

Fan Participation and the Mechanism of Commercial Revenue in Professional Football Clubs: A Case Study of Beijing Guoan Football Club

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Abstract:

Professional football clubs in China's commercially driven league use fan engagement as their source of revenue, since broadcasting rights are still limited. This paper investigates how Beijing Guoan FC transforms fan participation into commercial gains in a systematic "Engagement-to-Earnings" process. Based on the three-level model of fan engagement (pleasurable, symbolic, and central) and the peculiar Chinese digital ecosystem, the research finds that symbolic identity and digital participation are the main drivers. Symbolic attachment to the club as a civic symbol reinforces brand attachment and makes co-marketing and merchandise sales more profitable. Digital engagement using WeChat, Weibo, and livestreaming allows the expansion of the revenue funnel outside the stadium, through direct e-commerce and membership drives. Beijing's infrastructure and market scale lead to compounding of these benefits. This case study provides an obvious mechanism for how clubs in markets where there is little broadcast income can use identity and digital platforms to translate cultural influence into sustainable commercial value.

Keywords: Beijing Guoan, commercial revenue, sponsorship and merchandise, and digital platforms, Chinese Super League.

1. Introduction

More and more football clubs around the world rely on commercial income. Revenue sources used to be mainly broadcasting rights. They are being supplemented or replaced by sponsors, merchandise, and

matches. In emerging markets, for instance, in China, where the digital landscape is sophisticated but the broadcast revenue is limited, fan engagement is the primary channel linking cultural influence to commercial return. This paper uses Beijing Guoan FC to examine how fan engagement (going physical, dig-

ital, and symbolic) can lead to dollars. It outlines a structured “Engagement-to-Earnings” mechanism.

Commercial revenue is increasingly important for professional football clubs’ financial sustainability and performance. Revenue from sponsorship, merchandise sales, match-day fan turnout, and digital fan engagement is more important than broadcasting rights and prize money. Fan engagement, or fan participation, refers to the range of fan reach and the depth of engagement with fans in offline and online spaces. Also, it is important for revenue generation. This paper will study how fan engagement links to commercial income at a club. In this case review, this paper shall take Beijing Guoan football club, one of China’s most iconic football clubs.

2. Literature Review

The fan economy is a cultural and commercial phenomenon in which emotion invested in a team or an individual is converted into economic value. In China, this process differs from the Western model because of its unique digital economy and economic structure. Unlike the European leagues, where broadcasting rights are the biggest source of revenue, the clubs in the Chinese Super League (CSL) have a high dependency on commercial revenues, especially sponsorships and merchandise sales [1]. This is due to the structural difference that makes direct fan engagement the driving factor of financial sustainability as partners evaluate clubs by social following, match attendance, and brand loyalty.

China’s advanced digital environment is an important component of this model. Clubs take advantage of platforms such as WeChat, Weibo, Douyin, and Xiaohongshu not only for communication but also for direct monetisation through e-commerce, livestreaming, and flash sales [2]. This leads to a “digital-first” fan economy where clubs can have a wider reach for increasing their revenue funnel outside the stadium through membership drives and immediate buys based on platform interaction. As a result, the relationship between fan engagement and revenue is very much led by these digital processes.

The basis of this commercial success is deep fan participation, and this can be explained by a three-level model: pleasurable, symbolic, and central [3].

Passive consumption as a form of pleasant involvement includes watching a game to have fun. This can boost the viewership, but it does not lead to loyalty. The internalisation of the club as part of self-identity and civic membership among fans is known as symbolic participation. Such interaction is necessary to transform fans into consumers, as they tend to spend more on high-value goods and co-branded merchandise. The central participation is a case of fans who are co-creators of club culture, including supporter associations. These fans bring about peer pres-

sure effects within their communities, and the club gets more reach and more influence.

Civic identity is a significant aspect of this symbolic attachment in the case of Beijing Guoan. Being a fan of the club is highly associated with being a Beijinger, and the team is viewed as a mirror of their city by the fans [4]. This sense of place is robust and forms a high sense of loyalty that transcends performance. This bond is further enhanced by the success of the club, as well as a long history of communication with its fans [4]. The individual civic identities of the fans themselves are also a major contributor to the formation of this loyalty, and make the club a vehicle of communal identity and unity.

This is a one-sided relationship. The fans are involved in the club as an identifying element of the region. Their impact on the functioning of the club, including their successful movement to keep the name “Shenhua” for the club in Shanghai, reflects a kind of participatory democracy [4]. Their performances at matches with well-choreographed Tifos and chants create an impressive spectacle that defines the city’s image [4]. Even extreme forms of fandom, such as passionate and offensive chanting, are used to advertise the club as a local symbol, making it part of the cultural fabric of the city [4].

To put this in perspective, there is a good comparison here with European business models. Huang sees three key models: the Brand Business Model (e.g., Manchester United), based on global branding and diversified income; the Player Brand Model (e.g., Real Madrid), using star power; and the Sales Business Model (e.g., Ajax), benefiting from youth player development [1]. Beijing Guoan’s dependence on strong local identity and symbolic attachment is the closest to the Brand and Player Brand models in terms of using its civic connection to attract sponsors and develop brand equity. This literature provides the theoretical framework for understanding how Beijing Guoan turns fan passion into commercial return through its unique combination of civic identity, digital engagement, and community action.

3. Fan Participation and Revenue Streams

3.1 Dimensions of Fan Participation

It can be emotional, behavioral or symbolic. Fan engagement is a complicated concept. As shown in Figure 1, Liu and Huang classify fan engagement into three major levels, one of which is pleasure-based participation, characterized by passive consumption, such as a fan watching a game for entertainment or attending a game occasionally [3]. Symbolic participation occurs when a fan internalizes the club as an identity and as part of their social belong-

ing; for example, a fan associates themselves with the club or sport as part of their self or social identity. Central participation refers to the actual involvement of fans as creators of the club culture, such as when a fan creates a supporter group or becomes part of fan media.

These differentiations are highly essential since they relate to other forms of economic values. Although pleasure participants might boost viewership or sell tickets on an ad hoc basis, symbolic and central participants produce long-term consumption, durability of loyalty, and peer pressure effects within their communities [3]. This renders them much more valuable in regard to lifetime income.

The more highly emotional and symbolic users are, the more likely they are to become season ticket holders, attend a number of games annually, and buy high-value merchandise [5]. These fans are at the core of a club's brand equity, and although this may sound subjective,

sponsors and advertisers will assess the commercial value of a partnership through the eyes of these fans. On the contrary, the casual fans pay less attention to the affective correlation with the club and are more prone to changes in its performance or to other forms of entertainment [6].

The same segmentation is also supported by behavioral theories of loyalty, as presented in the marketing literature. Zhao et al. state that loyal consumers are those who purchase not just once, but also promote a brand seemingly informally, acting as brand ambassadors, and causing word-of-mouth and legitimation of consumption within their social groups, in reference to a club [7]. This increases the revenue prospect both in direct and indirect channels. Thus, it is not only culturally revolutionary but also financially practical to invest in the strategies that advance the level of the symbolic and central fan engagement.

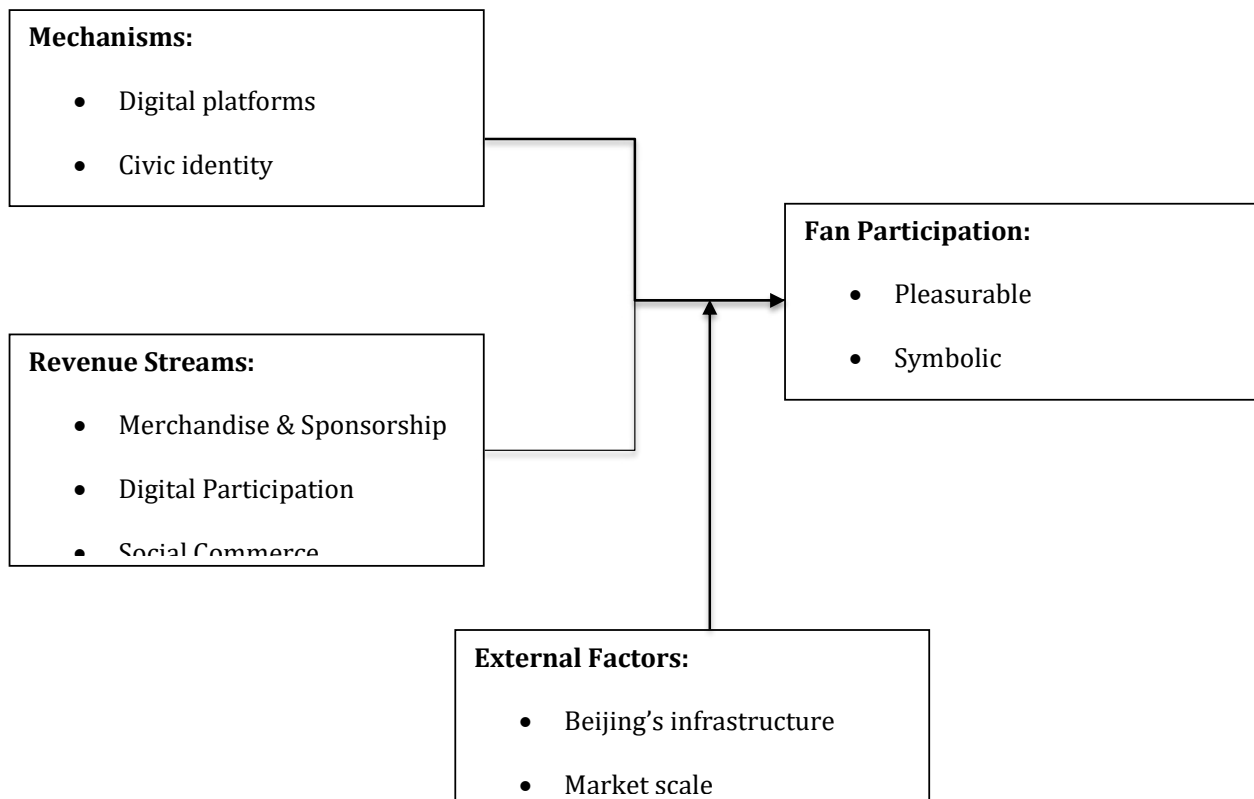


Figure 1: Theoretical Framework

3.2 The Revenue Channels of Football Clubs

Football clubs are a highly competitive business and must have multiple income streams. According to Quansah et al., there are four main categories: match-day revenue, which includes ticket sales, in-stadium corporate purchases, and hospitality services [8]. Commercial revenue encompasses sponsorship, advertising, and merchandise

sales. Another income stream is broadcasting revenue, such as television and digital media rights, and lastly, prize money, which typically revolves around performance and is usually distributed by the leagues or tournament organizations.

Total broadcasting income surpasses other revenues in the largest European leagues, such as the English Premier League or the Bundesliga, representing more than 40%

of total club revenue [9]. However, in China, the financial system differs in the Chinese Super League (CSL). The main sources of income are commercial revenue, particularly from sponsorship and merchandise, as well as broadcast rights, while ticket retailing holds a minor position. Such a distinctive position sometimes in revenue formation is predetermined by the comparative immaturity of the Chinese sports broadcast markets and a historical dependence on corporate sponsors.

Most importantly, the fan involvement is a direct factor influencing commercial earnings. The potential partners are assessed based on their engagement with fans, measured by social media following, match attendance rates, and brand loyalty. The level of merchandise sales also increases in concert with the symbolic participation, as fans with emotional connections to the club are more likely to purchase jerseys, scarves, or co-branded products. Moreover, event-based revenue, such as fan festivals, loyalty programs, or virtual experiences, also depends on the active participation of the fan base that is willing to engage. The approach to fan engagement, both through symbolic and central levels, is, therefore, a significant revenue catalyst tool because it increases the magnitude and sustainability of a club's business. In duplicating itself, the fan base is essential in clubs in China, where the core of the strategies involves digital engagement and sponsorship revenues.

4. Fan Economy in China and Beijing Guoan's Position

4.1 The Structure of the Chinese Football Economy

Football only began to be seriously commercially exploited in China in the 1990s. The sport has seen a lot of money spent in the last decades. Football in China represents a specific football culture with its own particularities. Notably, an important feature of Chinese football is consumer engagement and the fan economy based on it, along with digital ecosystems built within this context. The Chinese Super League has potential as of now. International options are mainly available in the league. More so, the super leagues are now with corporate sponsorships from Alibaba, Tencent, etc [10].

Clubs can have a more direct line of communication with fans through designated platforms like WeChat, Weibo, Douyin, and Xiaohongshu, which are available in China. The platforms allow clubs to showcase match highlights, behind-the-scenes shows, fan contests, and even merchandising using built-in e-commerce. Unlike fans in Western markets, many of whom are still experiencing disconnection between match-day and digital experiences, Chinese

fans are quite mobile and interactive. This gives clubs plenty of ways to make money from their engagement, not just from physical attendance but also from social commerce, online events, and selling by livestreaming. As a result, the link between fan engagement in China and revenue is highly driven by digital processes.

4.2 Beijing Guoan: Historical, Cultural, and Economic Context

Beijing Guoan Football Club was established in 1992 and has had a history of success in Chinese football. The club hosts their home matches at the Workers Stadium, which has lately undergone a complete overhaul to augment the fan experience by adding modern facilities to increase the number of seats. Guoan is always ranked among the top clubs in the Chinese Super League in terms of average attendance, with an average attendance of over 40,000 fans to watch their games. This very local following is at the core of the club's identity and commercial success.

A match of a local derby strengthens a club's character. The famed rivalry with Shanghai Shenhua is called the JingHu Derby, which helps transcend football and has a cultural influence. Fans support some teams as they are from their home region and have rivalries. Hence, it is essential to step up symbolic participation. Club fans are organized around the Guoan section of the stadium. Fans are very vocal and participate in club-sponsored marketing campaigns, replicating stadium conditions. The sponsors' interests and the match-day revenue are relevant to them. The club's business set-up already has several sponsorship deals, including long-term deals with CITIC Group, the Sinobo Group, and, more recently, JD.com. These sponsors see the club as a way of getting at its large, demanding, and lucrative consumer base in one of China's richest cities, not just a chance to be seen via a football match.

5. Mechanisms Linking Fan Participation to Commercial Revenue

5.1 Match-Day Attendance and Local Community Engagement

The games do not profit from ticket sales alone. Fans' loyalty to the club is being displayed, and the club has made itself more appealing to sponsors. When the stadium is full, it gives fans a good experience. Also, sponsors get great visual value via signage, the live broadcast, and promo integration. An example of such a club is Beijing Guoan, which sells out at the Workers Stadium, showing the community level of support. Guoan wants to enhance the fan experience and involvement by organizing events before games through festivals, fan zones, and player-want meet-up experiences. These activities generate revenue

on match day and create a better emotional relationship with the brand. Fans at games help their club to strengthen effective ties, with the longevity of fan spending seen through repeated purchase occurrences [3]. These fans are likely to buy merchandise and become ambassadors for the brands with their peer group, expanding the club's reach.

5.2 Digital Engagement and Monetization Strategies

One of the most potent forces in the Chinese fan economy is the new sort of digitized fan engagement. Guoan often uses Weibo and WeChat to send interactive messages, updates, interview clips, and behind-the-scenes videos. The club utilizes livestreams and push notifications on mobile devices to notify fans about flash sales, ticket drops, or exclusive content. Shen et al. note that livestream platforms in China have created reward systems (e.g., sending digital gifts or donations) to continuously encourage content creators and organizations, such as sports teams, to attract fans [11].

Guoan has also tried livestreaming its training sessions and special fan interviews to maintain a digital presence and generate revenue even when the season is off, like in the case of COVID-related disruptions. Additionally, e-commerce sites such as JD.com offer branded online stores, where fans can purchase licensed products. Guoan has made significant merchandise sales during major promotional events like Singles' Day. The likes, shares, and comments on a club's social media accounts also form an important metric for a sponsor to determine the return on investment.

5.3 Sponsorship, Loyalty, and Symbolic Participation

Beijing Guoan is no exception, where sponsorship is the biggest revenue source for CSL clubs, including Guangzhou FC. The extent of sponsorship's success is determined by the strength and loyalty of the fans to a club. This increases the likelihood that fans will interact with sponsors and buy co-branded products. Guoan's sponsor, JD.com, learnt that it is not just about gaining visibility, but bringing more to the fan experience.

Guoan fans usually get special offers, co-brand promotions, or specific merchandise drops. These activities create a win-win situation for the club and the sponsor, who operate in a common ecosystem, and the fans, who are the source of spending power for both. Sponsors gain substantial benefits due to the vast online fan base and presence at matches. Ihalainen found that sponsors with an emblematic fan connection in sports have stronger trust and efficiency and are more efficient and sustainable [12].

6. External Factors Enhancing or Limiting the Revenue Linkage

6.1 Political Capital and Infrastructure Support

Unlike in Western markets, where football is predominantly a commercial and/or cultural object, football clubs in China function within a politically regulated environment. Roß et al. state that a company can gain political goodwill or prestige in the high-profile markets, for instance, in Beijing, through football investment [13]. These dynamics have helped Guoan, and the recent renovation of the Workers' Stadium shows a good working relationship between the state and business sectors. Better infrastructure improves the match-day experience and adds more modern facilities. As a result, tickets and VIP sponsorship zones are now easier to sell digitally. These developments enable the club to profit from fan engagement in the stadium and media.

6.2 Competitive Landscape and Brand Differentiation

There is also intense competition among clubs that form part of the CSL, with many spending on foreign players and international marketing. Guoan has competitive advantages and appeals because of its great fan base, visibility in the capital city, and cultural value. Clubs in less dynamic or culturally influential areas struggle to maintain participation. Guoan uses Beijing's world metropolis levels to allure sponsors who, along with the followers, think that Guoan's support affirms their civic identity. Guoan's differentiation allows it to sell merchandise at a high price, get high-quality sponsors, and develop better fan loyalty that returns commercial revenue.

7. Conclusion

This study shows that Beijing Guoan FC is able to turn fan engagement into commercial revenue thanks to a clear "Engagement-to-Earnings" pathway. Symbolic participation--based on civic identity and allegiance to the club as a symbol of Beijing--is a factor in merchandise sales and an added value for co-branding with sponsors. Central and digital participation, enabled by digital platforms such as WeChat, Weibo, and livestreaming, generate revenue beyond match days through social commerce, flash sales, and membership programs. The club's atmosphere of a full house also contributes to sponsor return on investment and spending in-stadium, while the infrastructure and market scale of Beijing magnifies these. These findings are in line with Jiang and Bairner's argument that Chinese football clubs become civic symbols through fan loyalty, and also with Liu's three-level model of fan engagement

in showing how identity and digital interaction translate into economic value in China's fan economy.

However, this study has significant limitations. It is based on one case study of Beijing Guoan and uses publicly available data and secondary sources instead of primary fan or financial data. It does not establish the causal connection between the degree of involvement and the result of revenue, and does not compare the model of Guoan with the other clubs of the Chinese Super League. Also, more general political or regulatory changes, including the CFA 2015 reform plan or the recent salary caps, are not considered in the analysis and can impact the club activities and fan behaviour significantly.

Future research ought to address such gaps by engaging various clubs in comparative research with various cities across China to determine the generalizability of the model of engagement to earnings. More causal evidence could be achieved through experimental or data-driven methods (e.g., monitoring the livestream sales conversions, examining social media metrics and renewals of sponsorships, and a survey of fan spending behaviour). Moreover, the researchers would also want to examine the mechanism of this model in other digital ecosystems or in leagues with well-established broadcasting revenues, to determine how the fan economies would be adjusted in other economic and cultural settings.

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