

A large crowd of Bayern Munich fans is visible in the background, many wearing red and white scarves and waving smaller flags. In the foreground, a large white flag with red horizontal stripes and the Bayern Munich club crest is prominently displayed. The crest features a blue and white diamond pattern and the text 'FC BAYER' and 'MÜNCHEN'.

# Bayern Munich Case

**Sami Andrew, Jake Ignasiak, Elan Johnson, Will Hennessy, Elana Pinto, Carly Skjodt**

# Background



- Founded in 1900
- 5<sup>th</sup> Most Valuable Club in 2015: \$27 million in profit



**BUNDESLIGA**

- 18 teams total
- Heavily saturated league within German market



- Winningest German Club
- Allianz Arena hosts 75,000 fans





# Soccer Fanaticism in China

- Second most popular sport behind basketball
- Chinese government's plan to increase global soccer impact
  - 20,000 soccer training centers
  - 30 million children playing soccer by 2020
- International Presence
  - Bundesliga has been broadcasted since 1990's



# Five Forces Analysis: New Entrants

Threat of New Entrants: Chinese soccer teams





# Five Forces Analysis: Supplier Power

天猫  
TMALL

**Loses Supplier Power**



**Gains Supplier Power**



# Five Forces Analysis: Buyer Power

Buying Power: Chinese Ecommerce sites



**Tencent 腾讯**

**淘宝网**  
Taobao.com


















# Five Forces Analysis: Substitute Power

- NBA main substitute power
  - 300+ million Chinese play basketball
  - 2nd largest market for NBA
- Traditional Chinese sports
  - Tennis, badminton, ping pong
- Partnering with Chinese companies for e commerce space



# Five Forces Analysis: Rivalry Among Existing Firms

## Bayern Munich Competitors in China

Years 2011-2015	 Tours	 Local Office	 Specific Chinese Online Store	 Digital Media Rank	 Top WEIBO Stars	 Grassroots
	--	Hong Kong	--	5	4	✓
	2	Hong Kong	--	2	1	--
	2	Beijing	--	3	2	✓
	2	Shanghai	Tmall	6	1	✓
	2	--	--	7	1	--
	1	--	--	8	--	✓
	1	--	--	4	--	✓





# Strategy Diamond: Arena

- **Physical Infrastructure Expansion**
  - In and around large cities, specifically opening near stadiums
  - Target rural areas by opening youth soccer clubs
- **Digital Marketplace Expansion**
  - All products are made in house after the Bavarian "*mia san mia*" motto "we are who we are"
  - Souvenirs, tickets, jerseys, merchandise, etc.



# Strategy Diamond: Vehicles

- **Partnerships and Sponsorships**

- Media companies and social media platforms (Alibaba, Sina Weibo, WeChat, Tencent)
- Local youth football schools
- Chinese Government





# Strategy Diamond: Economic Logic

## Large Market Potential

- Soccer is the second largest sport market behind Basketball in China
- Chinese President wants to host a World Cup by 2030 and win the World Cup by 2050
- 1.3 Billion people in China; 750 million in Europe



# Strategy Diamond: Staging

- **Sequence of Initiatives**

- Open China office
- Partner with large Chinese ecommerce and social media platforms
- Create youth soccer schools - grassroots fan base
- Sign a Chinese player on Bayern Munich

- **Speed of Expansion**

- Multi-year process





# Strategy Diamond: Differentiators

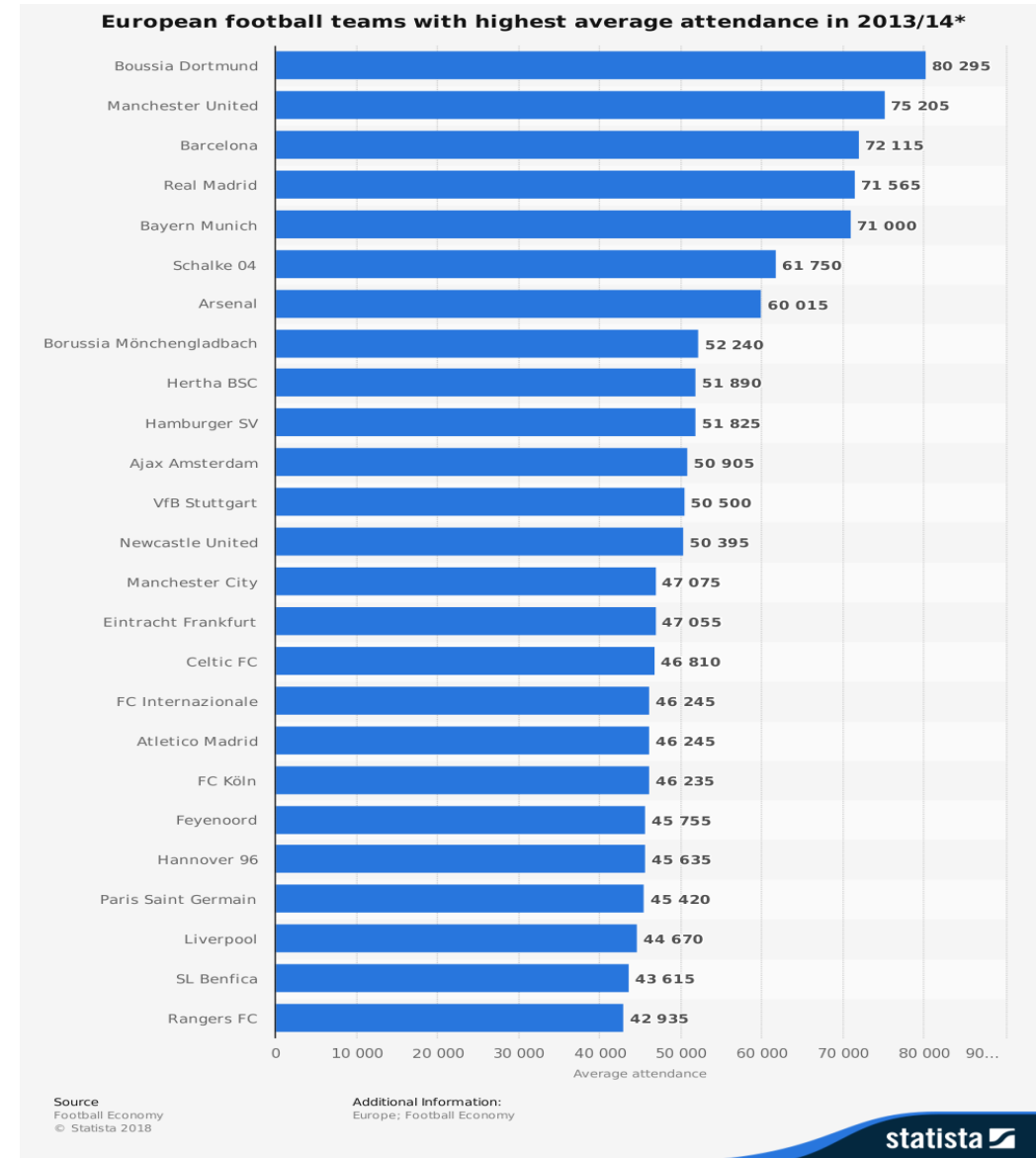
- **“Mia san Mia” mindset “we are who we are”:**
  - **All products created in house**
  - **Creating a grassroots fan base in every country**
  - **All fans are important and valuable**



# Resource Based View

- **Physical Resources**

- Stadium
- Training facilities
- Bayern: 5<sup>th</sup> with 71,000 fans





# Resource Based View

- **Human Resources**
  - Players
  - Coaches
  - Front Office



**Thomas Müller**  
Product of Bayern's youth system





# Resource Based View

- **Organizational Resources**
  - **History**
  - **Tradition**
  - **Culture**
  - **Elite Sponsorships**



# Possible Strategies for Bayern Munich

## **Main Issue: In-House vs Outsource**

- Establish own ecommerce infrastructure in China
- Consideration of business operations
- Creation of new management team
- Associated Cost
- Implementation timeframe



# Advantages

- Provides flexibility/control
- More direct access to fans
- Higher revenue potential
- Differentiates club
- Maintains authenticity
- Creates year round presence
- Potential for new partnerships

**Creates Sustainable Competitive Advantage**





# Update on Bayern Munich in China

- **Opened Bayern Football Academies**
  - Qingdao in 2016
  - Shenzhen in 2017
  - Coming soon in Taiyuan
- **Shanghai Office opened in 2017**
- Opened an official online flagship store on Alibaba's Tmall
- Awards
  - Runner-up on Chinese digital media
  - Most fan-engaged soccer club last year





Thank You!

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FC Bayern München - Europameister



南部浙生相随

Fans aus Zhejiang immer dabei

浙江同仁会

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