Analysis of the Operational Model and Business Management Strategy of the Chinese Super League (CSL) Based on the SWOT Model

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Abstract. The China Super League (CSL) holds a prominent position as the first soccer league in China and ranks among the most popular leagues in Asia. However, despite its success, the CSL faces several challenges that hinder its further development. This essay delves into an in-depth analysis of the CSL, utilizing the SWOT model to identify its strengths, weaknesses, opportunities, and threats. Beginning with an exploration of the CSL's background and historical development, we aim to provide a comprehensive overview of this league. By understanding its origins and evolution, we can better grasp the factors that have contributed to its current status. One critical aspect of this analysis involves identifying the weaknesses and strengths within the CSL. These factors encompass various facets of the league, including player performance, financial stability, fan engagement, and marketing strategies. By pinpointing these internal elements, we can gain insights into areas that require improvement as well as those that can be leveraged to enhance the league's standing. Moreover, this essay delves into the external factors that impact the CSL's operations and growth potential. These factors may encompass economic trends, government policies, international competitions, and global soccer dynamics. Recognizing the external opportunities and threats allows us to construct a holistic view of the CSL's position within the broader context of the soccer world. Through the SWOT analysis and the exploration of specific examples, we aim to provide valuable insights into the challenges and opportunities that the CSL faces.

Keywords: Chinese Super League, SWOT analysis, Management strategy.

1. Introduction

Chinese Football Association Super League, abbreviated as CSL is the highest-level professional soccer league organized by the Chinese Football Association. In 2004, the league started and is derived from the former China Football First Division A League. It represents the highest level of Chinese football. With the normalization of the epidemic control, the league started with the opening of the stands test, and the second phase formally. The second phase formally liberalized spectator admission restrictions, and the Suzhou and Dalian regions opened a total of. The Suzhou and Dalian tournaments opened for 62 matches, with more than 90,000 fans attending to support the tournament. The Chinese Super League has trained a large number of main players for the Chinese soccer team, like today's Evergrande, Guoan, Luneng and other clubs under the players in the national football team accounted for a very large proportion of the player. In recent years, the Chinese Super League (CSL) has become completely popular due to the increased investment by big clubs such as Evergrande, which has increased the level of interest in the league. In a sense, the fact that the Chinese Super League has become hot also symbolizes the renewed interest in soccer. In this essay will use the SWOT method to analyze the Chinese Football Association Super League [1].

2. Literature Review

2.1. The History and Trajectory of The Chinese Super League

Twelve teams participated in the first edition. At the beginning of the establishment of the Chinese Super League, the qualification of the Liaoning team had aroused great controversy because the hardware facilities could not meet the admission standards of the Chinese Super League. The Chinese
Football Association (CFA) invested 720,000 RMB to hold 36% of the shares of the CSL and is the largest shareholder of the CSL Limited Liability Company [1]. Because of the long term underachievement of the national team, coupled with the corruption in the management of Chinese soccer leagues at all levels and the problem of gambling on soccer matches, it has attracted the attention of the central leadership of the People's Republic of China (PRC) since 2009, and leaders of the Party and the State, such as Xi Jinping, Liu Yandong, and other leaders of the Party and the State, have mentioned the problem of Chinese soccer on different occasions and participated in the meeting of the Chinese soccer industry in person. In November 2009, the Ministry of Public Security of the People's Republic of China launched the Anti-Gambling Storm, a wide-ranging crackdown on gambling that inhibits the development of soccer. Starting from June 14, 2017, in order to prevent some funds have reached the strength of world-class football clubs in the Chinese Super League to buy players at sky-high prices, the clubs need to pay more than double the price of the amount to the CFA. The CFA issued a notice on the "2017 Summer Registration Transfer Period Relevant Provisions on Charging Attraction Adjustment Fees", limiting the transfer fee for Chinese players to 20 million RMB, and the transfer fee for foreign aid to 45 million RMB [2].

Starting in 2019, a maximum limit on the total expenditure of clubs is set. Among them, the limits for the Chinese Super League in 2019, 2020 and 2021 are 1.2 billion, 1.1 billion and 0.9 billion, and the club's total annual bonuses (the total amount of the annual win bonus and equalization bonuses) are included in the club's total expenditure limit, of which the win bonus of the Chinese Super League shall not be more than 3 million yuan a game, but this expenditure limit excludes the expenditures such as youth training [3].

The FA's expenditure restrictions for clubs in the 2021 CFL are more stringent than those in the 2020 CFL. In the 2021 CFL-2023 CFL, clubs' total expenditure for a single financial year shall not exceed RMB 600 million, clubs' individual remuneration for foreign players in a single season shall not exceed EUR 3 million before tax, and clubs' total remuneration for foreign players in a single season shall not exceed EUR 3 million before tax. Foreign players' total remuneration for a single season shall not exceed €10 million before tax, the individual remuneration for a single season million before tax, the individual remuneration for a single season of a club's domestic U21 players shall not exceed RMB 300,000 before tax, and the average remuneration for a single season of a club's first-team domestic players shall not exceed RMB 3 million before tax per person [4].

2.2. Trends and Challenges in the Commercialization of the Soccer Industry

Furthermore, this essay will talk about trends and challenges of the commercialization of soccer. For the sports industry, there are "eight new changes" and "four new challenges" compared with five years ago. The alterations and difficulties underscore the ongoing evolution of the sports industry. They illustrate the emergence of numerous fresh business models, programs for sporting activities, content for sports consumption, and a growing interest in sports. Moreover, there are diverse innovative business models, sports programs, content offerings, and platforms facilitating sports engagement. China's considerable population size has conferred a newfound advantage in merging digital and smart technologies with sports. Concurrently, these transformations present novel obstacles and challenges. They also indicate that China's future path in sports industry development will diverge from that of more advanced nations. The future trajectory of China's sports sector will be unique, adhering to general principles while exhibiting distinctive Chinese and contemporary characteristics [5].

2.3. Explanation of The Concept of SWOT and The Scope of Its Application

As the essay mentioned before, we will use the SWOT analysis. The SWOT analysis, which assesses a range of internal strengths and weaknesses as well as external opportunities and threats within the context of the competitive environment, is intricately linked to the focus of research. Through a thorough investigation involving listing and organizing these factors into a matrix format, followed by systematic analysis, their interrelationships are examined to derive a series of
consequential findings. These findings typically possess decision-making implications. By employing this methodology, it becomes feasible to conduct a comprehensive, systematic, and precise examination of the research subject's situation. Consequently, this allows for the development of corresponding strategies, plans, and countermeasures based on the study's outcomes. In this context, 'S' represents strengths, 'W' corresponds to weaknesses, 'O' pertains to opportunities, and 'T' relates to threats. According to the holistic concept of enterprise competitive strategy, an effective strategy should be an integrated alignment of what an enterprise "is capable of" and "what it should pursue."

3. SWOT Analysis of CSL Competition Operation

3.1. Internal Strengths

This essay will use the SWOT analysis to discuss the Event Operation of the Chinese Super League. To begin with, the Chinese Super League is the first soccer league in China. It has the best resources and the highest-level soccer player in China. With the systematization and institutionalization of soccer in China and the increasing number of fans, the average attendance of each match has reached 35,000, with some domestic derbies, such as the Shanghai Derby and Guangzhou Derby, reaching as high as 60,000, leading to a booming business for food and beverage outlets both inside and outside the stadium. The Chinese Super League (CSL) has been ranked in the top ten in Asia and the top one hundred in the world, with Guangzhou Evergrande and Shanghai SIPG even being ranked among the world's top 100 soccer clubs. At present, the Chinese Super League in China's national broadcasting expenses for the whole season up to 5 billion yuan per year, each club sells a lot of peripheral merchandise, jerseys, but also create a lot of entertainment companies development opportunities, because each game needs cheerleaders, singing artists, models as the club's babes, each game just in the performance, the expenses up to a million yuan, coupled with a lot of popular football stars to join the Chinese Super League, making the attraction of the Chinese Super League is growing. In addition, in recent years, many popular football stars have joined the Chinese Super League, making the Chinese Super League more and more attractive. At the same time, because there are more than 10,000 people attending each match, the local government also needs to deploy more than 500 Chinese public security officers and 500 Chinese armed police officers to each match. The clubs hire their own professional security guards to maintain order, which can range from a few hundred to over 5,000 depending on the game. As each match attracts more than 50,000 people, it also boosts the business of nearby shopping malls and restaurants. The Chinese Super League has become a profitable business, with the long-term goal of becoming Asia's No. 1 league, with more than 100,000 people attending each game [6].

3.2. Internal Weaknesses

Furthermore, it is not uncommon to find scandals on the internet about the Chinese Super League - from clubs defaulting on players' wages, to unfair penalties, to corruption in the leadership, and so on. These are all things that the Chinese Football Association (CFA) needs to address today. One example is the recent investigation of former national team coach Li Tie. Li Tie suspected of bribery, bribe, unit bribery, non-state staff bribe, briber of non-state staff, respectively, by the Hubei Provincial Chibi Supervisory Committee, Chibi Municipal Public Security Bureau investigation, investigation completed, transferred to the procuratorial organs for examination and prosecution. Upon designation by the Hubei Provincial People's Procuratorate, the case was reviewed and prosecuted by the Xianning Municipal People's Procuratorate in parallel. These events have brought a very bad influence on the development of the Chinese Super League.

3.3. External Opportunities

First, the Chinese Super League has attracted significant domestic and international investment, resulting in clubs having more financial resources to spend on top domestic and international players.
This has attracted global stars and coaches to China, increasing the competitiveness and attention of the league.

The Chinese Super League then gradually built up a strong fan base, with increased stadium attendance and a thriving fan community and fan events. More and more Chinese people began to support local clubs, reflecting the domestic market's passion for soccer.

Third. CSL matches are widely publicized, attracting domestic and international TV viewers. Media partnerships and the sale of match broadcasting rights helped to increase the league's visibility and popularity in the domestic market. Then, the Chinese Super League signed some internationally recognized stars, such as Fernando Torres and Oscar, which increased the league's visibility in the international market. The demand for these stars in the domestic market is also growing. Finally, the CSL has established partnerships, including with international soccer clubs, sponsors and media companies. These collaborations have helped to expand the league's international reach and attract more international partners.

3.4. External Threats

To assess the status of a soccer league, the first thing that needs to be taken into account is the level and international popularity of its players. Despite the fact that the Chinese Super League has attracted some international superstars (e.g., Paulinho, Talisca, etc.), there is still a lot of room for improvement in terms of bringing in high-level players in the Chinese Super League, relatively speaking. Compared with the top five European leagues, there is still a gap in the overall level of players in the Chinese Super League, which is an issue that needs to be addressed.

Secondly, the attractiveness of a soccer league is also closely related to the strength and competition level of its teams. In recent years, the Chinese Super League has attracted worldwide attention through high reinforcement fees, a huge transfer market and strong clubs. Some Chinese soccer powerhouse teams (e.g., Guangzhou Evergrande, Shanghai SIPG, etc.) excel on the Asian soccer stage and are capable of competing with some European clubs. However, globally, the overall level of competition in the Chinese Super League has yet to improve and more talented teams need to emerge to further increase its international profile and influence. One specific example is the England Super League which is the most popular league in China except Chinese Super League. From 2015-2016, The English Premier League has an audience size of 350 million in China. In social media, Premier League-related topics also ranked first in terms of readership in addition to Zhang Xizhe’s transfer. This is a huge threat to the domestic ratings of the Chinese Super League, which undoubtedly has the world's best players, broadcasters, coaching staff and a strong fan culture [7].

4. SWOT Analysis of Chinese Super League Business Management

4.1. Internal Strengthens

Before 2010, even if the Chinese Super League introduced some international stars, they were on the verge of retirement, but after 2010, the Chinese Super League frequently introduced potential superstars at high prices. After 2010, the Chinese Super League frequently introduced potential superstars at high prices, and a number of foreign aiders are also current international players, which has really improved the competitive level of the Chinese Super League. At the same time, a number of foreigners who have coached Europe's top giants and even won the World Cup have been brought into the league. At the same time, a number of coaches who have coached top European giants and even World Cup champions have brought brand-new technical and tactical ideas to the Chinese Super League teams, and the end result of the superposition of the two is that the capital has been invested heavily to create a more exciting game.

The result is that the investment of capital has created more exciting Super League matches, won higher ratings and commercial sponsorships, and increased the market value of the Super League. Many famous brands chose to collaborate with Chinese Super League such as Nike, Ford, and Red Bull.
4.2. Internal Weaknesses

To begin with, the Chinese Super League is highly competitive, competing not only with other domestic soccer leagues, but also with top international leagues for attention and sponsorship resources. The domestic market is highly saturated, which makes attracting sponsors and viewers more challenging. Besides, compared to some of Europe's top leagues, the CSL has a relatively low level of visibility and competition on the international soccer stage. This may limit the ability to attract international sponsors and players. Next, some potential sponsors may be concerned about negative news and controversies related to soccer. For example, some foreign players brought in at high prices may not perform adequately, resulting in wasted funds. Moreover, the domestic and international economic environment has an impact on business partnerships and investments in sporting events. Unstable economic conditions may cause sponsors to reduce spending or re-evaluate partnership agreements. League governing bodies need to develop effective commercialization strategies and marketing plans to attract sponsors and increase spectator participation. This requires specialized teams and resources.

4.3. External Opportunities

In order to promote the diversification of the Super League, the Super League should look for more cooperation programs. For example, social media cooperation. Expand the league's global visibility, interact with fans, and promote discussion and sharing.

In addition to this, with the development of technology, the development of the Chinese Super League can also be combined with digitalization. Thus, the Premier League can be better integrated with people's daily life. For example, e-sports and online competitions. Create eSports competitions and online tournaments related to the Chinese Super League to attract digital gamers and promote interaction. This will allow fans to interact with and learn more about their favorite teams and players. By creating Chinese Super League themed video games, the Chinese Super League can also further expand its popularity [8].

4.4. External Threats

First of all, some Chinese Super League clubs have faced financial difficulties, leading to threats to the sustainability of the team. Such situations can be a cause for public concern, especially when the team is facing serious financial problems. Take Guangzhou City and Guangzhou, for example, which have recently received a lot of attention from the community and used to be two very powerful teams in the Chinese Super League. Guangzhou Evergrande, in particular, has been on top of Asia several times. There was also a bankruptcy. What’s more, bad Competition and High Reinforcement Fees: The Chinese Super League has attracted some internationally recognized stars, but the high reinforcement fees and salaries have caused some controversy. This kind of unhealthy competition may cause concern among fans and public opinion, especially if clubs cannot afford the financial burden.

5. Suggestions to Promote The Sustainable Development of the CSL

5.1. Developing a Rational Reinforcement Policy

Developing a rational reinforcement policy to avoid unnecessary financial risks. At the same time, it also gives more opportunities to local players to promote the improvement of the domestic soccer level. A proper reinforcement policy can make the popularity of the Chinese Super League stronger and can also give domestic players and foreign players to learn from each other. Conversely, irrational reinforcement policies can make the financial burden on club’s increase. Many clubs with poor financial situation will default on players' wages.
What’s more, Mobile app and website optimization to continually improve the official mobile app and website to provide the information fans need, including fixtures, results, team information, player stats and news updates. Ensure these platforms are easy to navigate and load quickly.

5.2. Improving the Competitiveness of the League

First of all, the league should encourage teams to bring in more high-level players in the international transfer market in order to improve the competitiveness of the league. An example of this is the Oscar player from Shanghai SIPG.

In addition to this, investing in the training and development of young players is also key to improving the quality of teams. Investment in youth training is essential. Evergrande Football School is a good example today. The school has trained countless excellent soccer players for the country, and they can be seen in various clubs and even national teams!

Moreover, the league should improve the level of coaching, the level of training of coaches and the quality of the coaching staff to ensure that teams are professionally coached. Hiring international coaches to coach the team is also an option [9].

5.3. Digital Transformation

Further drive digital transformation to deliver high quality webcasts, mobile apps and social media interactions to meet the needs of the modern fan. Improve the quality of broadcasts to be on par with the big five leagues. Use more camera positions and better filming techniques. Thus, giving fans a better viewing experience and increasing fan loyalty.

Furthermore, explore providing a virtual stadium experience on digital platforms so fans can feel the atmosphere of the game from the comfort of their homes. Use AR technology to provide interactive elements such as AR props and filters to enhance fan interaction [10].

6. Conclusion

In conclusion, this paper analyzes the Chinese Super League through SWOT analysis. A series of its advantages and disadvantages were found, such as the first soccer league in China, unstandardized management, and some problems of social opinion. A few suggestions are provided for the future development of Chinese soccer league. This paper proposes that the league should enhance its international influence, develop an appropriate reinforcement policy, and digital transformation.

Admittedly, this paper has some limitations. This paper discusses the advantages and disadvantages from the external and internal perspectives. Some of the references do not fully represent the future development of the league.

Therefore, this paper suggests that the future development of Chinese soccer will be from the management system, the attraction policy, and how to stand out in many soccer leagues around the world.

References


