Guten Tag Shanghai und New York, mein Name ist FC Bayern München (FC Bayern Munich)

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Guten Tag Shanghai und New York, mein Name ist FC Bayern München

(FC Bayern Munich)

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FC Bayern München (Bayern Munich) are one of the top five football clubs in the world by annual revenue (Figure One); with €592m generated during the 2015-16 season (Deloitte, 2017), a figure that has more than tripled from €173m since 1999 (Figure Two).

Figure One: Top 10 Largest football clubs by revenue using 2015-16 season (€m)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Manchester United</td>
<td>689.0</td>
<td>519.5</td>
<td>518.0</td>
<td>423.8</td>
<td>395.9</td>
</tr>
<tr>
<td>FC Barcelona</td>
<td>620.2</td>
<td>560.8</td>
<td>484.8</td>
<td>482.6</td>
<td>483.0</td>
</tr>
<tr>
<td>Real Madrid</td>
<td>620.1</td>
<td>577.0</td>
<td>549.5</td>
<td>518.9</td>
<td>512.6</td>
</tr>
<tr>
<td>Bayern Munich</td>
<td>592.0</td>
<td>474.0</td>
<td>487.5</td>
<td>432.2</td>
<td>368.4</td>
</tr>
<tr>
<td>Manchester City</td>
<td>524.9</td>
<td>463.5</td>
<td>416.5</td>
<td>316.2</td>
<td>285.6</td>
</tr>
<tr>
<td>Paris Saint-Germain</td>
<td>520.9</td>
<td>480.8</td>
<td>471.3</td>
<td>398.8</td>
<td>220.5</td>
</tr>
<tr>
<td>Arsenal</td>
<td>468.5</td>
<td>435.5</td>
<td>359.3</td>
<td>284.3</td>
<td>290.3</td>
</tr>
<tr>
<td>Chelsea</td>
<td>447.4</td>
<td>420.0</td>
<td>387.9</td>
<td>303.4</td>
<td>322.6</td>
</tr>
<tr>
<td>Liverpool</td>
<td>403.8</td>
<td>391.8</td>
<td>305.9</td>
<td>240.6</td>
<td>233.2</td>
</tr>
<tr>
<td>Juventus</td>
<td>341.1</td>
<td>323.9</td>
<td>279.0</td>
<td>224.4</td>
<td>195.4</td>
</tr>
</tbody>
</table>

Source: Marc Taylor analysis of Deloitte Money League for the 2011-2016 period
Figure Two: FC Bayern München revenues (1999-2016)

Source: Marc Taylor analysis of Deloitte Money League

Predominantly known due to their senior men’s soccer team who play in the German Bundesliga (Bundesliga, 2017), the club, based in Munich, Bavaria, has a number of departments including, Basketball, Handball, Chess, Sport-Skittles, Referees and Table Tennis. Since 2005 first team games have been played at the Allianz Arena and average matchday attendances increased from an average of c.52-58,000 to a level of c.75,000 by 2015-2016. Partners Allianz SE, adidas AG and AUDI AG all own an 8.33% ownership share, with members club FC Bayern Munich eV owning 75% of the shareholding (Bayern Munich, 2017a, b). The club are the most dominant team in the Bundesliga (Figure Three) winning the Bundesliga thirteen times between 1996-2016.

Figure Three:

Bayern Munich: Average attendances and Bundesliga finishing position (1996-2016)
The Bundesliga is one of ‘The Big Five’ leagues (along with the Premier League (England), La Liga (Spain), Serie A (Italy) and Ligue 1 (France)) broadcast in 209 countries. For the 2017-18 season, Bundesliga and Bundesliga II signed a domestic broadcast deal increasing the rights by 85% to €4.64BN, or €1.16BN/season (Uersfeld, 2016). With international broadcast rights, the total will be c. €1.4BN/season.

**Figure Four: Bundesliga – International broadcast deals (Number of countries by region)**
Domestic direct club competitors Borussia Dortmund, Bayer Leverkusen, Borussia Monchengladbach, Schalke, Hertha Berlin and Mainz all played in the UEFA Champions League or the UEFA Europe League in 2016-2017 and despite the history and heritage of European Club football, Executive Board Chairman, Karl-Heinz Rummenigge has stated that “The competition has become global” and rival existing and emerging clubs from in Asia (especially China) are making significant commercial and branding efforts globally.

In consumer markets, standardisation or adaptation of products or services and marketing communications has been debated for almost fifty years (e.g. Buzzell, 1968, Levitt, 1983, Pickton & Broderick, 2005, Vrontis et al., 2006, Vrontis and Thrassou, 2007, Fill, 2011). Popular internationally, by March 2017, there were almost 4,250 official fan clubs with c.333,000 registered FC Bayern fans covering Germany, Europe and many countries around the world (Bayern Munich, 2017e). In order to build relationships and enhance marketing communications with international fans SAP became a partner in 2014 to assist with on and off field performances and enhance fan interaction, experiences and loyalty (SAP, 2014, Chaffey & Smith, 2013).

Supported by the German Headquarters, in 2014, a small club office opened in New York, (Vidal, 2014). Of the 60m US soccer fans, 15m had expressed some interest in the club, their brand and commercial activities. Also in 2014, the club went on a pre-season tour of North America with games in New Jersey and Oregon (Pingue, 2013). From a digital perspective, the club created a bespoke part of the website, specific for the US market, a bespoke US Facebook page and this was followed early in 2015 with US specific Twitter Handle; @FCBayernUS. (Bayern Munich, 2017g, h, i).
Looking ‘East’ to Asia and China, a partnership signed in 2014 with DHL enabled Chinese fans using DHL eCommerce to purchase official merchandise and other genuine products emphasising German and Bavarian heritage (DHL Corporate, 2015). With over 90m Chinese fans having an interest in Bayern Munich, in 2015 an official online store was established on Alibaba Group’s Business to Consumer Tmall platform (Bayern Munich, 2015; Tmall, 2017). Tmall is hugely significant in China and during the Singles’ Day festival in November 2015, trading records were broken as £9.4BN was traded on a single day (BBC, 2015), with 6,000+ orders being completed on this day by Bayern Munich.

Similarly, local digital engagement was considered and as of March 2017, the official club website could be tailored into nine languages, including Chinese options (Bayern Munich, 2017c, g). In Germany, the club promotes the use of numerous social or digital media channels including official Facebook, Instagram, YouTube, Snapchat, Twitter and Dugout channels. However in China, Chinese fans are unable to use these platforms and the club has an official presence or site on leading local platforms such as Weibo, Youku, WeChat, QQ, Baidu, RenRen and Douban. This is perceived to be excellent practice if meeting communication objectives (Pickton & Broderick, 2005; Fill, 2011; Chaffey & Smith, 2013).

Post announcing their intention in 2016, in March 2017 a subsidiary office opened in Shanghai, China (Bayern Munich, 2016, Redaktion, 2017) initially with six permanent staff members also supported from Germany. In 2015, the club went on a pre-season summer tour to China in 2015 (Audi Football, 2015) and will tour again in the summer of 2017 playing games with Arsenal, AC Milan, Chelsea and Inter Milan. Having recently launched a FC Bayern TV channel (Bayer Munich, 2017f) in collaboration with Deutsche Telekom, the
potential to reach domestic and international fans with broadcast information on the internet, smartphones, tablets or via an FC Bayern App is promising.

Questions

1. Why do you think the club has targeted the countries and cities that it has establishing overseas offices and what do you think are the local business objectives over the next decade?

2. How do you think the club will adapt platforms and evaluate the reach and engagement of their international communications with fans especially in China and Asia?

3. Besides establishing a network of overseas offices, do you think the club should work with specialist large local or International Marketing agencies (e.g. Ali Sports, WME | IMG, WPP, etc.) and/or niche digital Marketing agencies and how?


