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中国国际体育用品博览会
CHINA INTERNATIONAL SPORTING GOODS SHOW

2016

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2016 China Sport Show Registration Area
Breaks through 120,000 Square Meters

Beijing Named Host City of Olympic Winter Games 2022

Whether the Future Is Flat or Bumpy



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2016 China Sport Show Registration Area Breaks through 120,000 Square Meters



As of October 8, 2016 China Sport Show starts has registered for 50 days. 772 companies have confirmed online, total registration area reach 62000 square meters (equivalent to 124000 square meter pavilion area), reached 94% of Fuzhou exhibition area.

In fitness equipment exhibition area, there are Orient, Qiaoshan, WNQ, Impulse, Haojiating, Shuhua, BH, Life, Technology, total 300 enterprises registration, and the registration area is 33000 square meters. Currently is organizing for over 400 square meters companies, and should be done by the end of 2015. Standard booths will be arranged at the end of 2015 and early 2016. We will call everyone once it is done.

Rehabilitation facilities and outdoor path area has brands like

iRest, Rongyao, Conrida, HaoKang, and Wande, totally 71 companies registered. Registration area is 6761 square meters, 84% of the available area.

Facilities and construction exhibition area has brands like Taishan jingling, Gongchuang, Tongxin, Meikai, Yingli, SGLH, Diaodikang, Losbergertent, Lvyin, Tiansu, and Yiaote, totally 170 companies registered. Registration area reaches 11000 square meters, 100% of the available area. Booth is arranging. There have been five enterprises signed 200-300 square meters, booth that are more than 100 square meters will be completed this week. Standard booths expect to begin in January next year.

Outdoor skating and bicycle exhibition has brands like Aobald, Jinfeng, Senhai, Swans, Baolong,

totally 70 enterprises registered. Registration area is 2700 square meters, 50% of the available area. Sports leisure clothing and ball games exhibition has Chinese Olympic Committee, Huili, DHS,Wilson, Pisces, Stiga, and Shanghai Ball Union, totally 97 companies. Registration area is 5908 square meters, 70% of the available area.

Racquet zone has brands like Adidas, Li-Ning, FZ FORZA, Taan, Kawasaki, AQ, Tabata, Dmantics, Boka and Alpha, 60 companies registered. Registration area is 2500 square meters, 56% of the available area.

(Source: The Organizing Committee of the China Sport Show, October 8, 2015)

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Beijing Named Host City of Olympic Winter Games 2022



Beijing named host city of 24th Olympic Winter Games on 31st of July 2015 has made the history of holding both Summer and Winter Olympic Games.

Chinese President Xi Jinping Records Video to Support Beijing

The screen played a video took by Xi Jinping, the president of China during the Chinese delegation's presentation.

The whole speech by Xi Jinping is as follows, " IOC president Bach, ladies and gentlemen, on behalf of the Chinese government and people, I show the strongest supports for Beijing to bid for the 2022 Winter Olympic Games. Winter Olympic Games held in China will be beneficial

to promote communicating with all countries in the world and impel 1.3 billion Chinese to care, love, and participate in ice-snow sports. It is a chance to let Chinese people have the opportunity to contribute to the Olympic sports development and spread Olympic spirits. The Chinese government highly appreciates Olympic sports value and International Olympic Committee's reform. We will fully fulfill every promises and practice Olympic 2020 agenda in all aspects. Chinese people are looking forward for this opportunity, and I believe that if you choose Beijing, the Chinese people will offer a wonderful, special, and excellent Winter Olympic Games!"

The Vice Premier Leads the Beijing 2022 Bid team

The bid team is powerful. Liu Yandong, Vice premier of the State Council, personally leads the team to make presentation. Presenters include the following parties. Chairman of Chinese Olympic Committee, and Liu Pen, General Director of the General Administration of Sport of China. Chairman of Beijing Olympic Winter Games Bid Committee, Wang Anshun, Mayor of Beijing city. Vice Chairman of International Olympic Committee, Yu Zaiqing, Vice Chairman of Chinese Olympic Committee, and Zhang Haidi, Chairman of National Paralympic Committee of China. Li Lingwei, badminton world champion, Yang



Yang, the Winter Olympic Games champion of short-track speeding skating, Yang Lan, in charge of legal department of Beijing Olympic Winter Games Bid Committee, Yao Ming, image ambassador of 2022 Beijing, Li Nina, 2022 Beijing image ambassador and world champion of Freestyle Skiing Aerials. Zhang Li, in charge of Engineer department of Beijing Olympic Winter Games Bid Committee.

Liu Yandong, the Vice premier of the State Council made solemn commitment , " I hereby represent the Chinese government and Chinese people that we will fully support Beijing to bid the host city for 2022 Winter Olympic Games and Winter Paralympic Olympic."

Beijing Olympic Winter Games Bid Committee Chairman, Wang Anshun, Mayor of Beijing city invite people to experience a specific Chinese featured, happy, secured, and reliable Winter Olympic Games in Beijing.

Liu Peng, General Director of

General Administration of Sport of China states that Beijing FIS has approved Beijing, and every single Federation all approved our planning. He believes that with the support of FIS and foreign experts the capability can guarantee the success 2022 Winter Olympic Games and Winter Paralympic Olympic.

Yu Zaiqing, Vice-Chairman of International Olympic Committee thinks thousands mile journey starts from now, he appeals International Olympic Committee members to vote for Beijing which can impacts many generations.

Hosting the Olympic Games Thriftily: 65% of the Venue Construction Budget Comes From Social Investment

Yu Weiping, member of Winter Olympic Games Bid Committee and Deputy Director of Ministry of Finance said that the Chinese government strongly supports Beijing to bid for the Winter Olympic Games financially. International Olympic Committee

give some comments on the financial budget, which are scientific, reasonable, practical, and reliable in the report Beijing Olympic Winter Games Bid Committee submitted to International Olympic Committee. Among the budget, 1.56 billion US dollars for event establishment and 1.51 billion US dollars for competition and non-competition venue construction.

Zhou Xing, Deputy Manager of Finance and Marketing department of the Bid Committee said that within the 1.51 billion US dollars, 65% comes from social investment, for example, the three Olympic villages. After the Game, the Olympic villages in Beijing and Zhangjiakou are to be sold and the one in Yanqing will become Resort hotel.

(Source: Tencent Sport)

Sporting Goods Industry Recovers Steadily and Development Space Is Huge



2015 is the year of transition for domestic sporting goods industry. Recently, Anta, Xtep, 361°, and Peak issued their performance report. Transformation of professional sports has quietly started proven by data.

The benefit of domestic sporting goods industry expected to reach 241.8 billion Yuan in 2014, 15.89% more than a year earlier. Maintain industry scale continues to expand in eight consecutive years and achieve double-digit growth for the first time since 2011. Total import and export of sporting goods industry reaches \$20 billion in 2014 for the first time, which is \$20.085 billion, the trade surplus is \$17.859 billion.

After two or three year downward, domestic sporting goods industry finally in the steady recovery after policies issued, all kinds of events, national health consciousness and Internet +.

On August 14, domestic outdoor brand Tread issued half-year report shows that its revenue is 676 million Yuan, 8.61% more than last year. Net profit is 124 million Yuan, 1.17% increase. Gross profit margin increase 1.85% than last year. Earnings growth is in fine speed, outdoor multi-brand business continued to maintain steady growth.

August 13, Li-Ning issued its first-half revenue is 3.641 billion Yuan, rose 16% than last year. Although the overall losses is 29.41 million

Yuan, 90% less compared with last year's 586 million Yuan loss. At the same time, because of promotion of management efficiency and effective cost control, Li-Ning's EBITDA is 260 million Yuan. Previously, Li-Ning has three consecutive years of losses; total loss is 3.1 billion Yuan.

Released on the same day, the first half performance of Peak sport is increasing its sales since 2014 end after reverse the downward trend in the past two years. Peak and several main sporting goods companies 'orders growth very well, inventory problem is basically solved.

In the first half year, revenue is 1.38 billion Yuan, 6.9% more than last year. Net profit of 176 million



Yuan, more than 45.5% of last year. Gross margin fell down by 0.5% to 37.9%, net profit is 12.7%, that is 3.3% increase.

Similarly, Anta, 361°, and other domestic famous sports brands all improves during spring orders. Among them, 361° revenue is 2.208 billion Yuan, up 5.7% from a year earlier. Net profit is 270 million Yuan grows 22.3%. Spring orders rose 15% from a year earlier. Anta sports net profit and operating income rose 20.2% and 22.3% to 965 million Yuan and 5.11 billion Yuan respectively in the first half year.

Xtep's latest data released shows order amount rose 10% year-on-year in the first quarter of 2016. The improvement continues 10 straight quarters, and growth momentum is stronger compared with single-digit growth in 2015.

Analysis points out that in China the development of mass sports and sports industry is in rapid development. Domestic sports brands experience decline in 2012 and 2013, and after bottoming rebounded in 2014, it is in recovery since 2015. De-stocking trend will warm up the industry.

Supportive sports industry policies also provide imagination space for the development of sports industry. Six departments co-issued "Opinions on speed up the development of campus football" on August 13. It supports the construction of 20000 teenager's football characteristic schools, and will to reach 50000 by 2025. Buildup 200 colleges and universities high-level football teams. At the same time, more local sports industry planning issued as well.

Data shows that at present, sports industry values 356.3 billion Yuan, accounting for just 0.6% of total GDP, and the proportion in developed countries is above 2%, which means there are enormous space for future development of sports industry.

The huge market attracts various capitals. According to the report of China Bao Gao, by April 2015 totally 56 startup companies announced financing results, the amount increased substantially. In addition, there are more than 30 listed companies involved in sports industry, such as CUTC, K-Bird, Su Ning, CITS, Zhejiang newspaper media, and Letv, etc.

(Source: www.chinabgao.com)

Transfer Beneficial Policies into Development Power of Sports Industry



Transfer beneficial policies into development power for the industry needs customizing measures in order to keep the reality on the right track.

Chinese Football Association Super League sold its broadcasting copyright of 8 billion Yuan makes itself under the spotlight again.

Chinese Football Association Super League sold its copyright from cheap price to sky-high price, insiders and investors must be the most excited group of people. It is a good thing because the market recognizes that price even the brand itself is not satisfied by the mass.

Let us change another angle to think, it also have some concerns. The value should be match with the price paid for the broadcasting copyright, otherwise the public may be cheated on opportunity hype by them. Negative effect of improper investment would also cause other areas and projects to suffer from the

result.

People we all know that what behind the sky-high price is national support on sports industry. With the environment for development of football is getting better and better, it is not a surprise that the broadcasting copyright is entering into the market, the price itself is the surprise.

Domestic has accumulate some basic conditions for development of sports industry and pull up sports consumption. However, there are also some non-harmonious notes, for example, arbitragers, cheaters, and foolhardiness.

Transfer beneficial policies into development power for the industry needs to abandon the unrealistic fantasy and edging out bubbles are both important. It requires customizing measures in order to keep the reality on the right track.

In August and September of this year, the original low profile

Heilongjiang sports frequently attack the market, for example, signing strategic cooperation contracts with Letv sports, and found Yabuli Skiing Training International School with cooperation of New Zealand. Moreover, set up Heilongjiang province sports technology co., LTD with one British investment holding company. It is a solid initiative on ticket management, athletes, intelligent equipment research and development, big data integration system application, snow skiing talents cultivation, and provide high quality service, etc.

People are more bullish on those realistic choice before the industry really booms, so, adjust measures to local conditions is important. Although some barriers will disrupt the horizon, the sports industry will return to its track and follow its own path.

(Source: The People's Daily)

Whether the Future Is Flat or Bumpy

By cuikankan



Will the business for fitness be flat or bumpy in the future?

After investigate of fitness companies in Shanghai, I talked with Wen Jia who is responsible for inviting exhibitors and Sun Li who responsible for fitness zone. We all agreed that the business might enter into an era of vertical operational management and flat stage. Key word for the past year were brand dominance, consumption capability, and online brand. Sales channels are flattened by e-commerce and internet. It is indeed a tough year for traditional brands. Looking forward into next year the competition will be crueler without doubt.

We visit Shandong Province in March and made similar conclusion, which is surprising the same as this visit in Shanghai.

I. The Thought of Flat Management Is Infiltrated

Traditional enterprise management structure is almost completely gone "light". In the case of BH, there is no general manager of China area, instead, four-core business units' head: domestic, commercial, online brand ION and instruments directly report to President of Asia Pacific region. Thus, flat three level reporting system is formed

which is better for front line sales to deliver their voice to the President of Asia Pacific. In order to prevent unnecessary tight management, the President will only monitor rather than decision-making.

Currently 70% of BH online sales is dominated by domestic part. Daily online promotion is usually on Baidu, and for offline is to participate China Sport Show. Traditional cycle of distributor - store supervisor training - end consumer performed bad during the past two years. Responsible person for domestic part states that excessive offline stores could adversely affect benefits of dealers if the brand is not



top 500.

When visiting Qingpu WNQ, the boss Liu Yanxiong said that his company is flattening during the past few years as well. It only take few months to finish a round of business value change. In the past, it may be frustrated for business units to communicate with dealers about corporate core value and selling points of the products, but now Wechat solves many of this kind of problems. The communication with customers and dealers are more efficient and direct, we can share needs and opportunities anytime.

In the meantime, some fitness companies said flat management could improve managerial efficiency and turnover of execution, which needs them to overturn independency and no communication among sales and R&D departments. Information is less asymmetry.

"Blow 2599 Yuan there is no

room for profits."

"2199 Yuan is the bottom line. We cannot produce anymore below this price."

"Seriously, 599 including shipment is unbelievable."

"11.11 sold 50,000 within one day, over 100,000 sales in one month is unbelievable."

"Since information can be connected and shared, manufactures and buyers are well connected now, are law and tax are sounded in this regard?

What we heard during the visit is see as an ambiguous complain.

When some companies are confusing whether to hold the bottom line of 1599, 1299 or 899, a hot 599-Yuan treadmill shown in Zhejiang Province. What will be the next miracle? Will treadmill sell the same price as massage pillow?

This is another unknown question.

As not all those industries that based on asymmetric information

will last long, fitness equipment industry's average profit margin is flattened because of mobile interconnection.

However, as traditional enterprise are setting up network division, and change their operation system according to Internet thinking, online brands based on e-business platform have been seeking offline layout.

Whether TP is panacea, they cannot give any positive reply, and they all think fitness will return to O2O eventually.

II. Zhejiang Yongkang's Low Price Strategy

With the advent of big data, e-business is affected very much. Budget of consumers to buy equipment is diluted. Potential stakeholders ballooned by more than ten times when the original demand remains the same.



However, there is a positive side. Communication cost between customers and manufacturers decreased because the demand of online clients increases. No matter for high-end or low-end products, consumer's awareness for fitness equipment comprehensively budded. In the same time, consumers will change their consumption mindset continuously once their first fitness product is out of warranty.

E-commerce platform accounted less than 20% of domestic fitness equipment consumption in 2013, the proportion is up to 30% in 2013. Industrial insiders think online and offline will equally share the market. In 2014, online proportion is up to 60%. Many enterprises online part accounts for 70% for domestic part,

among which orders through mobile phone is 60%.

According to Jingdong's data, treadmill in Zhejiang Province Yongkang city accounts for 60% of online sales in 2013, 80% in 2014. It happens in Tmall and Taobao because of similar phone platform mechanism. According to Sports department's manager Wang Xuesong of Jingdong, it means consumption through mobile phone is normal and popular now.

From the Angle of only the results, domestic fitness equipment from Zhejiang Yongkang rise since 2014.

They have industry supporting advantages from middle to upstream. Upstream components can sell over one million pieces in

one day to bigger fitness companies. According to CEO of Body Strong located in Dening county of Shandong Province, in western Shandong, they only sell if the order in over 50000 pieces. Small parts such as screws, only cost two cents in Zhejiang but we need 20 cents instead. The cost cannot be diluted.

This is why some enterprises in the fitness industry bought treadmill made in Zhejiang Yongkang and research. They found that treadmill priced at 599 Yuan needs high courage and precise calculation ability. It is impossible in Shandong based only on cost calculation.

Headed by companies like Yijian and Chislim, Yongkang has become the biggest fitness equipment production and sales base, and



they represent the secret of success of Chinese fitness equipment manufacturing. Many cities and areas in China follow this similar model. Based on smooth upstream and downstream coordination to formulate industrial base and cluster. On one side, the cost reduced and on the other side, the maturity and manufacture of accessories advantages are both enhanced.

III. Industry 4.0

Affected by E-business, many companies prescript themselves on management, there are about three aspects after merger like terms:

1).Management mode adjustment. Transfer from event management to value management. Create value for customer build and establish the platform of resources and contacts

at the same time.

2).Entrepreneurs and employees grow and learn together, and training on national fitness.

3).Democratization on strategic decision-making and adjust the internal structure advancing with the times.

Vertical business system change the business environment and background. There is no doubt that we are now in industrial 4.0. The new period brings new power on both geopolitical and technical advances such as the popularity of personal computers and the Internet. Also, production process and innovation revolution. Competition is flattened in the era of global 4.0. Individuals and small companies can participate in global competition, and become the major player of the industry. Technology

and global economy in recent years occurred earth-shaking changes.

The most common question I experienced is that whether Yongkang will keep its high-end top position in the industry.

Li Zhongjie, CEO of Shandong Huixiang thinks that we should have internet thinking mindset, rather than just e-commerce, which is just a stage. Their profit is relative higher than e-commerce now. Problems exist of course, which is how to reflect their value. There are many value points between companies and consumers, and value exits in the society and companies. E-commerce is only a process.

Li Zhongjie argues that, for an enterprise, they should reconstruct their organization structure, culture, marketing, product, promotion in order to form online and offline



capabilities to build competitive brand. The concept of Internet and e-commerce is completely different, T-mall and Jingdong are typical e-commerce, but we should not simply equate them only because the negative influence from e-commerce is huge in the current stage.

Wang Jijun, CEO of Relax thinks industry 4.0 is not equal to automation, it is not just need equipment upgrade or simple artificial intelligence development, but also cross industry factory, whole process of end-to-end interconnection, horizontal and vertical integration of the whole manufacturing industry.

Said by Wang Jijun that in the

integration system, the connection among users, companies, and resources enable connection of inside and outside links, information and virtual, and three shifts, from internal evaluation to user evaluation, from purchasing parts purchasing to supplier participated design of module, from gaming of the parties to value share.

With the improvement of application, Internet companies are starting to return to the tradition. At the same time, under the wave of industrial 4.0 what will be the Internet thinking mode?

Yang Ke, boss of KUS told me that since 2015 they have begun to become service-oriented enterprise, and begin from 2011, they take the

four initiatives different from other fitness equipment enterprises.

First, focus on vertical and specific category of product, now the biggest proportion is treadmill. According to the different properties of users, the products categories into men and women, aged, and children running machine, etc.

Second, strip factory from the company, more and more pay attention to design, development, and marketing.

Third, online promotion, and actively seek O2O through offline profit. Now is a great opportunity for bargain hunting physical store. When someone is hungry, he will appreciate when you give a piece of bread. You talk to shopping mall



manager about position, you have no bargaining power six years ago, and the situation is completely reversed now.

Fourth, adhere to 3000-5000 Yuan. Do not engage in price war with Yongkang treadmill.

Determined to carry out this kind of marketing strategy is a forced choice, if there is no differentiation, I cannot compete with big companies. Signing celebrity and television advertising works for consumer business, which does not work in fitness equipment business. What is important is that we need to keep the idea of leading. Operation strategy is changing with the change of the 80s and 90s.

IV. Four Major Trends Make the Future Ambiguous

You may always hear that the fitness industry could really look more smooth than before, but I think the truth is it is still bumpy. While we praise and admire infinite opportunities and unlimited business opportunities Internet technology brought us, we will find that the essence of fitness industry is 4G or 5G battleground formed by tablet PC and smartphone interconnection in the long run. This is unusual mode of thinking.

Therefore, we might explore the impact of this dramatic change on different people and enterprises, confusion and challenges.

The thesis of simply rely on technology improvement is worrying. Technological is exponentially increasing, but it cannot guarantee smooth localization nor globalization.

36 years of history from China proves there will be difficulties.

What is crucial in the process of globalization is not technology nor economic, rather is people's reactions and behavior. When globalization is too fast the corresponding regulation system is not in place, the winners and losers are more and more opposite, the economy of scale of an industry may even worse.

Fitness industry is becoming more and more strange and uncertain in the business world. The destiny will become more attractive. Channels break through, business transformation and innovation of management mode and technical research and development is extremely difficult. How will large number of old brands deal with



their own unique pattern, and face the challenges of the Internet and the opportunity who will strive to become a minority that has made a success.

I think there will be four major business trends in the future.

First, heavy equipment will be weakened, and domestic market will be very big. Since fitness has become national strategy and the level of consumption is improved, there will be a long waiting period after prices return back to rational level.

Second, treadmill accounts for 70% in the household equipment for now, but the share will decrease when the total demand is met. Considering future growth variables, massage chair that combined with home design will be more popular.

Third, big data technologies rely on cloud software, the experience of warehouse center instead of opening many stores and shop counters.

The future terminal services model is to let the consumer feel tailored experience additional value with the development of three - D printing,

Fourthly, fitness equipment will pursue simple industrial design. Subvert innovation is contradict with structured standardization. Compete on buyers' psychological level, such as Tmall supermarket packaging will lead the trend in many industrial fields.

We have a crush on simplified process and skip the middle circulation, quick and practical capability to react in the world, with

a shallow material needs to replace the demand of human heart. Today's fitness equipment industry is the same case.

The status of the industry appeared to the market is inherited with some short-term speculative psychology, such as blindly enthusiasm and persistent pursuit of sales, lost vibrant, and lack of adventure spirit. Now, it is shrouded with closed loop of new marketing channels.

That kind of freedom seems to be the freedom of purchasing either online or offline.

(The writer is Head of Journalism and Communication Team of 2016 China Sport Show)

Eight Transformation Difficulties of Sports Cultural Industry



I. Difficulties of Intelligent Sports Products

Speaking of intelligent sports products, it has been in the market today and can be seen everywhere, such as Wilson's smart basketball, jingling intelligent backboard, Li-Ning intelligent badminton racket, hand ring, etc. However, from the current perspective, intelligent sports products are not popular yet, what difficulties are they facing?

First, it needs to break through the product itself. The main reason smart phones are quickly catch on

around the world is because smart phones can run a variety of mobile applications that allow users to watch video on the mobile phone, gaming, online chatting, etc. Now, almost all of the intelligent sports products are only reflected in the concept that is mostly only have one single testing functions, such as checking your movement rhythm and movement time, many sports intelligence products is not much meaningful for the users.

Second, it needs a process of cultivation. For most consumers, they do not have the concept of

intelligent sports products, and will not go directly to buy such products. Currently in addition to intelligent bracelet owns a little market share, others have not known by too many people. Consumers also did not want to buy intelligent sports products.

Third, intelligent products generally more expensive. Many intelligent sports products manufacturers are just playing with the concept rather than really contains intelligence, science, and technology elements into them. Therefore, it leads to high



expense and low sales volume. Most important, buyers of sports products are predominantly young consumer groups who do not have much income sources, especially for middle school students and college students.

Fourth, many intelligent sports products lack various application scenarios. As you all know, apple mobile phones are so popular because of not only apple's hardware, configuration, but also its ecological layout, which is missing by all intelligent sports products. If it is only a single intelligent product, it is difficult to keep customer viscosity.

II. Difficulties of Mobility of Sports Media

Sports event is mainly two aspects, one is video report, and the other is written news report. That is one video media and one text media. Today, fewer people would

have read newspaper every day, and there are quite a part of people watching sports news and events through computer, mobile phone, Internet, and TV, etc. Especially mobile phone can be available at anytime and anywhere which is already a trend. The future will go mobile, there will be more and more mobile sports video media, but they will also face the following difficulties.

First, copyright issues. Along with fights against several domestic video websites for copyright, copyright fee hikes beyond they can afford. Not only the copyright issues, but also copyright infringement. Today, whether it is in video or text report, plagiarism happens quite often, it is not difficult to see that how to maintain the copyright issues will become a difficulty for the media.

Second, network traffic. Using a cell phone to watch sports video under Wi-Fi is much cheaper than

places without Wi-Fi coverage. In addition, the speed is very different to some extent. Therefore, more public Wi-Fi is in strong demand.

Third, lack of mobile portal. For traditional sports media and network media, they do not have advantages on mobile portal. They can only use Wechat, MicroBlog, and major news Client as entrance to cultivate a group of loyal fans, and that is not so easy. Except Youku, Tudou, iQIYI, Letv, Tencent, Sohu and other powerful website have user base, others have few advantages on mobile Client.

III. Difficulties for Transferring to O2O

Speaking of sports clothing like shoes and hats, it is different from other clothes, many consumers especially some sports fan tend to experience in offline stores rather than directly go online. That is why



in the case of popular e-commerce, brands like Adidas and Nike still open shops. A lot of sports mall are no longer purely online and a lot of offline stores no longer focus only on offline, they are combining offline and online. Therefore, O2O actually is not that easy.

First, online sports mall suddenly open offline store will inevitably result cost increase. Creating own online and offline sporting goods flagship store platform means more spending. By relying on Tmall and Jingdong also, need spending considerable operational costs. Having both online as well as offline store do not necessarily called O2O, otherwise O2O will not emerge so many failures. Perfect matching and combination is hardest.

Second, self-built mall facing traffic entrance problems. Tmall and Jingdong also will face the same problem because they only have

limited flow, why should they give you the entrance. You only have to spend money to do advertising, and then they will give it to you. Enough early online promotion expenses is necessary. This is why almost everyone agreed that doing business in Taobao is hard to earn money.

Finally, offline service experience is a hard work. It can be said that the core of the O2O is offline experience, only the consumers experience comfortable in the offline stores, and then they will become a faithful user of online platform. While most entrepreneurs tend to ignored this pint. They would rather blindly do advertisement than cultivate loyal users.

IV. Difficulties for Sports Training and Online Registration

In the past because of unable

to complete online payment, all application for physical courses is directly go to on-site registration spot. Today, with the growing popularity of the Alipay and Wechat payments, more and more people have begun to use mobile payment, online registration is possible now, and will gradually become the norm. Therefore, what kinds of challenges will online registration and offline training face?

First, how to ensure users' trust, this is very important

Without knowing the environment, teaching skills of the school, parents hardly will only paid for the training online. Many learners experience badly after site visiting the school after paying online.

Second, even online education is very popular now, for sports training, it has to be offline. Similarly, O2O for training will focus more on the offline part. Member get members cannot



be negligible, if the experience is bad at the first time, then their friends probably will not come here either. Homogenization is serious, so channel cooperation is the key.

Third, O2O platform also needs to solve the problem of online traffic. If you cannot bring certain users to the training institutions, the possibility that they will continue to cooperate could be greatly reduced. Especially for many classes that have certain timeliness, if the training time is one but the class are empty that is not happy to see.

V. Difficulties for Social Websites

In the field of Chinese social field, acquaintances have dominated by Wechat, and through the pursuit

of common interests of sports to make friends is a direction for social development. There are a lot of O2O platform introduced social sports interest pattern through online and offline dating. So, what problems need to be solved in order to successfully create a sports interest social platform?

Question 1: many of the so-called making friends through interests in after looking for boyfriends or girlfriends. It is strong demand rather than only sharing interests. This is why Momo and Wechat is popular. However, sports is different from Momo social, rather is a kind of weak relationship needs, and build the platform to keep user viscosity is not so easy.

Question 2: there are two types

of sports interest social platforms, one is based on sports information, only online communication. The other one is based on offline; they play sports with online friends. The platform is different from direct meeting in the venue, or seeing the coach. O2O commercialize will face more difficulties.

Question 3: from the point of the whole value of social sports industry, sports social takes less share, this segment has many small size companies which means the competition is be very harsh.

VI. Barriers for Sports Tourism

When it comes to sports tourism, this is a potential market. Many cities set up different types of sports



tourism, such as events, adventure sports tourism, and leisure sports, etc. Many travelers will look for some sports activities, such as sea surfing, bungee jumping, playing golf, and swimming, sports tourism is becoming a new growth point of local tourism economy. So, what barriers need to be break through before it booms?

First, the current domestic sports tourism is immature, it is necessary to use the power of Internet to accelerate the development. From the entire Internet + sports tourism market, few companies enter into this field, and there are certain entrepreneurial opportunities but it is still far away from mature.

Second, how to combine Internet, sports, and tourism which is not easy. Experts people on internet,

tourism and sports are rare which makes the integration of eat, living, travelling, entertaining, and sports is difficult.

Third, for a tourist attraction, offline security and supporting facilities is important, and costly for setting up sports facilities. Outdoor sports are risky from the security perspective, how to control the risk is serious.

VII. Big Data Utilization

Now some company use APP as the breakthrough point, connecting big data, light social, health, and Internet of Things, achieved the integration of hardware and software, which combine closely with people, sports, and health. Big data will become the core of future

Internet plus sports industry. There are some requirement for big data.

First, its root lies in the data. At present, Baidu accumulates enough search data, Ali accumulates huge e-business data, and Tencent has social data, so the BAT play in the field of big data and their application of big data is also wide. Current domestic companies have not accumulated enough sports data yet which is very challenging to run the business.

Second, high requirement on technology including its own technological system, algorithm, data visualization, machine learning, natural language processing, and many other technology. At present, comprehensive technical talents is very scarce which will be the biggest barrier for the development of sports



big data.

Third, sports big data needs to combine with human health, which require cooperation with intelligent hardware. By using intelligent data collected on human body, sports hardware will analysis. However, from the current domestic market performance, sports intelligence hardware products is still unsatisfactory.

VIII. Difficulties for Online Real-Time Booking

When it comes to sports venues, many sports venues have not fully been utilized yet. Facilities are absent, the around community does not know the availability. The information is asymmetry. The rise

of Internet can be effective through connecting information between the venue and users. The future sports venue all should be available to book online. In order to achieve this, we should conquer some difficulties.

First, first-tier and second-tier cities such as Beijing, Shanghai have relative more sports venues than others. Third and fourth-tier cities hardly have sports venues so online booking may not be realistic for them. Basketball and football sports venues are generally in school, which may only open at weekends.

Second, many people only have several favorite sports, so they will go to specific sports venues and the spot are fixed. Offline fitness clubs need membership. As for the

golf venues in Hainan Island, most people make an appointment by telephone to book, and many of them are membership with the golf club.

Third, venue booking online is different from movie tickets. Nobody will automatically update the tickets even when they are sold out, so people have to make phone call again to double check, which is even more complex. Timely update on booking information is one of the challenges.

(Source: TMT Post, Liu Kuang)

Sports Population Is to Reach 500 Million and Sports Service Will Become Blue Ocean



In October 2014, the Guiding Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption is promulgated by the State Council. It states that by 2025 the sports industry scale will be more than 5 trillion Yuan, two square meters per capita of venue, regular sports population of 500 million. By early September 2015, 27 out of 31 provinces in China (excluding Hong Kong, Macao and Taiwan) published their local version of Guiding Opinions on Speeding up the Development of Sports Industry

and Promoting Sports Consumption. Target value of total scale is more than 6.78 trillion Yuan, 34% more than the target set by the State Council, sports population target is more than 500 million.

According to the scale target of the 27 provinces, top three are Fujian (1 trillion Yuan), Guangdong (900 billion Yuan), and Jiangsu (720 billion Yuan). According to the sports population target, top three are Guangdong (47 million), Henan (40 million), and Shandong (39.5 million people). Top three of per capita venue are Inner Mongolia

(three-square meters), Shanghai, and Jiangsu (2.6 square meters). According to domestic industry data released earlier this year, Fujian total sports industrial output is 245.583 billion Yuan in 2013 with value added of 80.037 billion Yuan. In 2013, the national sports industry total output was 1.1 trillion Yuan, with value added of 356.3 billion Yuan, Fujian accounted for 23%, which is China's largest sports production province. Sports industry key leader in Fujian are Anta, Xtep, 361°, and other brands of sporting goods manufacturing.



In addition, the Yangtze River delta region like Shanghai, Jiangsu and Zhejiang and other cities have total industrial value added of over 100 billion Yuan, accounted 30% of the whole industry, within that, Jiangsu sports industry value added is 62.611 billion Yuan.

In Guangzhou, the value added of sports industry in 2013 reached 28.2 billion Yuan, doubled than the year 2009, more than the data of Zhejiang province, which is 27.9 billion Yuan, moreover, 2.5 times of Shanghai, which is 11.2 billion Yuan.

In developed countries sports industry accounted more than 1% of GDP. According to incomplete statistics, global sports industry value added is \$800 billion every year. For the United States is near \$300 billion, the European Union is more than 400 billion Euros, 3% and 4% of their GDP respectively. By contrast in 2013, Chinese sports

industry accounted for only 0.63% of GDP. Domestic sports industry development space is huge.

At the same time, according to statistics, sports services industry in developed countries accounted for more than 60% of sports industry. The ratio for the United States and Britain is 80%. In contrast, China's sports services shows its great gap. In Jiangsu, Zhejiang, and Shanghai of the Yangtze River Delta, service industry accounts for smaller proportion, and among them, the highest proportion is Shanghai that is 47.1% in 2011. Jiangsu province is only 10.5% in 2012, which means that up to 87.2% of the proportion is taken by traditional sporting goods industry. In 2012, Zhejiang also has more than 80% comes from sporting goods industry.

To promote the sports service industry develops rapidly, the first thing is working on the following

areas, fitness leisure, competition performance, venue services, mediation training, development of sports tourism, sports ideas, rehabilitation, science and technology. These all can guide the healthy development of professional sports. Supporting the three major kinds of ball games and other popular sports is the key of the competition performance industry. Learn from American National Basketball Association, football, hockey, and baseball. At present, Chinese super league, the CBA basketball league has taken a solid pace. Professional sports development has the vigor to enrich amateur life, lead the mass to participate and cultivate sports culture, in a word, these will promote sports related services to improve.

(Source: Yangcheng Evening News)