# Interdependencies Between Ecosystem and Business Models in Chinese Football Market

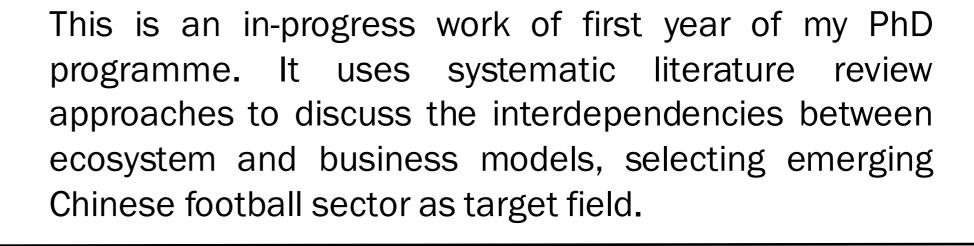


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### Research Background

Chinese Football Market has been emerging since 2014 when sports industry was recognized as new 'national economy growth point' by Chinese government. Enormous capital investments from giant organizations like Evergrande, Alibaba and Suning have been poured into Chinese football especially top division league, Chinese Super League (CSL). CSL clubs have been spending heavily on football talents recruit, signing high profile players like Oscar, Tevez and Lavezzi from top European clubs like Chelsea and Inter Milan. Capital investments have boosted Chinese football market significantly but it raises the issue that Chinese football organizations need to build their business models that can fit the emerging football ecosystem and be sustainable for long-term.

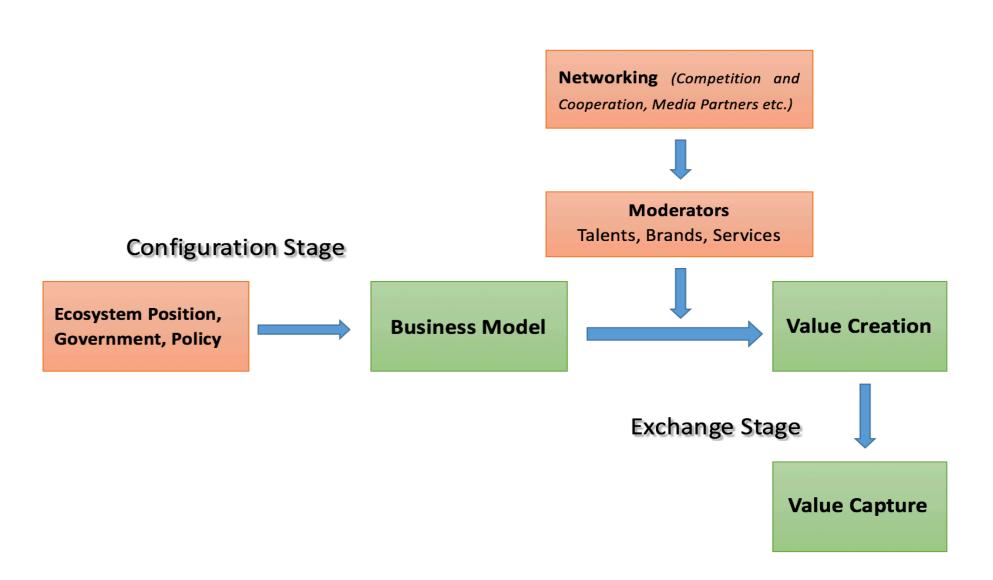
Business Model Innovation is increasingly emphasized both in academic and practice worlds. It refers to how organizations innovate their business models based on available resources and enhance business models' capabilities in value creation and value capture. Compared to technology-driven business model design, the innovation on business model itself is more frequently applied in service industry such as examples from growing sharing. Football also belongs to service industry hence the experiences in other service businesses provide hints that football organizations should innovate their business model based on new designing or modifications to create better value to customers. From existing business model researches, one of the main factor that organizations should consider when innovating their business model is **Ecosystem**. However, although the importance of ecosystem has been highlighted in business model study, there is lack of study that focuses on how ecosystem and business model interact with each other. Thus, this study tends to examine and understand the interdependencies between ecosystem and business model.

#### **Research Questions**

- 1. To identify football ecosystem in China.
- 2. What are the interdependencies between business model and ecosystem?
- 3. What are the moderator variables that impact the relationship between business model and value creation?
- 4. How do football organizations and ecosystem achieve sustainability through value creation and value capture?

## Hypothetical Conceptual Framework

Based on systematic review on literatures of both business study and football study, a hypothetical conceptual framework has been constructed (graph below). It suggested that in football field, ecosystem has comprehensive interactions with football organizations' business model design and innovation. The ecosystem elements will impact on configuration, value creation and value capture of organization's business model.



For configuration stage, organization's ecosystem position, government and policy factors, will all determine how organizations design and modify their business models. For exchange stage, organization's networking competences with other ecosystem parties such as competitors, partners and complementors will influence key value creation moderators in football such as talent management and brand building. Then value creation outcomes influence the value exchange process and determine organization's value capturing.

## Future Study

This conceptual framework will be further implemented to identify key ecosystem elements that exist in Chinese football market. Then the research will be designed to test these elements and investigate how well do Chinese football organizations involve these elements in their business model design and innovation. The analysis of the research data tend to generate implications on building sustainable business models in Chinese football.





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