Frankfurt football club and its last match of the season 1998/1999. They wanted to win against their opponent in order to keep the position in the league. The final result was a 5:2. Yang Chen scored one goal. The audience rating of the match reached about 4 % that means about 60 million TV viewers watched this match. That was the highest rating of Bundesliga broadcasting in China in history” (XV).

In comparison to that a regular German football match without attendance of Chinese players is followed by around 4 - 5 million Chinese viewers. The reason why there are only a few Chinese players in European football leagues yet is because the clubs claim that their skill level is rather low. Referring to this, an international manager of a German football club noted: “We wanted to hire a player from China or Japan years ago. But the players that are coming from these countries have to play in our team. If they don’t play, the whole home country feels betrayed and they claim we hired him for economic reasons” (IV). That situation might not change in the near future because most German clubs have a lack of knowledge about China. Medium-sized European clubs still seem to be scared of the “red dragon” China. At least football club Arminia Bielefeld has started cooperation with the Chinese club Wuhan FC Ltd. But this cooperation stagnates because of the lack of understanding between both clubs. Hiring local heroes is an attractive way to promote the
Bundesliga in China. “If the German Bundesliga wants to promote its brand in China, the clubs need to invite more and more Chinese players to join the Bundesliga. That is the easiest way to promote the Bundesliga in the Chinese market.” (XV). In our opinion, acquiring local heroes from China is the value driver with best prospects for the Bundesliga. Chinese local heroes would be a bargain for German clubs and pay tribute to the upcoming football nation China. The placement of local heroes would attract even more attention in China than International Sporting Achievements of the Bundesliga clubs.

The DFL would like to see the clubs going to Asia and China more often in order to promote the Bundesliga brand. The clubs could be supported by the DFL in their international marketing by establishing ties with the Chinese media, government, clubs, sponsors, etc. It even would be imaginable that the DFL subsidises the hiring of Chinese players by German clubs. The objective of this subsidisation would be the reduction of barriers and the incentive for the German clubs to deal with China.

6.2 Promotion of the Bundesliga by optimising the league structure

To reach its target the DFL should establish a suitable league structure. The implementation of an international marketing division within the DFL is a step in the right direction. The international marketing rights on the Bundesliga have been sold to the marketer Bwin in order to avoid the risk of loosing money and the trouble of international negotiations on the part of the DFL. Therefore, the DFL receives a fixed income which can be calculated with easier. But in case of China success in international marketing depends very much on know-how and connections of the marketers in the target market China. With having an own international entity in China the DFL could build up the know-how and connections to be better presented in China and generate higher revenues.

A change of the body of rules and regulations could improve the international marketing as well. But it has to be considered that a change of the football rules in favour of China might be incommensurate with the domestic consumers in Germany: e.g. if the kick-off times of the German league games were shifted to earlier or later times in the stadiums. Friday games starting at 8.30pm might be shifted to an earlier time such as 4.30pm. Saturday and Sunday afternoon games might be shifted to earlier or later times as well. At these times it would be more comfortable for the Chinese consumers to watch the game and for the Chinese media to air the game. But it would be less comfortable for German fans that usually work on Fridays afternoon or play football by themselves on Sundays afternoon. Most of the Bundesliga
matches take place on Saturdays at 3.30pm. A feasible solution to that issue could be the shifting of one of these Saturday afternoon matches to an earlier time like 12.30pm and of another match to a later time like 5.30pm. Because of the time difference between Germany and China the Chinese consumers could watch three live matches after another on Saturdays evening. And the Chinese media could market three matches live and in full length instead of one live and one re-live match. Such a system has been established in the UK already without suffering a lack of stadium attendance. The shifting of kick-off times could improve the international marketing in general because of the time differences between Germany and its international core markets such as China, India, United States, etc.

6.3 Cooperation between the DFL and its clubs

Since season 2007/2008 the DFL has established an international week in the Bundesliga. Between the last match of the first half of the season and Christmas as well as between the last match of the season and the summer tournaments there is one week without official league matches. The idea of this international week is to give the German clubs the possibility to market themselves abroad more conveniently and successfully. Now, they have at least one week to make a marketing trip. Before, those trips were limited to a single weekend. Whereas other European teams such as Real Madrid or AC Milan often performed badly on the short weekend trips the DFL can achieve an advantage here.

6.4 Cooperation between the DFL and China

The DFL has to create strategies to carry German football with its culture and history to the Chinese audience. Therefore, it is necessary to know what the Chinese stakeholders want. Of special importance in this context is firstly football skill education of young and talented Chinese players, secondly extension of cooperation between Germany and China and thirdly professionalisation of the domestic Chinese league.

On club level the DFL could support club cooperation between Germany and China. German clubs might establish football academies in China to educate promising young talented Chinese or Asian football players. Furthermore, the clubs could build up or extend cooperation on management level to establish professional club structures in China and transfer knowledge between both countries (Ergenzinger, 2005).

Regional cooperation could also be extended. The DFL could put a focus on a certain Chinese province maybe Shandong province because “the idea that you could come to China
and market to the whole of China is impossible, except for perhaps the very top 3 or 4 teams” (XI). The DFL could help the Bundesliga clubs to build up cooperation and networks to Chinese football clubs, government, media, etc. in a province. The German Bundesliga club Arminia Bielefeld has built up cooperation with Wuhan FC Ltd. in the year 2005 to place Arminia in the Chinese province of Hubei.

Cooperation with foreign companies would also be favourable to promote the Bundesliga. The Chinese youth is very much interested in computer games. The Japanese company Konami produces a football game called Winning Eleven (Pro-Evolution-Soccer). Winning Eleven has a huge fan base in China also. Top clubs of the Bundesliga such as Werder Bremen or Bayern München could invite the creators of Winning Eleven to Germany in order to get personally in touch with the clubs and their players. They should even get a chance to see the players in action. If they play extraoridnary good they can impress the creators and lead to a higher characteristic of the players' football skills in the next Winning Eleven edition. This could animate the game users to play more with German clubs because of the better skills compared to other clubs and that could increase the identification with the club.

6.5 Cooperation with the Chinese media

The media is an important partner in the international marketing of sport leagues and clubs because media presence means brand presence in the media. Global sport broadcasting has been improved in the digital era. In times of the New Media content such as sport can be transferred easily. Hence, international marketing measures are getting easier to use. Sport organisations can use New Media technologies such as internet protocol television (IPTV), HDTV, mobile technologies or broadband to improve the quality and the variety of sports broadcasting in China. Media presence is a key driver for successful marketing in China because the media offers sport a huge distribution platform to a great audience and acts as media leverage in this way. “You have to have a media partner in China. You just can’t do business there without one. You can’t broadcast in China without a partner” (IX).

Next, the TV presence of the Bundesliga in China could be extended. Right now the Chinese broadcast preview shows before league games and Bundesliga highlights within a European football highlight show on CCTV-5. But the producers of CCTV-5 are interested in extending the cooperation for example with more background news reports about German football and Bundesliga stars. These kinds of entertaining sports magazines already exist in German TV programmes. An international or especially Chinese version of it would be of great interest
for the Chinese viewers and could be a benefit for the international marketing of the Bundesliga as well.

A practical idea to increase the appearance in Chinese media which is easy to realise could be the setting up of a Chinese website by the DFL. The Chinese website of FC Bayern München has already 2 million hits per month; that of Manchester United has even 25 million hits per month (Hill & Vincent, 2006). The DFL is planning on having a Chinese website but has not launched it yet. By means of this website the DFL would have more control and influence on its international branding.

Another idea would be the Mini-Bundesliga project in which the latest German league games of the weekend would be replayed by Chinese school teams. This could increase the image and knowledge of German football but even more important it is the idea of an influential director of CCTV-5 who would like to broadcast this event on CCTV-5. By doing so, the DFL could attend positive image effects and make new important friends in China.

### 6.6 Support activities of the DFL in China

The hiring of Chinese players that could boost the interest in the Bundesliga in China was already mentioned. The hiring of German players or German managers by Chinese clubs could also be of value for the Bundesliga. The German former national team player Jörg Albertz played two years for the Chinese club Shanghai Shenhua and helped increasing the interest in German football. The DFL could suggest Chinese clubs to hire former German players as management assistants. Oliver Kahn is a well-known player worldwide who is about to finish his career at the end of the current season and he has signalled interest in working in Asia after his active football career (Peoples Daily, 2007). His knowledge about football, his contacts to German clubs and authorities could help building up or strengthen relationships between the DFL and China.

When working together with Chinese it is important to know that business in China is done by the principle of Guanxi (Chen, 2003). Guanxi means personal relationships that include trust, reciprocal duty and common experience. Relationships can not be built up additionally to business in China but are the core basis of doing successful business in China. Therefore, personal relationships should be in the centre of business interests in China. Especially relationships and friendships that were built up over years help doing successful business in China.
So, in order to be successful in China an **intercultural management** has to be integrated in the strategic management organisation. Companies hire sport experts when they need somebody to lead a sports department. They hire economic experts for leading an economic department. Accordingly, the management should hire experts in the field of intercultural competence for the international marketing division of a company or a club (Hill & Vincent, 2006; Winkler, 2006; Schellhaaß, 2000). Many clubs do not boast any experience in international marketing to and intercultural competence for China. “*Cultural differences are therefore a great opportunity to distance from other competitors by doing a better intercultural management*” (III). A practical idea could be the creation of studies about football relationships in cooperation with German and Chinese scientists, maybe in between university cooperation. Both sides could generate market information and build up relationships out of such cooperation. We reached the point concerning further research and the limitations of this study.

7 **Limitations and Further Research**

Besides the advantages of the mentioned theoretical and practical promotion strategies of the Bundesliga in China there are also risks to face. When cooperating with China there are dependencies between both sides. Because of the lack of control for the foreign partner there is uncertainty about quality, know-how, readiness for duty and engagement of the partner. In intercultural management the choosing of unsuitable candidates to market the Bundesliga or an individual club in China could lead to problems. To give an example: While Europeans prefer quick and easy negotiations Chinese are more focussed on long term negotiations with main focus on becoming friends. Differences between both cultures could lead to an abortion of negotiations not because of different interests but because of cultural misunderstandings.

This paper showed that football is a very interesting content for the Chinese audience. Therefore, there is a great economic potential in marketing football to China. The DFL is aware of the importance of international marketing and defined China as a core market of its international marketing strategy.

In order to answer the question, why an overseas football league is interesting for the Chinese customers, qualitative interviews with fifteen experts were conducted in this study. This explorative study was done to generate knowledge in the field. This knowledge can be used to develop a theoretical model for statistical tests in the future. As a result of this study, five core value drivers for football leagues in China were determined. These value drivers are a first
step to analyse the success of a football league in China but more surveys should be done in the following. The determined core value drivers can be a basis for a further, wide spreading analysis of the Chinese football market. A next step might be an analysis with Chinese customers to get the original opinion of Chinese sport media recipients on the attraction factors of international football leagues. In order to show how the value generated by the Bundesliga can be converted best into money revenue models for the marketing of the Bundesliga in China will have to be analysed. In this study it turned out that every single Premier League club earns more money out of the international league marketing than the Bundesliga champion. This gap will even get bigger because of an international marketing contract lately signed by the FAPL.

A comparison between the Bundesliga and the market leader English Premier League has revealed that in relation to the five identified value drivers the Bundesliga is clearly dominated by the Premier League. To answer the question, how the Bundesliga could improve its position in China, a few measures were explained, which the DFL already put in place. More measures were edited to show ways to improve the marketing situation. Special attention was paid to the attraction factor local heroes because both leagues have been evaluated equally bad for this value driver. As the English Premier League will be shown exclusively in Chinese pay-TV from 2007/08 until 2009/10 this could be the chance for the Bundesliga to gain market share in Chinese television. Since 1995/1996 the Bundesliga has been shown on CCTV-5 which is the biggest sports channel in China and as a public TV station the only allowed to be watched all over the country. Hence, the Bundesliga will have the chance to reach a huge audience.

Even though international marketing already represents the third biggest source of income for the DFL and China is one of its most important core markets, it has not received the attention it deserves, yet. Building up a field of research on international marketing of the Bundesliga in China in cooperation with German and Chinese sport managers and scientists would be favourable. The advantages of implementing an international marketing entity of football associations such as the DFL could be analysed in this cooperation. Another idea would be an analysis of the cooperation between the DFL and the Chinese media in order to optimize this cooperation and extend the media coverage of the Bundesliga in China.

In order to market the German league successfully in China and to bundle common interests it is necessary building up and maintaining cooperation with Chinese stakeholders. As an
example the project Mini-Bundesliga was mentioned which the DFL could organise in cooperation with CCTV-5. In this case it is of great importance to pay attention to cultural management. That way they should be able to avoid misunderstandings and to strengthen the relationship to help developing promotion measures that are favourably for everyone.

The DFL is still in the initial stage of developing an international marketing strategy. Plus, the Bundesliga clubs still show little interest in own marketing for China. Just a few clubs have already built up or plan on building up relationships to China, such as Arminia Bielefeld, FC Bayern München or recently FC Energie Cottbus. What is important for the Bundesliga’s international marketing in China, is a consistent market development and a long term dedication in order to create sustainability. Because many clubs do not have any detailed knowledge about the Chinese market yet, the DFL should be the supporting organisation that helps abolishing the cultural barrier and installing partnerships. Once the Bundesliga clubs get over the cultural barriers and see the great potential in marketing themselves to China they will start to develop own initiatives in China. We are sure that this would lead to an increased popularity of German football in China.
8 References


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