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2015 China Sport Show Held in Fuzhou 17 Years Later



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Sporting Goods Industry Restarts a "Golden Age"

By Feng Gang



Looking back at 2014, national positive policies kept releasing, many companies have been largely went out of the crisis and stays in a steady trend even though the international economic situation is in a down turn and many industries are relatively declining compared with the year of 2008 Beijing Olympic.

Mr. Li Hua, Director of China Sports Equipment Administrative Center and Vice Chairman and Secretary General of China Sporting Goods Federation, said that sports industry still had very good prospects for development in China and it was a sunrise industry.

Can the "Golden Age" Come again?

According to the data provided by the professional organization, from 2006 to 2011 known as the "golden age", the actual average annual growth rate is 15% of China's sporting goods industry.

The speed is lowering to in 2012 and 2013. According to the White Paper of sporting goods industry from 2012 to 2013, the growth rate is 10% in 2012 and 7.8% in 2013. The overall size is 208.7 billion Yuan.

According to Li Hua, preliminary statistics of 2014 shows the industry was destocking during 2014. The industry size rose to 241.8 billion Yuan, 15.8% higher than 2013. From the perspective of growth rate, the growth speed is increased than 2014 and return to the same level as 2006-2011.

As for the future development of the whole industry, Li Hua said that the development of an industry cannot survive without capital operation. Since sports industry belongs to modern service industry, its operation and development heavily rely on capitals and market. So, the sports industry in our country has good prospects for development, it is a sunrise industry.

National Positive Policies for the Industry

In 2014, the positive national policies are plenty

Since the NPC&CPPCC in 2014, the country never stopped releasing

Sponsor China Federation of Sporting Goods Industry

Editor-in-Chief Li Hua

Editorial Director Peng Xiao

Main Editor Luo Jie

Associate Editor Wen Jia Hou qiu ling

Executive Editor-in-Chief Cui Kan Kan Zhang Mei

Editor Zhang shuguang Fu Chunyu

Special Correspondent Feng Gang He mu

Art and Design dt Brand

Proofread Li XiaoBing

Address Stadium Road, Dongcheng District, Beijing

Postcode 3100763

national level of support policies for the industry. At the start of the year, Opinions on Openness of Public Sports Venues was issued by eight government departments. During the mid of the year, Measures about the Development of Primary, Secondary and College League Matches was issued by the Ministry of Education. Fitness has leveled up to a national strategy. In the end of the year, Guiding Opinions on Speeding up the Development of Sports Industry and Promoting the Sports Consumption was published. The country has put a lot of efforts into this.

For this phenomenon, Li Hua points out that the national policy could pay concern to the industry and leads clear directions and mind map which would make sports industry an important parameter of national economy in the near 5-20 years.

Members of the Industry Still Should Focus on Intelligence Manufacturing

Li Hua told the reporters that 65% of the global sporting goods are made in

China and China has become a veritable worldwide sporting goods manufacturer.

China can produce most kinds of sporting goods. However, due to internal and external factors, the overall development is facing challenges such as lack of strategy, small scale, limited capital and low technology.

What should the members of Chinese sports industry pay special attention to? Li Hua said that we should pay attention on operation innovation, build and shape brand loyalty, improve enterprise technology innovation, earnestly do a good job on customer service, focus on customer satisfaction, and prioritize customer experience, etc. Besides, we will continue to strengthen enterprise management and the scientific research investment, and changing from Made in China to Wisdom in China.

Venue Industry and the "5 Trillion" Goal

For venue industry, Li Hua thinks, in recent years, China's venue construction has started from the initial development

phase to a radical development phase. More companies began to control the future development of the industry dynamically rather than only financial performance. This shows that the atmosphere of whole industry is mature and industrial cohesion is also gradually getting better.

More and more enterprises began to pay attention to product research and development, many customers begin to pay attention to environmental protection requirements, and some enterprises began to improve product testing means and standards.

Throughout the past ten years of development, the number of sports venues present explosive growth, along with the goal of 5 trillion, nationwide, venue construction enterprises in the market in 2015 will be very considerable. During the initial phase of venue construction, they focus on engineering and production. Since recent years, enterprises have focused on brand shaping. Ordering and advantage guide will be the main stream in the near future.



Li Hua Discusses about Five Highlights of 2015 China Sport Show.

Reporter from Fujian branch of Xinhua News Agency asked: "Can you tell me the different characteristics and significance of this year? What are the highlights?"

Li Hua said: "New highlights of the Show as we summarized as below.

"Firstly, in the exhibition centers of fitness, venues, badminton and tennis, costumes, roller skating, and ball games, all segments of the industry will join with their latest technology and new products and materials. 90% of the exhibition is fitness products. The exhibitors are over 1100 which mean more and smaller size companies are involved this time.

"Secondly, many leading companies have realized the meaning of concepts like "new normal economy" and Internet+, also, they realize the urgency and importance so during the Show, I believe people may feel the overlap and changes of the following three aspects.

"(1) Concept on structure optimization and transformation should be upgraded. Some export-orientated companies are reducing the reliance on export market and they will work on the domestic market. For OEM companies, they utilize their advantages on research and high-tech human resources in order to change from "made in China" to "create in China".

"(2) New generation of products are designed with more features like personality and rationality and reduce material consumption with low carbon, environmental protection and added value. These raise higher requirements for standardization and testing processes.



"(3) The thought of "Internet +" put forward by the Prime Minister Li Keqiang completely changed the industry understanding of current management mode. The concept of "new normal + Internet" will completely revolute the industry in terms of meeting various demands of the market.

"Thirdly, since national fitness has become a national strategy, the summit will mainly discuss mass fitness industry and fitness industry under the Internet era, invite government representatives, internet institution leaders, leading experts and company representatives to share their experience on fitness industry in order to promote overall revolution on the value chain. We set a discussion on this area during the Forum under the background of campus football program and the State Council's Opinions

on Speeding up the Development of Sports Industry and Promoting Sports Consumption.

"The discussion about venue construction will put focus on stock value of sports venue resources. We invite government representatives, internet institution leaders, leading experts and company representatives to share their experience in order to develop program plan for updating venue construction and create new value.

"Fourthly, during the summit we will release authority data, such as the fourth Chinese Sporting goods Industry Research and the third Chinese Fitness and Rehabilitation Equipment Research.

"At the same time, because of the importance of cluster effect of



sports industry in Fujian province, the summit Forum will add Fujian panel to discuss around the topic of “create value”, and topics may regarding to the current sports industry status, core issues, development trend and internal environment of Fujian province and transformation of Fujian sports industry.

“Fifthly, during the 2015 China Sport Show, elements from Taiwan are appearing.

“In fitness area, there are more than 20 Taiwanese brands participate in the name of domestic fitness factories.

“On May 8 Fujian panel during the summit Forum, Wu Pinsheng, Honorary President of the Industrial Board of Taiwan Sporting Goods Industry, is present to make keynote speech on Status Quo of Taiwan Cultural Industries and Their Innovation”. He introduces Taiwan cultural industry, sports industry

development and development trend, and provides advice to local companies combining the present situation of Fujian.”

Analysis about the “Five Trillion” Goal and the Optimization of Industry Chain

By Lv Min

2015 China Sport Show will be held in Fujian province from May 8 to 11. Mr. Peng Xiao, Vice Director of China Sports Equipment Administrative Center, took the interview.

The Share of Sporting Goods Industry in the “Five Trillion” Goal

Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption were issued in 2014. The document stated

clearly that the estimated size of sports industry would reach five trillion by 2025. How much share can sporting goods industry take?

Peng Xiao said: “The main body of the sports industry is competition performance and fitness leisure, sporting goods industry is just a related industry in the past for a long time, China's sporting goods industry take major proportion in sports industry. Currently, sports industry is experiencing upgrading and transformation, from the aspect of

trending, sports good will still account a majority share. It will take time for policies to be implemented from the top to the bottom for the execution of capital and detailed guidance. However, from the point of macro economy, and governmental supporting, the overall trend is positive.

“Sporting goods industry will still have an important position in sports industry in China. Sporting goods industry should emphasis on inventory, channel, and high-tech equipment management in



order to be prepared for the revolution. It is surprisingly that many companies notice the importance of innovation, branding, and social responsibility and they want to be intellectual in products."

School sports will become a new starting point for sporting goods industry.

During the CPPCC, Yao Ming put forward the issue on education, and then campus football became popular. Peng Xiao states that we should promote campus sports through football since football is more influential and eye catching in the public.

Peng Xiao said: "Promoting campus sports could popularize sports knowledge, help students to master sports activities, moreover, it could help the base number of future exercise population. On the one side, increase the stock for competitive sports and on the other hand, stimulate sports consumption and development.

"School sports will be an important turning point for promote sporting goods development which will bring future demands for sports wears and facilities. It is beneficial news for manufacturing and will be a new starting point for sporting goods industry. Regarding how

much share sporting goods industry can take form the whole industry, companies should practice and analysis deeply into the campus market demands and features. Also they could build up their brand and standards according to the current strategy."

That the remaining sum of medical insurance card is used for fitness brings us some new revelations.

WHO's statistics shows that, in order to achieve the same healthy standard, the ratio of prevention, treatment and rescue investment will be 8. 5:100. It means that spent 1 Yuan on prevention will reduce fees on treatment of 8.5 Yuan, and 100 Yuan reduction on emergency rescue. During the CPPCC, some members brought the idea that the balance on medical insurance card could be used for fitness activities. What will be changed if we pass this policy?

The theme of the Summit Forum is to create value.

Since 2013 the summit Forum of sporting goods industry caused great repercussions in the industry, and this year will continue. More, there are two more parallel Forum are set this year,

there will be a Fujian province special section which is an attempt for expanding the summit size.

The topic of the summit Forum changed from "gather industry power, and explore revolution" in 2013 to "innovation, open the future" in 2014, this year's topic is "create value". All these topics are consistent to solve industrial problems and issues.

Peng Xiao introduced that the guests include government policy makers and interpreters, domestic industry representatives, and venue operation experts.

Peng Xiao, the Forum will set up a Fujian province section in order to further discuss the current status, development trend, and external and internal environment. The aim is to help sporting goods industry in Fujian to transform in a healthy way.

The special Fujian section will be formed with reports issue, theme speech, and focus discussion, and will be participated by policy makers, industrial managers and all aspects of industry participants.



From Industry 4.0 to Foreign Trade Breakthrough

– Interview Luo Jie, Deputy Secretary of China Sporting Goods Federation



2015 is the year Chinese sporting goods industry experiencing upstream power under anxiety.

"Anxiety" and "upset" are the two key words for the industry during last year end and beginning of this year. Industry 4.0 has affected the Chinese sporting goods industry, from the perspective of the upstream of industrial chain, as the concept of "mass production mode to customized production" of Industry 4.0, some high end brands began to actively meet the personalized consumption needs of the 90's and 00's. Although the terminal stores don't have any inventory, through big data we can connect consumer needs into industrial productivity. This is the perfect fusion of the third industry and secondary industry.

Look at sporting goods industry chain of middle - sports facilities construction industry trends. In 2015, will be the "carrier" of the development of sports industry in power management. From the national fitness as a national strategy, campus sports level 4 league system establishment, to the country in 2025, 5

trillion Yuan positive policy, such as the sports industry development goals make venue construction enterprises a clear - the sporting goods industry scale the dominance of the sports shoes clothing categories, may be broken.

2015 is the year for export.

In 2015, Chinese Yuan is appreciating which cause average profit margin dropped from 11% to 5%, this also result in European and American dealers switch to Southeast Asia market to seek profits. Many foreign trade lead companies experienced volume declines of 10% to 15%. However, according to my research from the front line, the key reason for foreign trade decline is exchange rate, rather than salary, equipment level or raw material supply chain.

So, China sporting goods industry trade is in recovery. First, Yuan depreciates 3% to US dollar which benefit foreign trade market and is a signal for OEM enterprise. Second, in emerging markets such as Africa and Latin America, Chinese sporting goods enterprises have comparative

advantages of international trade. At an unusually rapid speed, we occupied 60% of market share of their four main kinds of sporting goods. Third, the fact whether the small and medium-sized enterprises restore confidence can be mirrored through the China Sport Show on May 8, 2015.

O2O mode shakes down industry chain. Consumption goes to downturn period

Finally, check the downstream of industrial chain. From the attributes of B2C three main categories fitness equipment, sports apparel and ball games. The proportion is 6:4 for e-business and traditional channels, which has divided the industry into two sections. So, establish O2O model for consumers to search online and experience offline in store. Manufacturers help dealers in the traditional channels with Internet advertising and online branding to balance internal benefits. This new business logic, new web-based management thinking, and the internal management information transformation model have taken the lead in the industry.

The barometer of sports consumption in 2015

Sporting goods industry's biggest consumer power will come from the third and fourth-tier cities, even Debon SF-express can reach villages and towns. Capacity of China sporting goods market consumption will be released into a larger area in the future.

Venue Construction Industry Is Entering a New Cycle Called Blue Ocean

Written by Cui Kan Kan,
Planning: Cui Kan Kan
Special Support: Feng Gang
Material Sorting: Fu Chunyu

"Over the past decade, the sporting goods industry appeared two surges: one is the fitness equipment industry and the other is venue construction industry. Their growth is based on the related developed manufacturing industry, the domestic market demand, especially the superposition of the national policy.

Since 2014, exciting policies came into being one after another. At the start of the year, Opinions on Openness of Public Sports Venues was issued by eight government departments. During the mid of the year, Measures about the Development of Primary, Secondary and College League Matches was issued by the Ministry of Education. Fitness has leveled up to a national strategy. In the end of the year, Guiding Opinions on Speeding up the Development of Sports Industry and Promoting the Sports Consumption was published.

Supporting policies appeared continuously which provides new

engine and train of thought for the next development phase of the industry. Volume of new venues increase directly as a result, which means that the sports industry structure adjustment is about to reopen, a new round of venues construction so called "new blue ocean" era is about to come.

For venue construction industry the first cycle of "blue ocean" is occurred after the unusual 2008 and the next five years. After six years, it has been a popular media focus in the field of national economy and people's livelihood. Many experienced entrepreneurs of the industry are developed during 2002 to 2004, annual sales increased from millions of dollars 10 years ago to hundred million these years.

We also felt when visiting the venue construction enterprise, domestic demand for venue construction industry is large enough, but the growth speed of

foreign trade market is slowed markedly, order number in 2014 was reduced by 10% - 20%, cash flow will face the danger of overall collapse.

Under this context, Chao Guo, Director of Facilities and Construction Committee of China Sporting Goods Federation, and I started a research on investigation on market segments and current enterprise survival conditions. We select sample research area of Guangzhou which has almost all the relevant brands of the industry. The sample enterprises like Taishan and Gongchuang are established in the same period. So to speak, the ends of the "dumbbell", we almost always pay attention to the fore and aft.

Since January 2015, careful readers will find that our journal edition changed, is the most intuitive feeling is that we have increased the number of pages as well as the column. "Cover story" is redesigned to reflect the most thoughts. It will reflect as our industry association and more realistic work such as periodic site visiting of front line of the industry by Cui Kan Kan and the Committee directors. The investigation will be released as cover sheet story and reported in every issue of our Sporting Goods Information.

We hope to establish a fixed communication, investigation, and sharing mechanism with latest industry information. Enhance connection with key companies and become professional consultants for industrial development in order to solve urgent problems.



Exploring New Mediocrity – Badminton Industry Survival Rule

By Cui Kan Kan
Planning: Cui Kan Kan Bian BinBin
Special correspondent: Yin Yilin
Material sorting: Fu Chunyu

When my colleague Bian BinBin and I recently made survey questionnaire in the Pearl River delta on badminton enterprises, I asked them to describe badminton industry use one world, the some answer appears after filtering all the answers, the word is surplus.

"Badminton" magazine editor Wang Yuyan argues that the industry is in a rational era after the severe shake-out period for second - and third-tier brands.

The original editor of Master of Racquet Sports Yin Yilin told me

that today's badminton industry is experiencing an important revolution besides the theory of surplus. Many consumers from the traditional channels are suddenly disappeared.

Under the impact of the Internet and mobile Internet, traditional business based on information asymmetry be affected huge and the speed of the impact is faster than we can imagine. The moat for traditional channels, traditional advertising, and traditional management idea has been paved over by the Internet.

Not long ago, President of Yonex Global talked to Lin Dan with the intention of signing with him, he said: "our target for market share is neither 33% nor 50%, but 51%."This is a kind of exclusive and ambitious strategy.

You will find out that no company can always maintain smooth operation process without errors of transformation of labor and regular decision-making.

2015 China Sport Show Held in Fuzhou 17 Years Later



On April 28, 10 days before the 2015 (33rd) China International Sporting Goods Show (hereinafter referred to as China Sport Show), the news exchange meetings were held in Fuzhou. Li Hua, Director of Sports Equipment Administrative Center, Xu Zhengguo, Director of Fujian Provincial Administration of Sports, and Chen Hua, Vice mayor of Fuzhou city attended the meeting and communicate with main guests regarding the preparation of the Show.

2015 China Sport Show will be held from May 8 to May 11 in Fuzhou international conference and exhibition center, at the present time, all the preparations for the Show is completed than expected.

Li Hua introduced that the China Sport Show attracted 1124 companies in the industry which come from all areas such as fitness rehabilitation facilities, sports facilities and construction, racquet sport, outdoor skating sport, bikes, sports shoes, ball games and so on the

size reaches to over 1100 for the first time. More than 2000 brands participate in the Show, contract exhibition area more than 65000 square meters for the first time. The overall utilization ratio is almost 57%. All these figures created the most of all previous China Sport Show. It is worth to mention that the number of exhibitors from Fujian achieved 118, and Fujian is one of the top three contributors in the participating provinces.

From the perspective of invitation process this year, the channels for registration of China Sport Show are expanded. We add online pre-registration through mass emails, SMS alerts, and mobile terminal on wechat in order to facilitate professional audience and mass audience. Pre-registration audience are more than 9000 currently, among them, domestic audience 8000 and overseas 1225 from 54 countries and regions. This is the first time for China Sport Show to have more than 1000 oversea audience since it is located outside of Beijing.

China Sport Show keep the format

and general content of previous five categories: high-end Forum, interactive experience, competition exhibition, business negotiation, and business activity, including about 20 activities, emphasis more on professionalism, increase interactive participation, and pay more attention to professional and functional management, also increased the reflection of Fuzhou features. During this year summit Forum will add Fujian panel to discuss the current sports industry status, development trend and internal environment of Fujian province and transformation of Fujian sports industry beyond the structure of three parallel Forum. The discussion will be co-held by Fujian Administration of Sports. During summit Forum, as the main host of the Show, China Sporting Goods Federation will release authority data, such as the fourth Chinese Sporting goods Industry Research and the third Chinese Fitness and Rehabilitation Equipment Research.

Development Trend of China's Sporting Goods Industry in 2015

By Zhang Shuguang



Policy Background

On October 20, 2014, the State Council promulgated Opinions on Speeding up the Development of Sports Industry and Promoting Sports Consumption (hereinafter referred to as "Opinions"), which actively expand sports supply products and services, promote sports industry to become the important force in the economic transformation and upgrading, promote comprehensive development of mass sports, competitive sports and accelerate the construction of sports power, and continuously meet the demand of the people's growing needs on sports.

Investment Boom

December 16, 2014, the first domestic sports industry special trading platform is launched in international copyright trading center Beijing, China. The

platform will be synchronous operation for both online and offline. Adhering to market-oriented, openness, and geared to the needs of property, intellectual property, management, consumption, return, equity and obligation rights for sports organizations, sports enterprises, sports events, sports venues, sports clubs, and athletes, and developed related trading categories.

The transaction of sports property rights innovates a new mechanism of sports property rights trading system which is an important content for current sports reform and mechanism transformation. At the same time, the establishment of the platform promotes the sports property rights transactions through the use of the property market. Centralized trading and improve the efficiency of sports property rights trading size and volume. Also, reduce transaction costs, helps to break through

the bottleneck of development of Chinese sports industry.

Chinese Market Recovery Is Coming

From the performance perspective of Anta, Li-Ning, X-tep, 361 degrees, Peak and China Dongxiang's half-year financial results, Anta, peak, 361 degrees increase on both revenue and net profit. X-tep revenue rose slightly, net profit declines, mainly because of advertising and promotion costs, also optimism on the 2015 market result in excess inventory. Although Li-Ning and China Dongxiang's problems are not fully resolved, China sporting goods industry has been basically out of the inventory crisis, promotion activities and price wars are getting better which also mirrors the current improved situation. The supply and demand is balanced and the market is basically stable now.

Fashion Trend

Since 2014, sneakers almost swept the major fashion shows and parties. Those originally "old-fashioned" coat and sneakers quickly become domestic consumers' new direction under the star effect. Sneaker is a successful counter attack and gains a foothold in the global fashion topics list through a variety of acme mix build.

"Entering into fashion" for Nike is actually the core steps to expand the market. Nike's chief brand officer Trevor Edwards introduced that Nike's women product market is as much as \$5 billion, plan to \$7 billion in 2017. Nike notices the pursuit of fashion in sports. Nike not only a fashion brand but also concern the needs of athletes and innovative solution for them. Vice President of Nike global designer Julie Igarashi thinks, "We gradually found that women in sports love fashion experience and they do not

have to feel embarrassed among high quality, high-tech and fashion".

O2O Marketing

O2O is a mature marketing mode based on intelligent terminal and mobile Internet technology. The core is to pay online and experiences offline. Vice President of Chinese clothing association Wang Zhuo believes that the obvious difference between online and offline is the change of consuming behaviors. Online consumption has become a habit, and offline consumption has shifted from the original pure consumption to interactive experience, including sharing factors like entertainment. Consumer perception has changed for online and offline retailing habit. During the adaptation of the professional market and e-commerce, some market does tireless exploration and innovation, and targeting online and offline linkage mode, selection of O2O model will combine



actual market with online trading.

Fashionable Children's Apparel Is Poised to Launch

In 2014, the popular TV show "Daddy, where do we go?" triggered kid's fashion, and along with benefit of second kid policy we believe that the economy for kid's wear will boom and the possibility is quite big.



Running Market Development Trend and Market Development Strategy



Currently running market development is quick and with great potential but with low maturity, for Internet enterprises to get into the market there must be two ways for them.

One thing to keep in mind is that running and other outdoor sports is the idea of niche markets, they need to firstly bring the attention to mature runners and then impact new runners through the mature runners.

Currently, new runners market is expanding and related market is also emerging. According to statistics, there are 41% of people treat running as leisure, there are 33% people join running during the recent year, 60% has jointed this activity since three years ago. We can see that most of them are new and the market is in high speed development, the joint of the new runners will bring a greater market.

The other thing is to depend on the overall development of the market, create one brand for beginners and manufacture suitable professional equipment for them.

Compared with the first strategy, this one is more practical. It not only captures the market trend, but also avoids brands competition. Toread's strategy is to cultivate the initial market needs and wait, so when the market is bloom, such brand will also develop rapidly.

(Source: www.china.com.cn)

Some media reported that China has running heat and the 30000 Marathon quotas in Beijing and Shanghai were sold out within two hours.

During this wave, traditional sports brands benefit a lot. In 2013, Nike's revenue decreased 5% of greater China, but increased continuously during the last three quarters. The reverse starts from last winter. Nike uses "once you run you will get it" as a new slogan.

Internet entrepreneurs also target this opportunity. Once in a while running Apps are emerging endlessly, almost every product wants to use internet thinking to activate their recession and create a new consuming market.

As the rise of the Wechat and awareness of healthy life, social sports applications are widely welcomed. In

the recent two months, Gudong, Tengmi and Yue Sports are popular and gain financing from investors. There are more than 12 projects gained investment during 2014.

Compared with social sports Apps, wearable device are gradually popular, from the original bracelet and foot ring to athletes related equipment, now smart watches and more novel intelligent glasses, outdoor mobile phone.

Compared to running software, running users' demands are mainly on professional hardware like shoes, kettle, tight pants, coat, etc. the demand of outdoor mobile phones and smart glasses are less desirable.

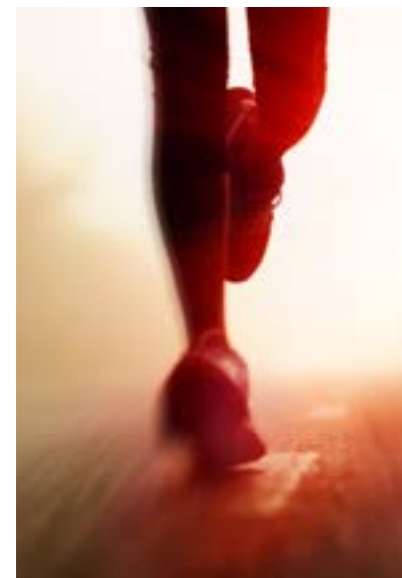
As runners upgrade and evolution, professionalism will be a trend in the future.

New Trends of Sports Brand Marketing in 2015

In 2015, there are no major sports events, but individual events like marathon and basketball also help brands to promote themselves. X-tep, Peak, and 361° are actively involved in those events to transfer concerns over events to the favor of the brand. At the same time, Quanzhou sports brands also actively exploring new marketing modes.

Marathon event continuously attracts attentions.

In recent years, marathon event is popular in China. According to data released in 2011, there are 22 national marathon games. Then, the data is refreshed every year, has grown to more than 51 games in 2014, over 900000 people joining the game, among which 260000 people join the half Marathon event, 60000 more than 2013. The data mirrors the vigorous development of the marathon in China, and such a huge market potentially becomes the base of many brands.



It is notable that in 2014 the Chinese Athletics Association encourages multi-dimension development in order to offer more choices for the public. This means that some wealthy enterprises and charity association will hold the game jointly in the future. As a result, some brand will definitely compete in this field. For sports brands in Quanzhou this an opportunity and a challenge as well.

Focus on individual event marketing

Despite the lack of the World events in 2015, there are still many wonderful individual events, including the Asian cup football, Asian championship basketball, etc. In addition, there are various events, including championships of athletics, swimming, etc., these wonderful individual events enable all brands to hold marketing activities.

Although there is no big sports event in 2015, it is still important for X-tep. In 2015, their running spokesman -- worldwide sprinter Justin Gatling will take part Beijing Athletics Championships. Relevant spokesman of X-tep said in an interview that Championship is in front of our home door and also important battle for Gatling, we will correspondingly integrate marketing events.

The 28th Men basketball FIBA Asian championship will be held in China in 2015. The champion can gain the qualification to 2016 Olympics in Rio. So, the position of holding country is very important for our basketball team. The Championship must bring a lot of attention. Peak will run a series of

marketing activities as the official partner of FIBA.

Brand marketing has become increasingly diversified.

In recent years, due to continuous development of Quanzhou sports brands, brand marketing also presents the characteristics of diversification.

Peak opens up a new marketing mode called star strategy by signing more NBA star players in order to strengthen consumer interaction. At the same time, Peak cooperates with institution to spread internationalization. Besides, Peak increases investment in product research and development, through building "star product" required by star players. Peak shows internationalization and specialization to consumers. The strategy of "star player + celebrity event + star products" will diversify Peak's marketing strategy.

Local brands are also aimed at entertainment marketing depends on their own characteristics. Anta's FILA signed Lee Min-Ho, pop star in South Korean, Peak hired Li Jiahang and international artists SMIRNOVA ANZELIKA as their brand image ambassador, mutually promote sports public welfare undertakings.

Just because of the increasingly diversified marketing strategies, enthusiasm of brand marketing will not be affected by the "off-year".

(Source: Quanzhou Business)

Policies Promotes Ski Industry into an Era of Golden Development.



The State Council issued Opinions about Speeding up Development of Sports Industry, which specifically suggests making ice sports as breakthrough point to promote and improve popularity of fitness and leisure projects. In July 2014, Beijing is officially listed as the candidate city for Olympic winter games by the International Olympic Committee (IOC). Under a variety of positive factors, the ski industry in our country is entering an unprecedented era of golden development.

Number of Ski Area Increased Year by Year

After 2000, mass skiing in China got rapid development, from the three northeast provinces to Inner Mongolia, from Hebei to Xinjiang, number of ski resorts increased from 50 to 500, skiing people increase from 300,000 to more than 100 million. Last year, for Zhangjiakou skiing number reached to 1 million and is growing at an annual rate

of more than 30%.

Although mass skiing in China is in a rapid growth, but there is still a big gap compared with European and American markets. According to data released by American skiing industry association, more than 31 million people involve with skiing sports, and at least 7.5% of people over the age of six joint skiing. A few years ago, International federation of sporting goods released the top 10 most popular sports, skiing at the top. Mass skiing in China, therefore, there is plenty of space to grow. Some experts predict that the future market for only Beijing and Hebei province will be 17 million, directly bring operating income of 28 billion Yuan to ski resorts.

A New Round of "Investment" Is on the Upsurge

Currently, investments in ski resorts are increasing and a boom of new round of investment is emerging.

New Snow Country ski resort located in Chicheng County of Zhangjiakou was open in April this year, total investment of 10.9 billion Yuan, the ski resort is expected to complete the first phase of construction by the end of this year. By then, the new ski resort with, 800 meters fall within 3000 meters will be the first one meet Olympic standard.

In addition, due to global warming, average temperature is close to zero degrees in some European traditional ski resorts, as a result, foreign ski industry is facing increasingly severe challenges. Italy, Austria and other countries are quietly seeking new way of development in north China, and established long-term investment development plans, the section of the world ski industry system

would change and the ski industry created the unprecedented development opportunity for us.

Development of Ski Tourism Economy

In Switzerland, Austria, France, Japan, South Korea and other Asian markets, ski tourism has been well developed and the ski industry has formed a complete industrial system. The ski market accounted for 20% of the European tourism market, in Switzerland and Austria ice industry accounts for about 30% of the GDP. Switzerland, with population of only seven million, could receive 15 million visitors and \$7 billion income each year.

According to international practice, every Yuan of income could result to 78 Yuan of relative other social income. The current global ice and snow tourism revenue is about more than \$70 billion each year, snow industry related income is up to more than \$350 billion a year.

Ski industry also is helpful for increasing the income of the masses. In general, every 30,000 Yuan income increase in tourism will increase one direct job position and 2.5 indirect job opportunities. At present, the Chungli County in Hebei province has brought employment for around 12000 people several big ski resorts.

(Source: website of General Administration of Sport of China)

The Total Output of Chinese Sports and Related Industry Is 1.1 Trillion in 2013



On December 29, 2014, Liu Peng, Director of General Administration of Sport, released the following data during the opening session of General Administration of Sport director's meeting. He mentioned that, the total output of sports and related industry reaches to 1.1 trillion in 2013, 11.91% higher than last year. Value added was 356.3 billion Yuan, up 10.82% than last year, accounts 0.63% of GDP.

Liu Peng said that more and more local

governments attach great importance to sports industry, and further optimize the development environment. 19 provinces have been developed implementation opinions on development of sports industry, 26 provinces and cities incorporate sports industry development into local social and economic development plan, nine provinces and cities set up special funds for sports industry capital, the six provinces and cities set up provincial sports industry base, 11 provinces and cities set up

provincial sports industry association or industry groups, and 13 provinces and municipalities start statistical work for sports industry.

(Source: Xinhua News Agency)

Canceling the Approval Process to Activate the Market and Speeding up the Development of Sports Industry in Guangdong

The report learned from 2015 Administration of Sports chief's meeting is that cancellation of examination and approval for commercial and mass sports activities will accelerate sports industry association with administrative organs to better service the public and solve problems.

Wang Yuping, Director of Guangdong Sports Administration said that Guangdong will cooperate according to the promulgated Opinions on Speeding up the Development of Sports Industry and Promote Sports Consumption by the State Council. Inspired by central economic work conference spirits, put sports fitness as a new economic growth point to support development of sports industry in Guangdong, emphasis on sports services and competition performance industry, accelerate the examination and approval system reform, the reform of professional sports activities and social organization, strengthen the work of openness of sports venues to the public. Work will be more focus on market cultivation, management, public services and construction of modern public sports service system, establishing perfect government purchase service mechanism, etc.

All levels of sports administrative departments will strengthen cultivating sports population and promote sports consumption. On the one side, create demonstration sports tourism at provincial level. The sports administrative departments will issue Interim Measures



for the Examination and Approval of Sports Competitions and Activities of Guangdong Province (Draft). According to the central spirit which is to reduce competitions threshold, simplify procedures, and enliven the mind, more social beneficial policies will be released in the near future.

2015 Guangdong Administration of Sports chief conference reveals a lot of business opportunities for sports industry, such as there are totally 214 state-owned forest farms, 39 provincial level of forest park, the province also has a coastline of 5782 kilometers, 510 size bay, more than 1100 islands, which are all suitable for mountaineering, hiking cross-country, rock climbing, directional cross-country, rafting, maritime and other different activities. Guangdong holds 12 international sports events, including 250 items. Based on this natural advantage, heavily push sports

leisure, extreme outdoor sports, yachts, sailing and windsurfing and other sports project development. Second, based on high-quality events, strengthen the consciousness of competition development, promote healthy development of competition performance industry, vigorously change competitions mode, actively introduce market-oriented operation, and put efforts on expanding related advertisements, sports brokerage, intangible assets and other industries. Third, based on upgrade of fitness service and create national fitness service industry system. In addition, make full use of the advantages of Guangdong sports manufacturing and service industries in order to support financially and politically in a scientific way.

(Source: China Sports Daily)

Football Revolution: China's Football Is in the Mammoth Era



On February 27, in the tenth meeting of CPC Central Group of Comprehensively Deepening Reform, the Scheme of China's Football Reform is passed. The Scheme is passed at a national level which marks an unprecedented era for China's football.

The most notable is the Scheme is up to the concern by CPC Central Group of Comprehensively Deepening Reform which means that this time is different than any time before. Football is more than just a sport in China but contains a lot of political, cultural, and economical value and that is why it received high degree of recognition and attention.

Firstly, it is a high level national strategy. According to the Xinhua report, football is given special focus strategically. The meeting specially emphasis on that the revolution of

football is closely connected with the revitalization of Chinese Dream and the goal of building a strong sports country for China.

Second, the Scheme designs strategically from the top, combined with experiences of developed countries and Chinese real situation. It points clearly to develop and revitalize football and supply mechanism guarantee for football development. The development must follow the regulation of football, insist on basing on the national conditions and then learn from international experience, combining long-term and solid foundation, reconstruction and innovation management, sports and market systems.

Thirdly, the key for football development is follow the right track, pay long-term efforts, establish mass base, starts from the kids, and joint the power of the mass.

Connect campus football, new football school, clubs, and other social football organizations in order to widely promote football development. The industry must explore opportunities and should offer innovative mechanism for football development and also managerial new way for revolution.

Fourthly, the report was conducted based on many departments on the basis of multi-level research with highly targeted strategies and with strong maneuverability.

Fifthly, all competition is regarding with talents, capital, system and mechanism. Exactly to fix the above matters so the Chinese football could facing a brand new era itself.

(Source: Tencent Sports)

Tianjin Establishes Sports Industry Development Fund

Chen Ming, Vice Director of Tianjin Municipal Sports Bureau, said that the goal for sports industry in Tianjin is annual 13% growth rate and reaches 0.6% of GDP and 1% employees by 2020. Sports industry will be a new economic contributor to Tianjin.

Therefore, in 2015, Tianjin establishes Sports Industry Development Fund to promote the market, develop the sports industry market, and gradually build a more perfect sports industry system.

In the future, Sports Industry Fund will guide and support more types of projects especially support projects with strong innovation, high comprehensive performance and demonstration ability. Han Youjiang, an executive from the Fund, said that the potential use of the Fund may be venue construction, fitness service, professional sports, sports activities, and sports equipment research and development, production and sales, sports training, and sports tourism. The format of funding will not be

limited to sponsorship, encouragement and discount loans. The effect will be enlarged. Tianjin city will build more high-end sports equipment manufactures and sports financial service system in order to help industrial transformation.

(Source: Tianjin Municipal Sports Bureau)



12 Reflections about Li-Ning Provide Some Enlightenment to Outdoor Brands

Li-Ning's half-year financial report of 2014 showed the loss of 586 million Yuan. The number of Li-Ning's common stores, flagship store, factory stores and discount stores is 5671, 244 less compared to the end of last year. Li-Ning made a deep reflection on some deviation in the course of its development.

1. Market saturation: sporting goods industry is no longer a profitable industry just through channel expansion and opening more stores, consumers are mature now besides more and more international brands came into China that make the market more and more competitive.

2. Blindly pursuing huge scale: Li-Ning is accustomed to overstock pressure to distributors, overestimated the digestive ability of the market and the influence of its own brand. Blindly expansion after the 2008 Olympic Games, continuously expand new business, and overseas markets, the development pace is beyond reasonable.

3. Overstock: Ordering meeting mode responds too slowly, inventory is always the pain of garment industry.

4. Poor execution: Li-Ning invited many famous consulting companies and hired a lot of senior executives with beautiful resume. However the idea is better than the execution which results to failure of many optimistic projects.

5. No clear strategic direction: Li-Ning is a hurry patient that would like to try everything from the experts without thinking.

6. Failure to utilize resources: Li-Ning signed Wade with \$100 million, signed the CBA 2 billion Yuan for 10 years, signed with Lin Dan, and then other plans for almost five billion Yuan. However the return benefit is less than it should be.

7. Lack of the crisis public relationship management: executives did not have

enough experience for crisis public relationship.

8. Marketing promotion is ambiguous: in recent years, Li-Ning spends a lot of money on advertising, but the result is negative, consumers didn't appreciate it.

9. Lack of competitiveness: this is a very important reason, because, after all, the product is the core. The quality of Li-Ning in the domestic brands is the best, but limited by cost, could not compare with Adidas and Nike.

10. Professionalism need to be promoted: I think the most attraction about sporting goods is professionalism. Basketball shoes, for example, shock absorption, boot, safety, weight and so on are all important for basketball fans.

11. Not fashionable enough: except sports products technology, fashion is the following consideration. All shoes are named after dragon and eagle, which is far away from fashion.

12. The pricing should be decided by market: compared with Nike and Adidas, the price of Li-Ning is not high, but why do people still feel expensive? The reason is that Li-Ning does not have low-end product line.

(Source: www.8264.com)



Sports Consumption Is One of the Best Green Consumption

On March 5, during the third meeting of 12th National People's Congress, Prime Minister Li Keqiang made a report on behalf of the State Council. Reporters found out some words about developing mass fitness, competitive sports and sports industry, bidding for 2022 Winter Olympic Games, promoting green consumption and enlarging education and cultural consumption.

In the afternoon, reporters joined the CPPCC's team discussion and interviewed Bian Zhiliang, member of CPPCC as well as President of Taishan Sports Industry Group Co., LTD.

Sports consumption is the best green consumption.

Bian Zhiliang told reporters that this year's government report promote green consumption, and sports consumption is one of the best green consumption.



Sports consumption is a new concept. Sports consumption demand is the basic engineering to promote the development of sports industry and is an important carrier. He said at the same time, the poor mass sports consumption consciousness, imbalances of sports consumption level, insufficient stock of fitness venues, and resources need to be integrated, etc. which are all current problems of need to solve.

Policy supports more government subsidies on intelligent home fitness products.

Regarding home fitness, Bian Zhiliang said that encourage and promote consumption can effectively solve problem of insufficient venues. He suggested that the National Development and Reform Commission, Ministry of Finance, Ministry of Industry, General Administration of Sports can

choose a batch of new intellectual home fitness products refer to new energy electrical appliances and new energy vehicles, release governmental subsidies on those products. In such a way, the family will pay for the products, the company sacrifices some profit and the government will pay subsidy, which will encourage scientific fitness at home, in order to solve the problem like lack of venue, time, equipment, partners, motivation, and confidence.

Sports venues and club operations are open to the market.

Bian Zhiliang tells the reporters that relying on government to stimulate the market of venue construction is not enough for promotion of sports consumption. We need to further study the policies in details and motivate the whole society to participant. He suggests opening the right to build public venue to the market, fully supporting market operation, and deducting all non-necessary expenses and taxes.

National sports industry guide fund should be established.

In 2010, Jiangsu, Shandong provinces introduced the implementation of opinions on speeding up the development of sports industry respectively. Bian Zhiliang said this two provinces set up a special guide fund for sports industry every year which impact the development huge. He suggests the Ministry of Finance and the General Administration of Sports could also set up a similar fund to support national sports industry in order to widen the impact of domestic sports brands.

(Source: www.ce.cn)