

Chinese Super League Champions Disband Before New Season

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Abstract: On November 12, 2020, Jiangsu Suning Tesco defeated Guangzhou Evergrande Taobao 2-1, and won the final victory with a total score of 2-1 in the two rounds, winning the Chinese Super League Championship for the first time in the history of the team. In the following four months, on February 1, 2021, Jiangsu Suning Football Club announced that the neutral name reported by the club was adjusted following the requirements of the Chinese Football Association "Notice on the Implementation of the Non-Corporate Change of Club Names in Professional Leagues at All Levels" The plan has been approved by the Jiangsu Provincial Football Association and the Chinese Football Association, and the registration and approval of the name change of the local market supervision bureau has been completed. On March 29, 2021, the Chinese Football Association announced the admission list for the 2021 season. According to the announced list, the defending champion Jiangsu Football Club (formerly Jiangsu Suning) was unable to qualify for the Super League, so it temporarily bid farewell to the professional league stage.

1. Introduction

As a person living in Nanjing, I watched the football club I grew up and passed away inexplicably four months after winning the championship. I feel sad, but at the same time, I have more thoughts about why this step was taken. to here? So far, some media have given the cause of bankruptcy to the new crown epidemic. I don't agree so much. Since they are all football clubs in the Chinese Super League, why did only Jiangsu Suning is the champion and went bankrupt four months after winning the championship? There must be other reasons.

Rome was not built in a day. We will check different data from different angles to analyze what caused the bankruptcy of Jiangsu Suning Club and discover the common problems of the Chinese Super League.

2. Analyze

Let's first consider the problem simply as the two sections of income and expenditure.

First of all, let's list the expenditures. Regarding team expenditures, the first big head is the salary of the players, and the top salaries of the Chinese Super League players are all foreign aids. Then

we will do the annual salary of the five foreign aids of Jiangsu Suning Football Club in 19-20. Up a statistic. All before tax:

We can see that the wage level gap between the five foreign players is still large, but even the lowest Sadini, his wage level is the top level of other domestic players. Especially Teixeira, whose contract has been implemented since 2016, was ranked among the top ten in the world at the time and was one of the world's highest-paid football players. We can see that if we compare the wages of players from all over the world, the wages of Chinese Super League players, especially foreign aid, are already beyond what they should have. Then comparing the Chinese Super League horizontally, is Suning's wages the top group??

To our surprise, Jiangsu Suning is not the team with the highest salary expenditure in the Super League, not even in the top five columns. Firstly, Shanghai SIPG's per capita annual salary (US\$2.29 million, equivalent to approximately 16.16 million RMB); Secondly, Guangzhou Evergrande Taobao per capita annual salary (2.278 million US dollars, equivalent to about 16.08 million yuan)

We can see that in the Super League, non-deserved foreign aid salary phenomenon does not only occur in one family, but this is not the main reason for Suning's bankruptcy. This shows that the club has spent 150 million euros in net transfer expenditures in the past five years. For Jiangsu Suning, this is a huge expense. Due to data restrictions, we are unable to know the specific income of Jiangsu Suning.

The Olympic Sports Center Gymnasium can accommodate 63,000 people. Weighted from the different number of seats given on the official website on 19, 18, and 17, the average attendance rate is 63%, and it is estimated that about 40,000 people are watching each game in the gym. Since there are a total of 16 teams, the number of home games in the league each season is 15 times. It is estimated that about 600,000 people watch Jiangsu Suning matches each year, and the average number of matches in the past five years is 3 million. In 2020, there are three prices for tickets, 588 yuan, 888 yuan, and 988 yuan. The ticket price has not changed for 15 years, so we will weigh the three by the number of seats, $588*70%+888*25%+988*5%=683$ yuan, it is estimated that each ticket has an income of about 680 yuan. Regardless of the salary of the staff, 3 million people can get an average income of 680 yuan per ticket. Ideal five-year team income = five-year net transfer expenditure of the team + five-year salary of a foreign aid. Taking into account the maintenance costs of the stadium, other foreign aid and domestic player salaries, and staff wages, the team will inevitably lose money, Jiangsu Suning Tesco must also make the necessary investment. Not to mention that in 2020 the team will have no ticket revenue due to the epidemic.

Then, Let's start with the level of investment clubs of large domestic companies. In March 2010, Xu Jiayin's Evergrande Real Estate Group officially entered Guangzhou Football, setting off the prelude to the real estate tycoon's entry into Chinese football. Five years later, Guangzhou Evergrande won the Chinese Super League championship five times in a row. In 2013 and 2015, it won the AFC Champions League twice.

In 2011, Wang Jianlin, chairman of Wanda Group, sponsored the Chinese Super League for three years with 500 million yuan. Earlier this year, it bought a 20% stake in Atletico Madrid in La Liga for 45 million euros.

Beginning in 2013, e-commerce giants began to invade the territory of "real estate football", and the former real estate giants were also making strategic transformations, such as the birth of Evergrande Bingquan, Evergrande Grain and Oil, and Evergrande Finance, and Wanda turned to sports, Culture, entertainment, and other industries.

In March 2013, JD.com signed a five-year sponsorship contract with the Chinese Super League, and JD Mall became the exclusive partner of the Chinese Super League retail companies and shopping websites.

It can be seen that Suning was ambitious when he first took over the club, and he was also fully prepared to invest in the club. What caused the investment to make ends meet? This needs to involve another club, Inter Milan in Serie A.

In terms of financial data, Suning was still at an overall loss in 2015. Suning has been in a decline in net profit since 2012. Suning Yunshang's 2014 financial report showed that its 2014 operating income was 108.9 billion yuan, a slight increase of 3.45% over the same period in 2013, of which net profit attributable to shareholders of listed companies was 866 million yuan. An increase of 133.19% over the same period last year. However, it is worth noting that Suning's operating profit in 2014 was a loss of 1.459 billion yuan.

Suning Yunshang announced on November 2 that it intends to transfer 68.08% of its shares in PPTV to Suning Culture for 2.588 billion yuan, which is an enterprise controlled by Zhang Jindong, the actual controller of the company. The transaction is expected to be completed in the fourth quarter. The transaction is expected to increase Suning Yunshang's net profit by approximately 1.04 billion yuan. However, PP Sports purchased the copyrights of many top sports events due to sky-high prices and has never been able to achieve profitability. Data shows that in 2019, PP Sports' membership and advertising revenue was only 840 million yuan, but PP Sports spends at least 3 billion yuan on purchasing copyright a year. Last year, PP Sports was unilaterally suspended due to its inability to pay the copyright fees of the Premier League.

First of all, from the perspective of Suning's corporate development strategy. Our country will fully enter a new historical stage of a well-off society. The important signs of the development of a well-off society are industrial upgrades and consumption upgrades. Among them, culture, sports, tourism, pension, and other big health industries will be important driving forces for China's economic growth in the future. It is also an inevitable choice for Suning's industry layout and business planning.

Secondly, from the perspective of the integration of Suning's diversified industries. At present, Suning has formed five major industrial sectors that are diversified and closely linked, including commerce, real estate, financial holding, cultural and creative, and investment. Among them, the cultural and creative sector will provide new category resources for Suning's omnichannel operations by focusing on content products such as sports, film and television, theaters, health, and education. Especially in the layout of the sports sector, we will focus on building an Internet sports ecosystem with football as the core and covering "competitive events, media promotion, fan culture, and e-commerce platforms".

Finally, from the perspective of Suning's future brand positioning. Suning has completed the transformation from a traditional chain to Internet retail, and Suning's corporate brand has formed a trend of diversified development of de-electricity. To adapt to the general environment of quality consumption and individual consumption in my country in the future, Suning's brand connotation and communication channels are also constantly innovating, which requires younger, fashionable, and Internet-based, and the fit of the Suning brand with football and sports marketing, And therefore become higher and higher.

3. Conclusion

The first is to adhere to the principle of combining government guidance and enterprise leadership to jointly develop and strengthen the football cause. In terms of football infrastructure investment, youth training network construction, and football cultural atmosphere creation, we will adhere to the principle that the main body is not absent and the responsibility is in place. We will actively communicate with the National Development and Reform Commission, publicity, sports, ed-

ucation, and other departments, and actively respond to the local government's commitment to football. The development plan of the company, and do a good job of investment and operation.

The second is to focus on strengthening the club's competitive strength. After taking over the club, Suning will continue to increase investment. Based on maintaining all the existing management teams, it will further introduce advanced talents and management experience at home and abroad to establish a modern club management and operation system. Continuously strengthen the software and hardware construction of the four major systems including competition training, technical analysis, sports rehabilitation, and youth training, and further seek to establish cooperative relations with foreign outstanding clubs. To create a modern professional football club, while maintaining the absolute competitiveness of the team in the Super League and Asian arenas, it also contributes more high-level football talents to the country.

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