Business Model Innovation Shifts of Guangzhou Evergrande Taobao FC Under the Impacts of the Ecosystem Elements of the Chinese Super League

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As the most representative club of the emerging Chinese Super League (CSL), Guangzhou Evergrande Taobao Football Club (Guangzhou Evergrande) is famous of its introduction of ‘money-ball’ policy into the CSL and subsequent competition achievements. Since the acquisition by Evergrande Group in 2009, the business model of the club has evolved significantly and constantly which has helped the club to win 7 CSL titles consecutively and be crowned AFC Champions League twice. The club has also become the first listed football club in Asia with the collaboration with the e-commerce giant Alibaba under the title of Taobao. This study will take a management perspective to investigate how does the Guangzhou Evergrande conduct its business model innovation (BMI) to achieve success both competitively and commercially.

This case study is theoretically grounded in the management concepts of business model innovation (BMI) and business ecosystems. It tends to make theoretical contributions by integrating concepts of BMI with the concept of business ecosystem. The key framework to be applied in this study is the BMI Typology framework from Nicolai Foss and Tina Saebi (2016). The BMI Typology categorizes the BMI according to the scope and novelty which include: Evolutionary for modular and internal BMI, Focused for modular and industry-level BMI, Adaptive for architectural and internal BMI, Complex for architectural and industry-level BMI. The paper will reveal the BMI shifts of Guangzhou Evergrande from one type to another and evaluate the impacts of CSL ecosystem factors that moderate the club’s BMI shifts.

A case study method was taken to collect both secondary-data and primary data from the interviews with the top management team of Guangzhou Evergrande. The study investigates the BMI of the club by reviewing its changes and innovations from three perspectives: core capabilities, value creation, value capture. It then justifies club’s BMI to the BMI typology and presented them in a timeline graph to illustrate the shifts of club’s BMI. The results indicate that the club had all four types of BMI over past years especially for having several complex BMI that benefited the club most. Meanwhile, many of those BMIs were conducted under the influences of ecosystem elements like policy and investors. The significant changes in ecosystem elements such as new policy from the State Department or new ownership are more likely to stimulate the club to conduct BMI in a wider scope and with higher novelty.

This study provides a managerial view of the football club to explore the shifts of its business model and the interactions with ecosystem elements. It has significance in developing the study of BMI and offering managerial insights into the emerging football market of CSL. The study can be further extended to a broader study involving more CSL clubs to better understand the business models of CSL clubs and capture the business ecosystem of CSL.