



# The youth sports market in China

November 2021



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1

# China's fitness industry overview

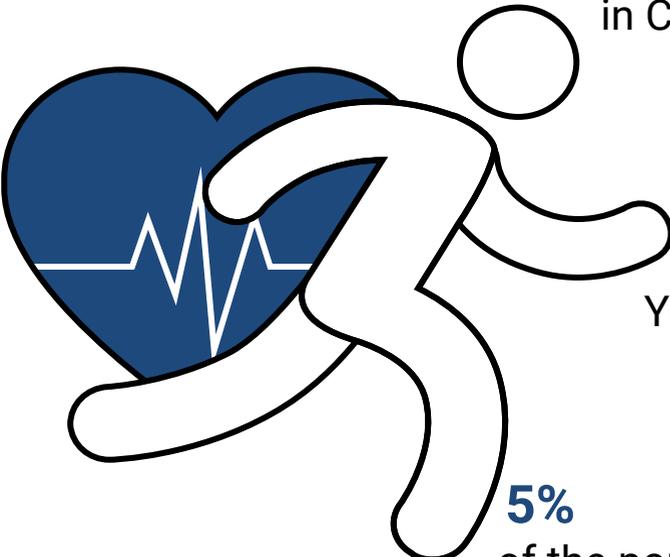
# Tier-1 cities take the lead in fitness trends

While Chinese people's interest in sports and exercise is growing, those in tier 1 cities like Beijing, Shanghai, and Guangzhou tend to spend more time on sports than those in lower cities.

**70.3 million**  
gym memberships  
in China 2020

**3.2%**  
YoY growth of exercisers

**5%**  
of the population are gym members



## The 10 most active cities in China (2019)

Data extracted from Keep's Active Index

Each cities' index = average km ran per active user / average 1m ran per Beijing user (Beijing clocked in as the city with the most active users)

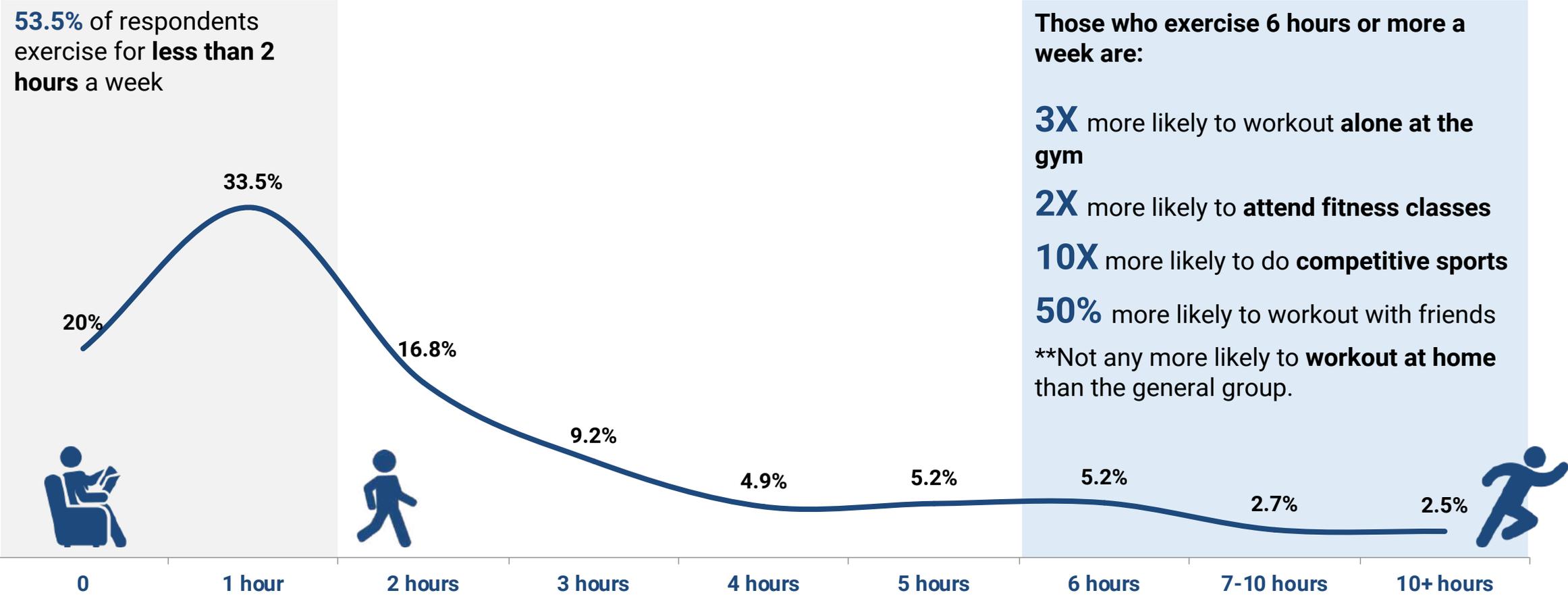


Source: Santi Fitness Data Center, Keep, Jingdong designed by daxue consulting

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# Most Chinese exercise less than 2 hours per week

In daxue consulting's 2020 survey of 1,354 Chinese people, 20% of the respondents' exercise time was less than 1 hour per week while 10.4% of the respondents reported exercising for at least 6 hours a week. Respondents with the longest workout times were those who participated in competitive sports.



Source: Daxue consulting survey of 1,354 Chinese people

# Men and women have very different fitness goals

According to our survey, Chinese women have relatively little interest in gaining muscle and are largely oriented towards weight loss, whereas men are interested in both weight loss and gaining muscle.

## Correlations between products and gender



Products skewed towards female consumers



Products skewed towards male consumers

1<sup>st</sup>

Yoga and dance equipment

Ice sports equipment

2<sup>nd</sup>

Swimming equipment

Sports bags

3<sup>rd</sup>

Equestrian equipment

Fitness products

4<sup>th</sup>

Roller skates

Sportswear

5<sup>th</sup>

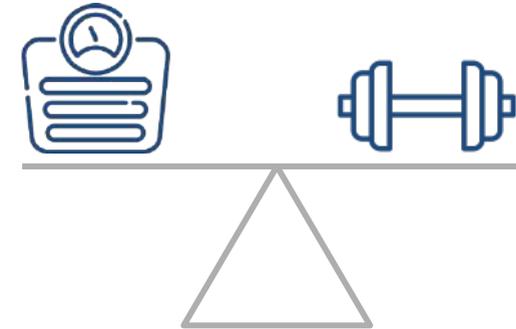
Fitness classes

Sports shoes

## Exercise primarily for weight loss or muscle gaining by gender

(N=1,354 Chinese people)

Male



Men's drivers for working out were split between muscle growth and fat loss

Female



76% of women said they exercise for weight loss, while 11% said muscle growth

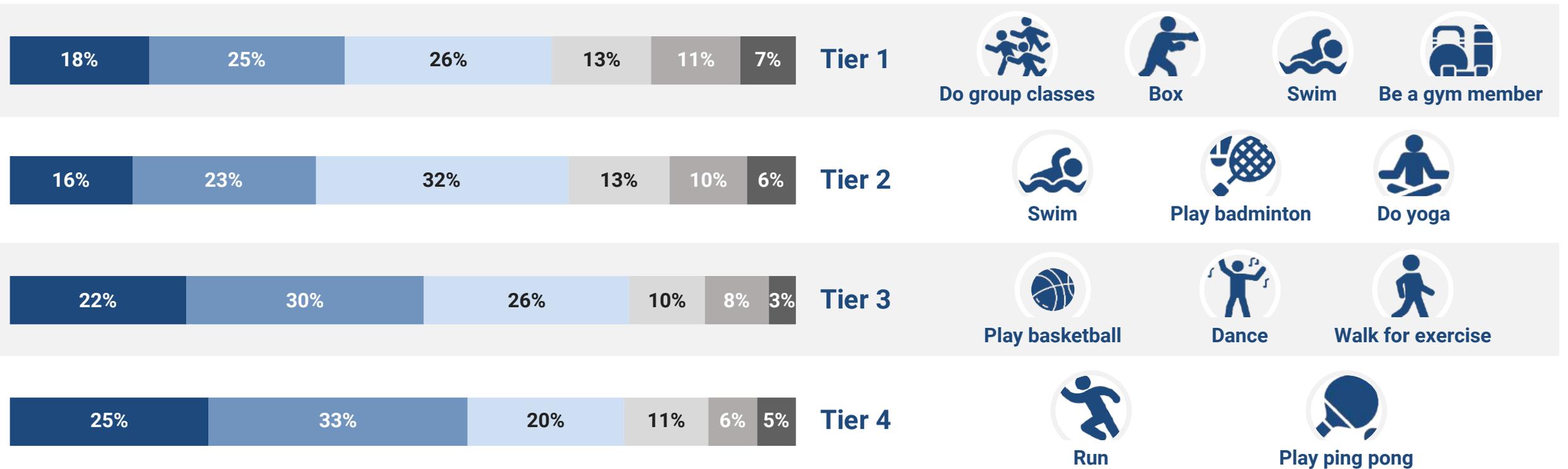
Source: Daxue consulting, Santi Fitness Data Center, Keep, Jingdong designed by daxue consulting

# Those in tier 1 and tier 2 cities have larger diversity in physical activities

Overall, respondents from lower tier cities exercise less frequently than the tier 1 and 2 counterparts. Respondents living in tier 1 and 2 cities were also more likely to exercise over 3 times a week.

## How often those from different tier-cities workout on a weekly basis

■ Almost never   ■ Less than 1X   ■ 1-2X   ■ 3X   ■ 4-5X   ■ 6X



## Those in these cities were more likely to...

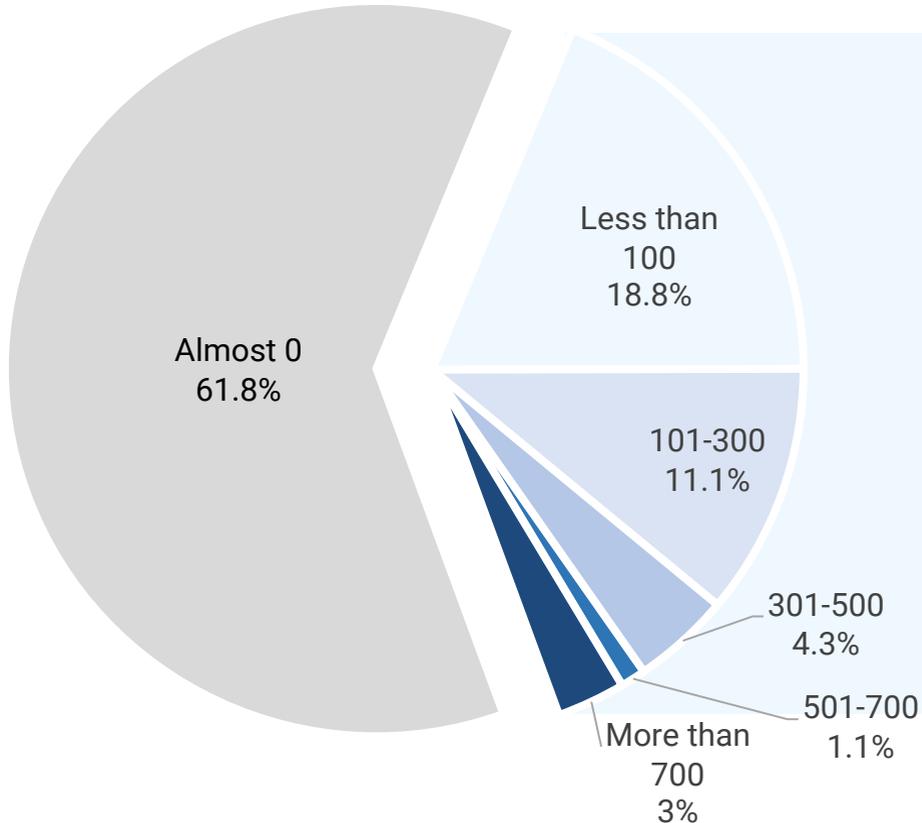
Source: Daxue consulting survey of 1,354 Chinese people

# Most Chinese have no expenditures on fitness

Based on daxue consulting's 2020 survey on Chinese fitness habits, less than half of the respondents spend money on fitness, and those that do spend very little. Sportswear and nutritional supplements are the top categories for fitness expenditures.

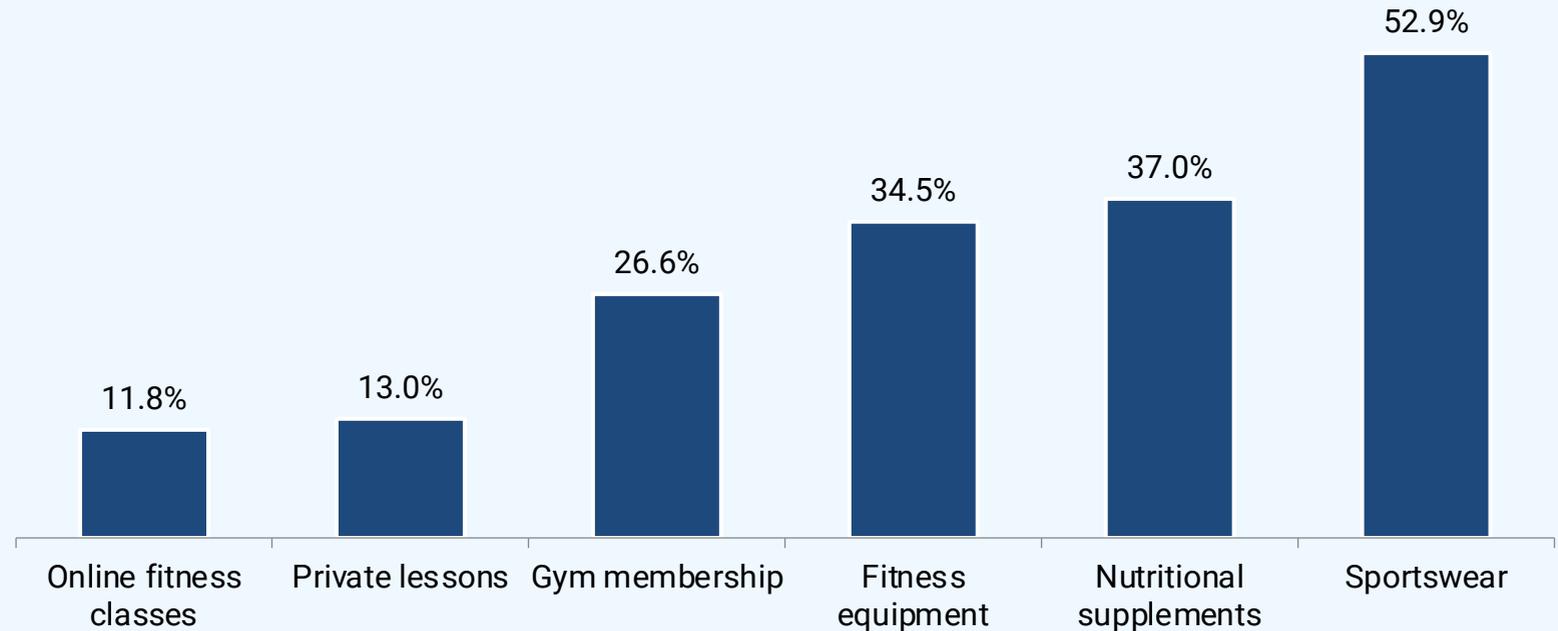
## Chinese respondents monthly spending on fitness

(CNY, N=1,354 Chinese people)



## Fitness-related products that Chinese people spend money on

(N=565 Question only applies to those who spend money on fitness)



Source: Daxue consulting survey of 1,354 Chinese people

# Large competitions are attracting more people to sports

The Chinese government has held more competitions in recent years. In addition to the more common sports events like swimming and tennis, there are also some relatively niche events such as snooker/pool and short-distance speed skating.



Source: CBNDATA, Keep designed by Daxue consulting

# Several actions have been taken to raise citizens' sports enthusiasm

The State Council and the General Administration of Sports has issued several documents to accelerate the construction of public sports venues, reduce the cost of public sports, and converting sports a part of citizens' daily life.

The State Council names August 8th as the "National Fitness Day", to strengthen the propaganda of sports, promoting physical fitness activities, and creating a fitness atmosphere.

The General Administration of Sport of China issued the "National Fitness Guide", established the first national guide to sports and fitness activities.

The State Council issued the "Outline for Building a Leading Sports Nation", planning a roadmap for building a strong sports nation of China.

2009

2017

2019

2016

2018

2020

The State Council issued the "Healthy China 2030 Blueprint" as a national strategy and set a goal of enabling everyone to be involved in health, share health, and be responsible for health.

The General Administration of Sport and other departments issued the "Million-kilometre Fitness Trail Project Implementation Plan", requiring the full implementation of the "Million-kilometre Fitness Trail Project".

General Administration of Sport issued the "Key Points of Mass Sport Work in 2020", which has pointed out the necessity to implement the national fitness action.

Source: CBN DATA, Keep designed by Daxue consulting

# More sports venues have been built in recent years

In order to provide enough exercise places for people with their sports needs, and to encourage more citizens to participate in it, 169,000 sports venues have been built in 2019 according to General Administration of Sport of China's statistical survey in 2020.

## No. of sports venues in China (2020)

	Sport	Number of venues (thousand)	Proportion
1 <sup>st</sup>	Basketball	1,005.8	27.1%
2 <sup>nd</sup>	Outdoor fitness equipment	871.2	23.5%
3 <sup>rd</sup>	Ping-pong	835	22.5%
4 <sup>th</sup>	Badminton	202.4	5.4%
5 <sup>th</sup>	Running track	179.5	4.8%
6 <sup>th</sup>	Football	117.3	3.2%
7 <sup>th</sup>	Gym	114.8	3.1%
8 <sup>th</sup>	Volleyball	91.3	2.5%
9 <sup>th</sup>	Fitness trail	89.4	2.4%
10 <sup>th</sup>	Swimming pool	29.2	0.8%
	Others	178	4.7%
	<b>Total</b>	<b>3,713.4</b>	<b>100%</b>

### The 3 sports with the largest number of venues in China

- Have a high player penetration in the general population
- Have relatively inexpensive equipment and maintenance cost.



### The variety of niche and high-spending sports and the number of venues are increasing in China, due to:

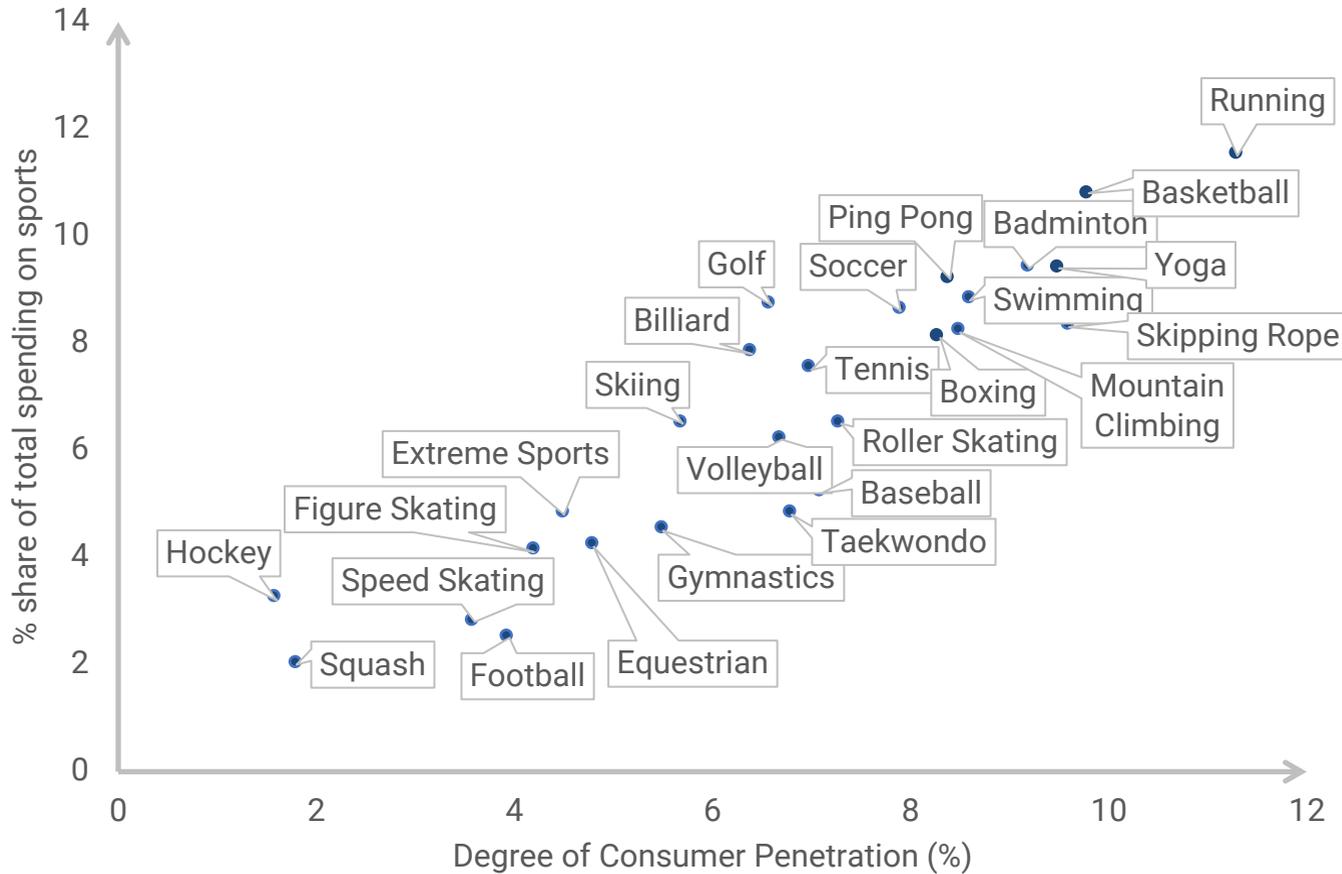
- People's diversified sports needs has increasing disposable income
- More and more Chinese people, especially Gen Y and Gen Z played these sports when they studied or worked abroad and wish their children can engage in these sports as well.

Source: General Administration of Sport of China designed by Daxue consulting

# Running, basketball, yoga and net sports are top in terms of market share

Sports with high penetration not only have supporting infrastructure but also strong cultural elements

Online share of expenditures by consumer penetration of various sports



## Popular sports in China



**Running** can be done anywhere with little equipment and is commonly a basic measure of a person's level of fitness



**Basketball** culture in China is strong due to #YaoMing and #NBA. Basketball shoes also carry more than just functional values. Infrastructure is relatively abundant compared to soccer



**Yoga** was popularized especially among women due to its associations with body image and premium lifestyle



**Ping Pong** has always been a sport of national pride in China. Games could happen in street parks or dedicated facilities



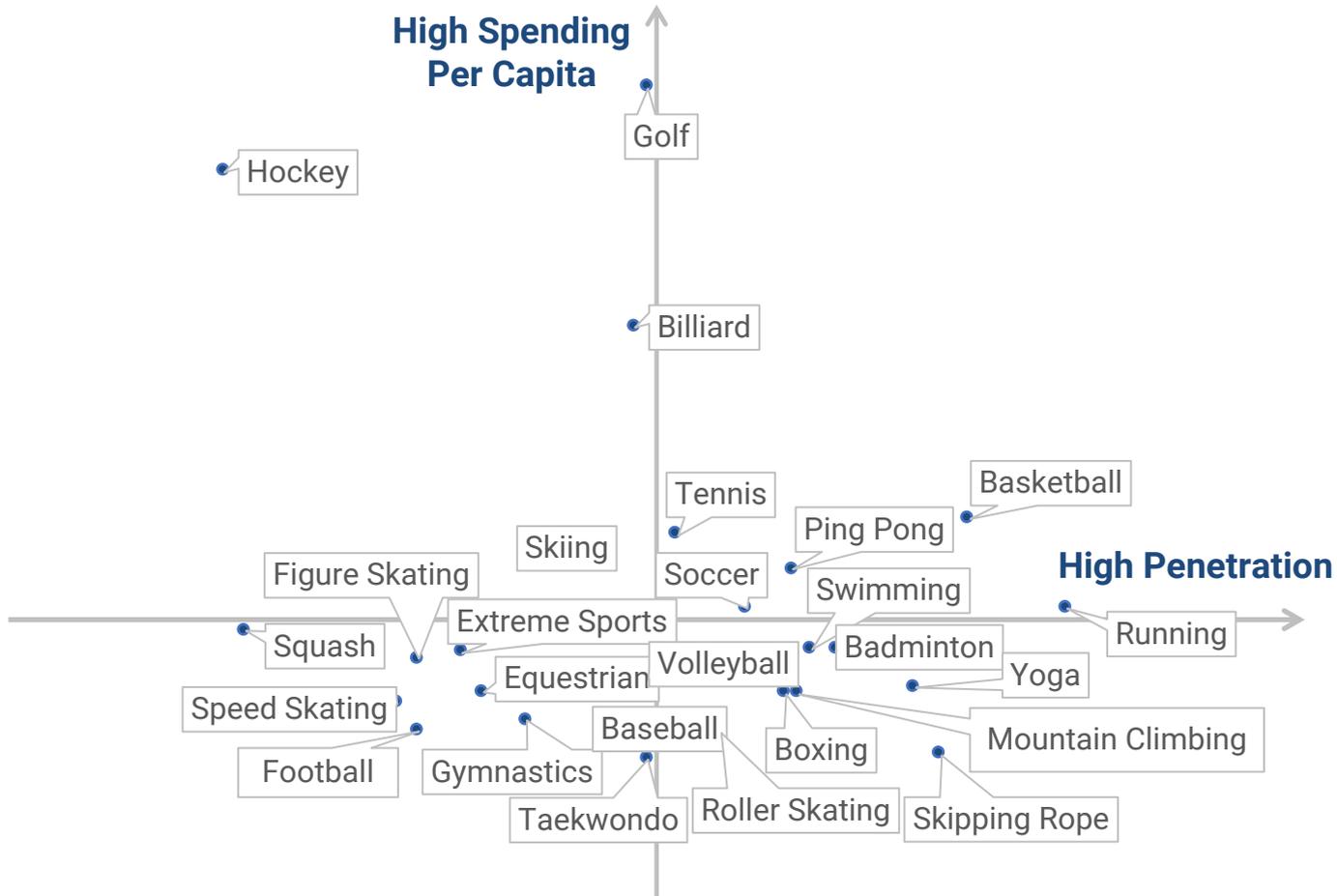
**Boxing** has recently become a popular way of working out and losing weight. Available in gyms and studios, which are growing

Data source: JD

# Some high-cost sports are gaining popularity

As disposable income rise, the market opens up for expensive sports such as hockey and golf

## Online spending per capita vs. penetration



### Common drivers for a sport's popularity:

1. Infrastructure availability
2. Minimum skills requirement
3. Cultural awareness

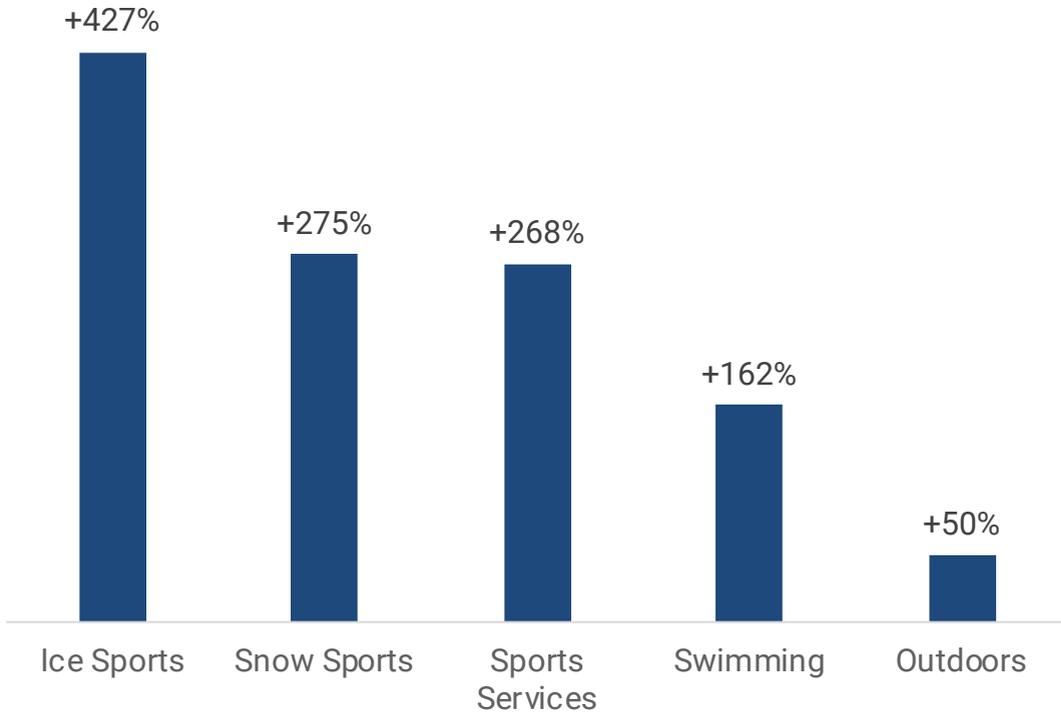
Hockey and golf are growing in tier 1 cities as they are considered new "expensive" sports. Strong market potentials can be seen if penetration can be increased further.

Looking forward, we expect **non-contact sports** to grow in popularity due to the pandemic.

# Winter sports is the fastest growing category

This growth is driven by consumers from Tier 1 and Tier 2 cities. The Beijing 2022 Winter Olympics is another catalyst for this growth in winter sports through increasing the cultural awareness of winter sports and the growth of infrastructures

Online sales growth for new sports from 2017 to 2021



Tier 1&2 city consumer spending on sports Target Group Index\*



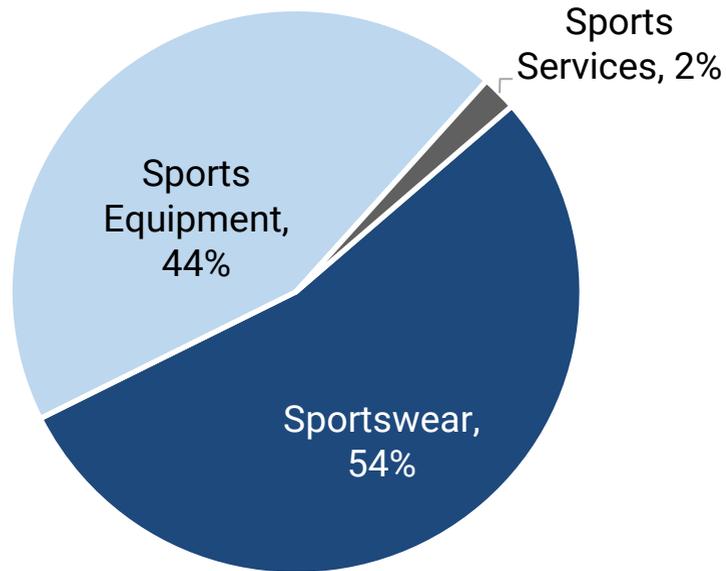
Source: JD

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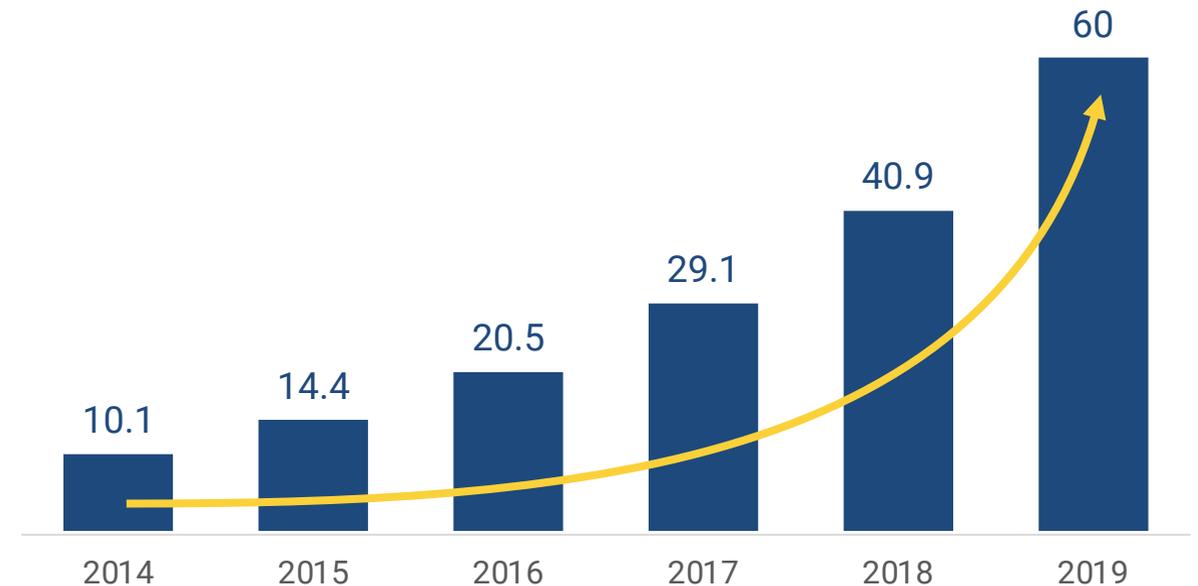
# Spending on services is low but will become a major growth point

Spending on services like training and competitions is growing, demonstrating more serious participation and sustained development. While it only accounts for a small part of sports spending now, the market is growing rapidly.

2021 structure of online consumer spending on sports



China youth sports education market size (Billion CNY)



A young boy in a blue jersey is jumping to shoot a basketball in a gymnasium. Other players in blue jerseys are visible in the background. The scene is brightly lit, and the basketball hoop and backboard are visible above the boy.

2

# The youth sports market

## 2.1

# Sports in Chinese schools



# Chinese student's PE class experience from elementary to high school

We traced the typical Chinese student's physical education experience and found exercise was most emphasized in **middle school**, according to in-depth interviews from two Gen-Z from Xiamen.



## Elementary school

- One 40-minute PE class a week
- Starts with standard exercise warm up
- Learn sports followed by unstructured free-time to play
- Only cancelled for bad weather or test week or test month

## Middle School

- 2-3 PE classes a week, and 'sunlight exercise hour' exercises on days without PE
- PE counted for around 25 points in the 650 point High School Entrance Exam (中考). The score ratio has been increasing over time.
- In the national exam, students chose to be graded on four of the following activities: running, swimming, soccer, basketball, shot-put, jump rope, pull ups, and sit ups



## High School

- One 45-minute PE class a week, no longer graded.
- Activities are more diverse, some tier-1 city schools even have Taiqi (太极拳) or Wushu (武术)
- The first 25-30 minutes was learning how to do a specific sport, the last 15-20 minutes was free time, so some kids continued playing while some did homework
- In lower-tier cities, PE is often sacrificed for more study

# Outside of PE, Children exercise in the morning and “sunlight hour”

Outside of PE class, Chinese schools also mandate morning calisthenics exercises, afternoon exercises and eye exercises.

雏鹰起飞



“Young Hawk Takes Flight” China’s national calisthenics routine for elementary schools

舞动青春



“Dance of Youth” China’s national calisthenics routine for middle and high schools

眼保健操



Eye exercises which students do twice a day to prevent myopia

阳光体育小时



Sunlight exercise hour middle school students do 2-3X a week around 4PM

# Chinese youth's value of sports decreases as they age

In China, more than 30% of youth report having a neutral or negative attitude towards exercise. Chinese youth are not being guided properly at the right age, the sweet spot for getting youth interested in athletics is Junior High or earlier.

## Proportion of students who believe exercise is 'very important'\*



Junior high  
**41.8%**



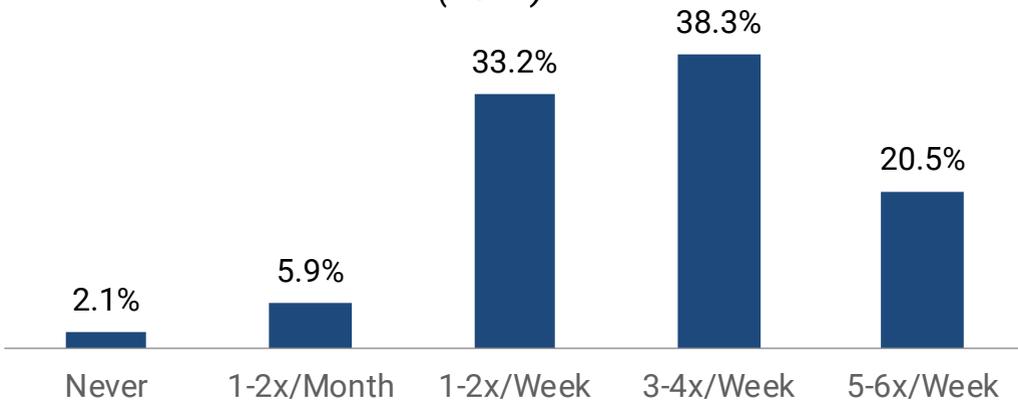
High-school  
**32.8%**



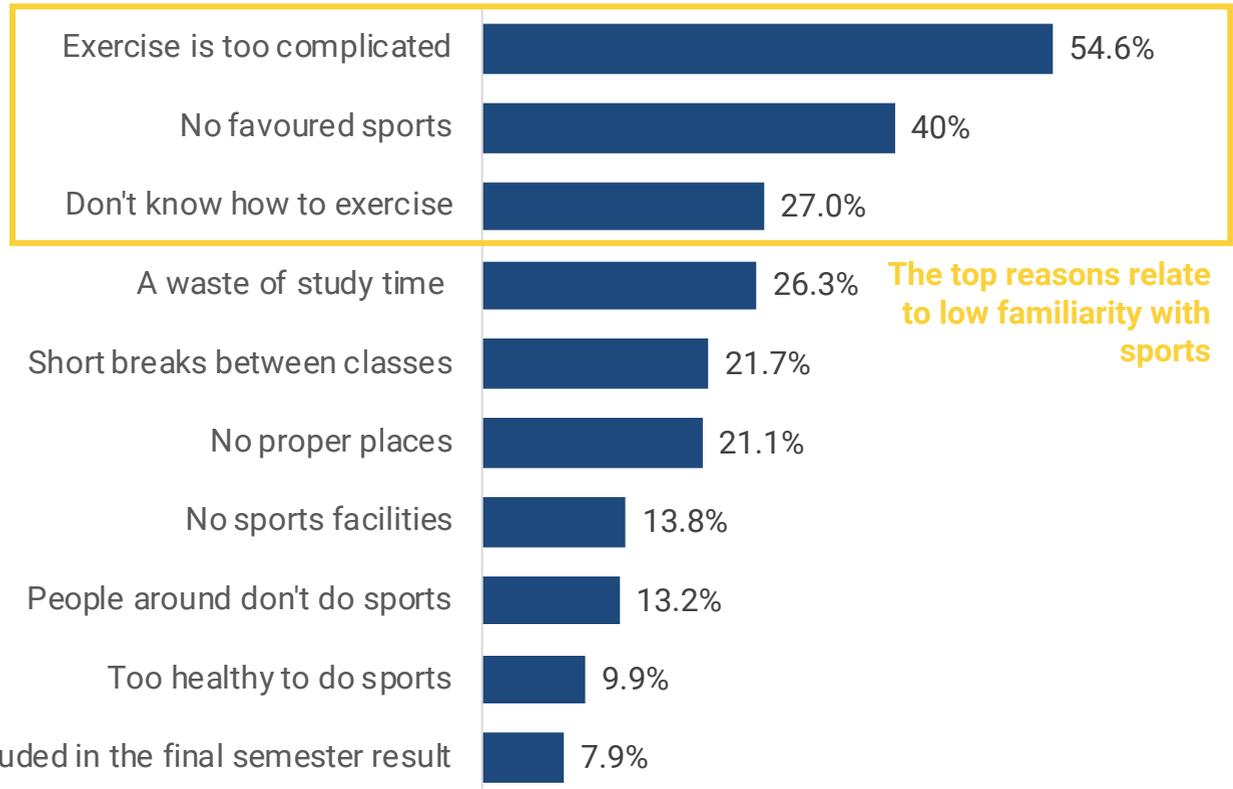
University  
**29.6%**

## Chinese students responses to "How often is it important to exercise?"\*

(2021)



## Survey on major reasons why teenagers do not do sports\* (2021)



Source: General Administration of Sport of China designed by Daxue consulting

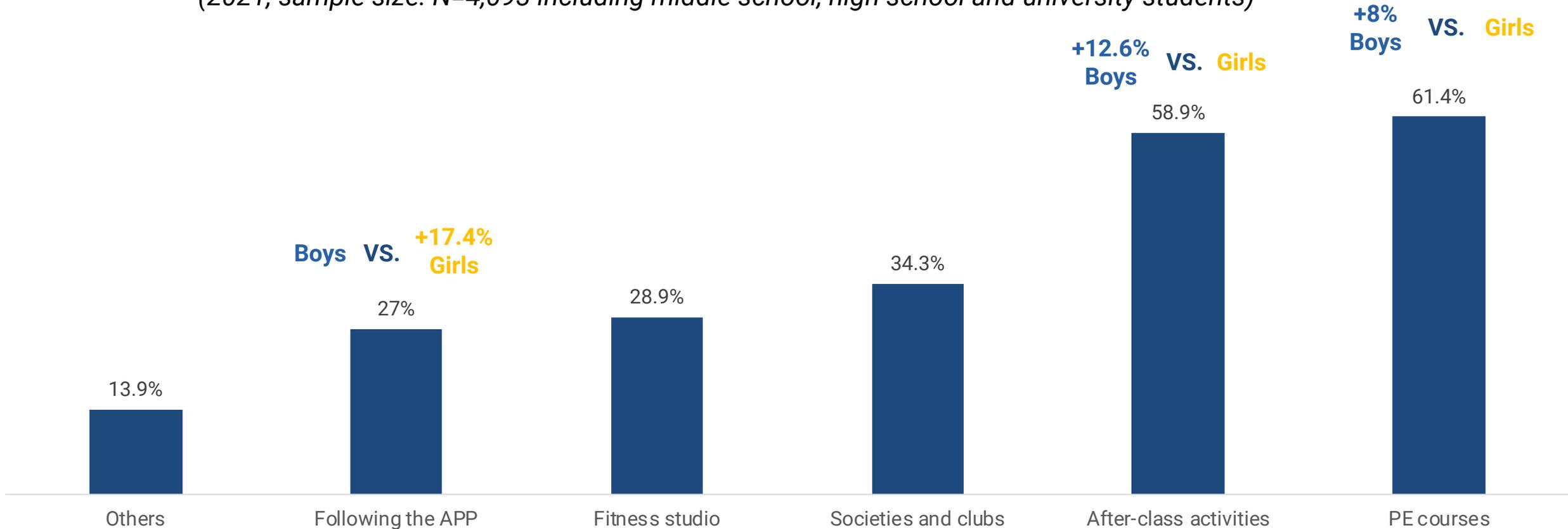
\*N=4,093 including middle school students, high school students and university students

# Chinese youth more often participate in group exercise

According to the China Youth Research Center 2021 report, physical education classes and after-school activities received the most votes from the youth of China, and it can be seen that they prefer to play sports in groups rather than doing them alone. Girls, meanwhile, prefer to follow training apps to do indoor activities, while boys prefer to go outside.

## How Chinese students get their exercise

(2021, sample size: N=4,093 including middle school, high school and university students)

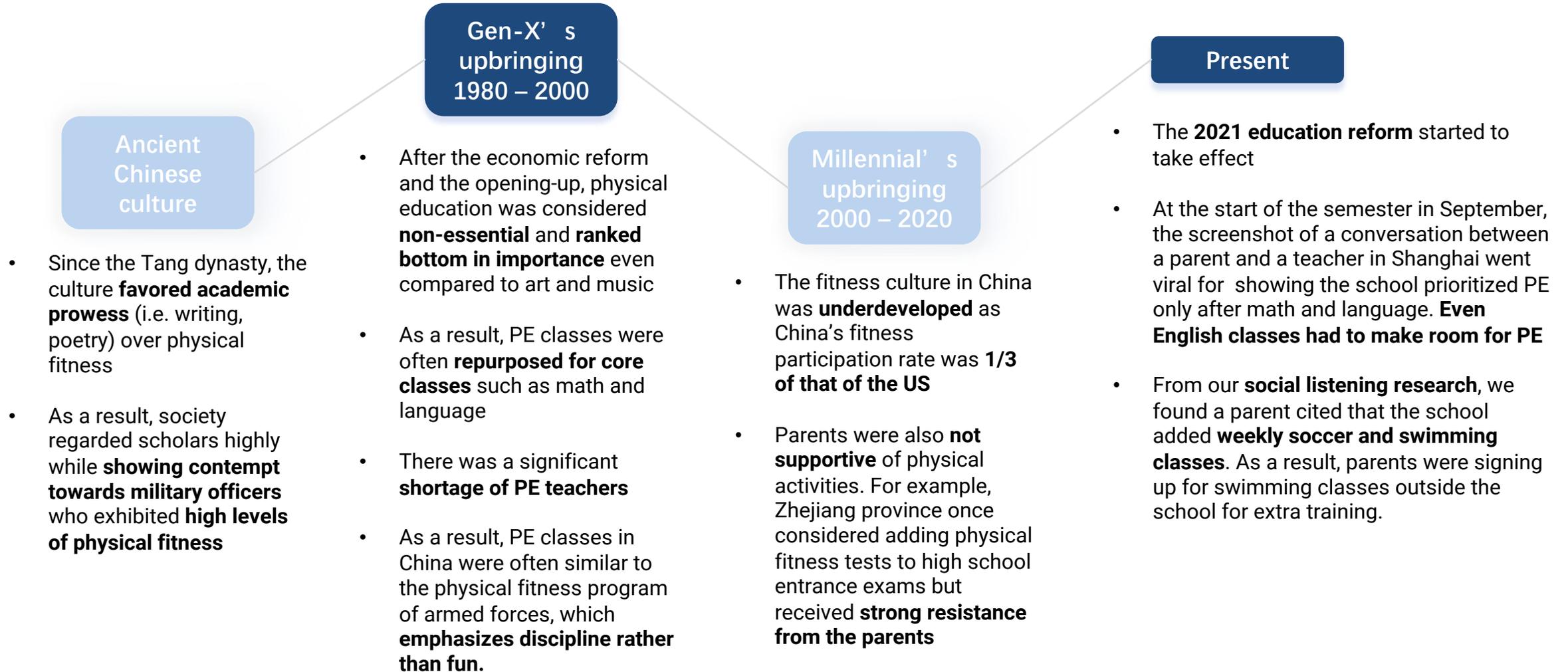


Source: General Administration of Sport of China designed by Daxue consulting

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# Cultural and societal barriers of exercise for Chinese children

Chinese culture puts more emphasis on academic performance than physical fitness, but things are changing very rapidly.



# New policies strive to improve students' daily physical activity

The Chinese government released policies to reduce students' homework and improve the importance of sports through a higher weight of the PE exam in the college entrance examination.

## Opinions on Comprehensively Strengthening and Improving School Sports Work in the New Era

*Issued by the General Office of the Central Committee of the Communist Party of China and the State Council*

- Sports will affect students' overall quality evaluation and even higher education.
- The physical education entrance examination should increase the score year by year to reach the same score as Chinese language exam.
- Each student should have **2 hours** of physical exercise every day, **one on campus** and **one off campus**.

October  
2020

## Double reduction policy (双减政策)

*Issued by the Ministry of Education of the People's Republic of China. Intended to ease burdens and anxiety of students and their parents related to academic pressure.*

### Schools should:

- **Implement after-school education activities**, expand learning space for students and carry out a variety of science, culture and **sports**, art, labor, reading, interest groups and club activities.
- Make sure the difficulty of the course does not exceed the national curriculum standards. No homework are assigned to first to second graders, and less than 1 hour written assignments are assigned to the third to sixth grades of elementary school. In middle school written assignments should not be more than 90 minutes.

### Schools and parents should:

- Guide students to engage in housework after school, **exercise**, read and engage in cultural activities, use electronic devices rationally, protect visual health, and prevent Internet addiction.

July  
2021



## 2.2 China's childhood obesity rates are climbing rapidly

# China's childhood obesity problem is most severe in the north

According to National Health Commission of China's research in 2020, more than half of the adults and one-fifth of children in China were overweight or obese, which rank the first in the whole world. Parents' unhealthy dietary habits will affect their children to a large extent.

## Overweight and obesity rate of 7-12 years old children (2014)

Children's obesity rate issue is most severe in the north, especially in Beijing and the provinces of Tianjin, Hebei.



## Overweight and obesity rates of adults (2017)

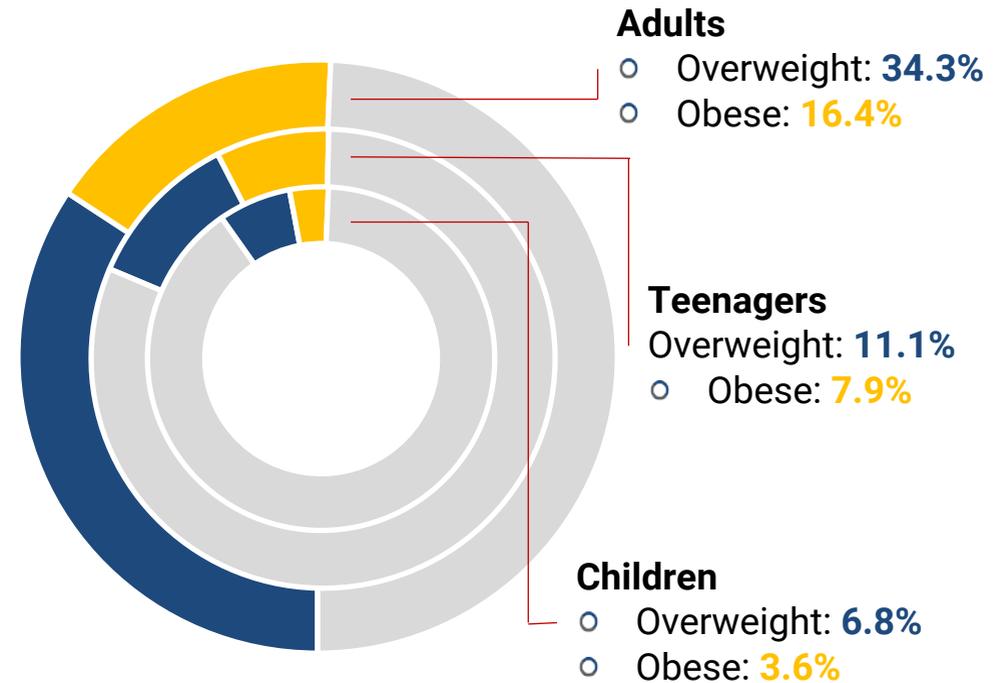


10

65

The distribution of adults' obesity rate is similar to that of children and the extent is higher than that of children.

## Overweight & obesity rates in China (2020)



\*Overweight:  $25 > BMI \geq 23$

\*Obese:  $BMI \geq 25$

China's threshold for overweight and obesity are lower than the international CDC guidelines of 25 for overweight and 30 for obesity

# China's childhood obesity grew four-fold from 1995 to 2014

China's current levels of childhood overweightness and obesity resemble the US in the 1990s, but the rate is growing **2.5X** faster than that of the US in the 90s.

## How does China's childhood obesity problem differ from other countries?



### Low level of organized sports participation

Only **20%** of school aged children in Shanghai participate in organized sports, compared to 72% in the United States.



### Massive homework load and sedentary entertainment

Also contributing to the increasing sedentary lifestyle of Chinese youth is the **massive homework load and popularity of sedentary entertainment** like video games and surfing the internet.



### Family pressure to eat in excess

**Grandparents** play a large role in childcare in China as co-residence with grandparents is very common. The current generation of Chinese grandparents grew up around starvation and poverty. This led them to see extra fat as a sign of health. As a result, **grandparents tend to over-feed their grandchildren, especially boys**; this has been called the "grandparent effect".



### Obesity is higher in rural areas

Chinese children in suburban or rural regions tend to be less active than those in urban regions. According to a 2016 study, **China's rural children are less likely to pass the nations standardized fitness exams** compared to urban areas.



### Wealthier children are more likely to be obese

In China, **obesity is correlated with a higher income**, whereas in western developed countries, obesity is correlated with a lower income.

# Tier-1 city parents show more concern about childhood obesity

Children's obesity rate in the Northern China, especially in the Beijing, Tianjin, Hebei area, is higher than that in south.

## Geographical distribution

Keyword: Weight-loss for children

Time range: Apr. -Oct.2021

## Most searched netizens by cities

### Searchers gender distribution

 80.1%

 19.9%

### Searchers age distribution

20-29: 6%

30-39: 76.2%

40-49: 17%

### Searching index

High  Low



## 2.3 The #1 barrier of entry is getting through to parents



# What sports have parents from tier 1&2 cities chosen for their children and why?

According to social listening on Xiaohongshu, many parents acknowledge the physical and mental benefits of sports.



“我们选了橄榄球。国内有的家长觉得是一项暴力野蛮的运动。其实不是这样。需要穿戴盔甲，保护性很高。而且规则也对肢体接触犯规规定十分严格”

“We chose **football**. Many parents believe it is an aggressive sport but that's not the case. The protective gears and rules around physical contact make it very **safe**”

**Location** : Guangzhou

♡ 25 ☆ 13 3

“每次Joey上冰训练，我真的是秒变迷妹，觉得打冰球的男孩真的是太帅了吧！希望冰球能让孩子更自信，更阳光，身体素质更好一点，培养孩子的团队精神，合作意识，遵守定下的规则。”

“Every time Joey goes on **ice hockey** training, I really become a fan of him. I think the boys who play ice hockey are really **handsome**! I hope ice hockey can make my boy **more confident, more outgoing**, have **better physical quality**, cultivate his team spirit, **sense of cooperation**, and abide by the set rules.”

**Location** : Beijing

♡ 452 ☆ 35 318



“我家宝宝开始运动项目启蒙了，给她选的是网球。  
“My daughter has started her first sports and we chose **tennis**. There are many benefits and this is a necessary sport if you want your daughter to be a **real lady**”

**Location** : Chengdu

♡ 124 ☆ 38 28

“为什么培养孩子打篮球呢？长个子，全脑开发，感统能力，反应能力，冒险精神，观察能力”  
“Why **basketball**? It helps with physical growth, **brain development**, sensory development, reactivity, **risk-taking**, and perceptiveness.

**Location** : Beijing

♡ 1 ☆ 1 4

#合作意识# **sense of cooperation**

#自信# **confidence**

#优雅# **a real lady**

#冒险精神# **risk-taking**



# What sports have parents from tier 3 cities chosen for their children and why?

Social listening of tier-3 city parents on Xiaohongshu shows a lower understanding of sports and inclination towards exercising at home.

“如果只选一项运动，是羽毛球还是篮球。其实这两项运动都适合男孩子，如果时间和精力允许”  
“If I have to pick one **sport for boys**, either **badminton or basketball** works, as long you have enough time and energy”

♡ 1 ☆ 1 💬 4



“学游泳还是得教练教才乖乖听话。爸爸教不听。教练教就感觉很安全，乖乖听话”  
“**Getting a coach** is the best way to learn to swim. Our kid doesn't trust her dad in water, but she listens to whatever our coach says”

♡ 1 ☆ 1 💬 4

“家里人都不爱运动，买了这个运动踏板，老公每天都跟孩子开合跳，前后跳各五分钟提升下肢力量和身体协调，有助于长高”  
“**No one in our house likes to exercise**. With this stepping board, my husband & the kids dance on this everyday for 5 min, which is beneficial for height growth”

♡ 1 ☆ 1 💬 4

“奶奶带娃健身两不误，快带孩子玩起来吧”  
“**Baby sitting and exercising do not have to conflict** with each other. Start exercising with your kids together”

♡ 376 ☆ 224 💬 6

“运动打卡第48天：陪孩子运动简单跑跑步也挺好”  
“The 48<sup>th</sup> day of our running routine. **Simple exercises** such as running with kids could be pretty good too”

♡ 1 👍 1 💬 4

“说说学乒乓球的理由吧。担心长太高，篮球变成了乒乓球”  
“Worried that playing **basketball makes our son too tall**, we decided to switch to ping pong”

♡ 1 ☆ 1 💬 4

#合作意识# **sense of cooperation**

#自信# **confidence**

#优雅# **a real lady**

#冒险精神# **risk-taking**



3

# Survey of Chinese parents' views of youth sports

# About our survey

The aim of the survey is to understand the attitudes and buying behaviors of Chinese parents towards sending their children to do physical activities



We want to understand how Chinese parents balance their children's academic and physical activities. Moreover, we find out what kind of physical activities fit Chinese families' lifestyle



As income level and standard of living rise, parents are increasingly aware of the importance of physical education.



However, academics is still the top priority both economically and culturally

**71%** from  
Tier 1 & 2 cities



**Who were our 1000 respondents?**



**74%**  
from household  
< ¥ 20,000  
monthly income

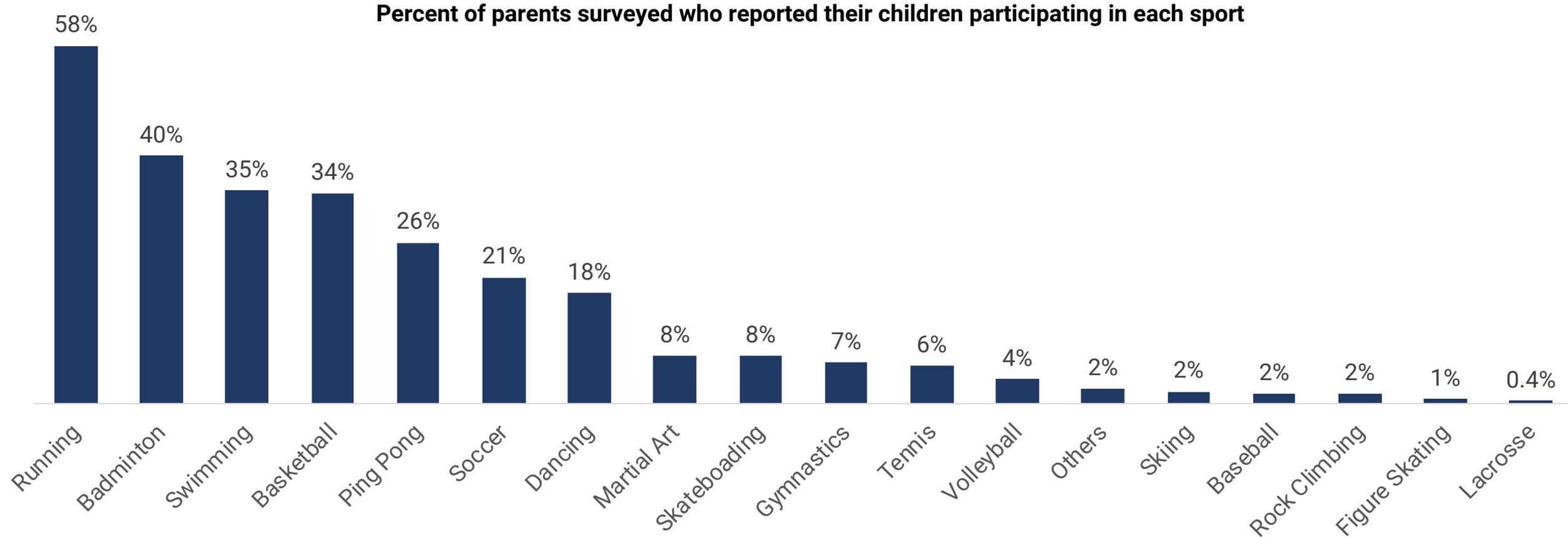
## 3.1

# Exercise behaviors & common sports of Chinese youth



# Which sports Chinese parents enroll their children in

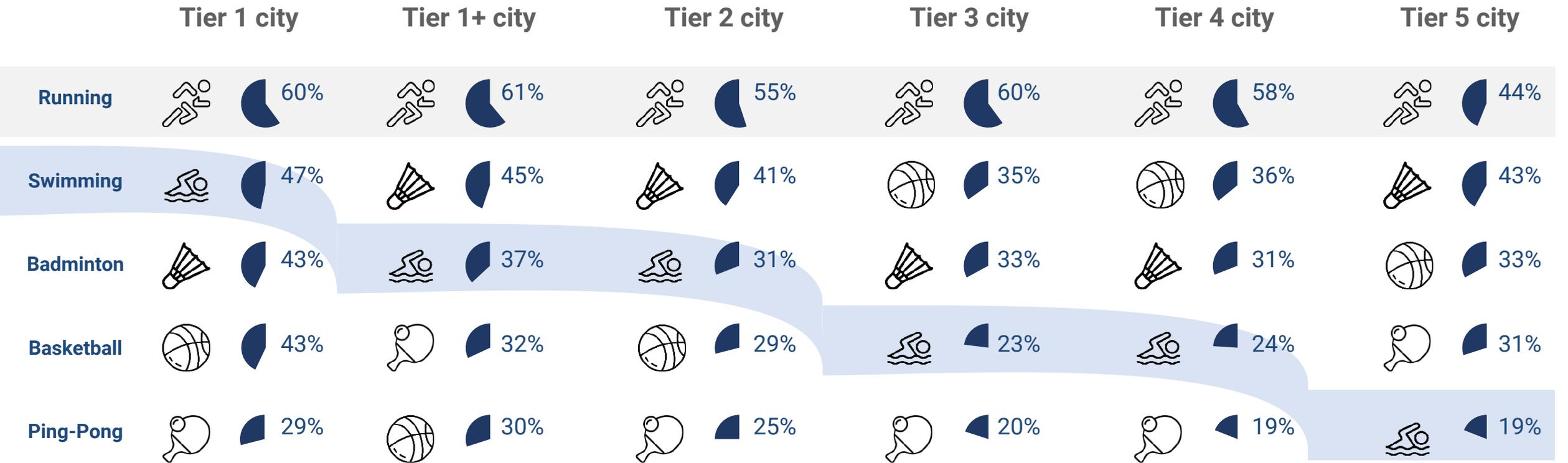
Traditional Chinese sports such as badminton and ping pong and are more popular than team sports like soccer and volleyball. Swimming is increasingly emphasized and a part of school curriculums.



Data collected in partnership with 

# City tier is a large factor for the popularity of some sports

Regardless of city tier, the most popular sports are the same. Swimming gets more popular as a city gets more developed perhaps due to infrastructure availability, but running which doesn't depend on infrastructure, is consistently a top sport among Chinese students.



% of students participating in each sport

Data collected in partnership with dataSpring

# Top sports engaged outside school by monthly household income

High income families' children are overall more active, but sports like ping pong and dance are more popular among the middle class while swimming is popular among wealthy families.

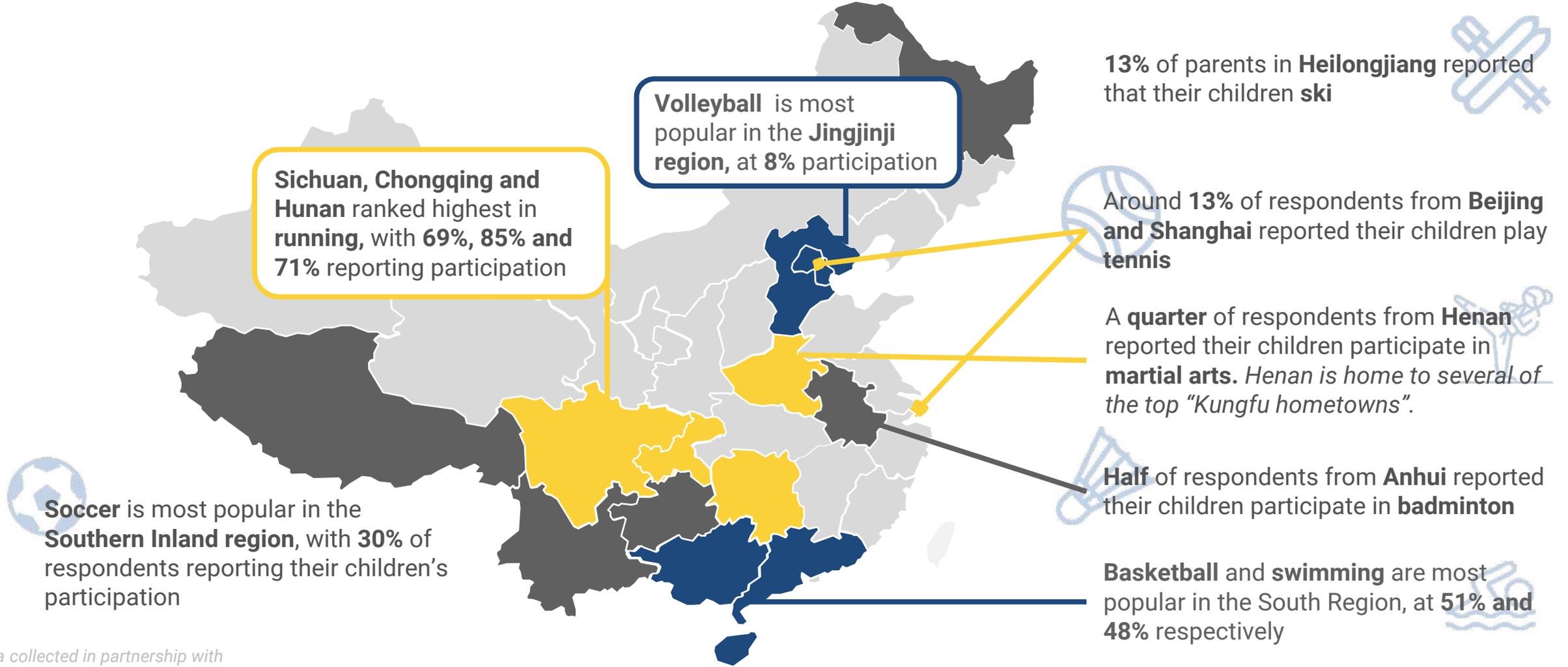
	≤ ¥5000	¥ 5001 - ¥ 10,000	¥ 10,001 - ¥ 20,000	¥ 20,001 - ¥ 50,000	¥ 50,000+
	36%	59%	61%	59%	63%
	28%	37%	39%	50%	46%
	20%	29%	37%	34%	60%
	8%	24%	36%	49%	46%
	16%	20%	27%	34%	17%
	18%	18%	50%	23%	4%
	7%	18%	20%	26%	34%

Data collected in partnership with 

% of students participating in each sport

# Sports popularity varies by region and province

Region is also a factor in sports popularity. The south appears to prioritize swimming more than the northern and inland regions, while Beijing and regions further north have mountains and snow for skiing.

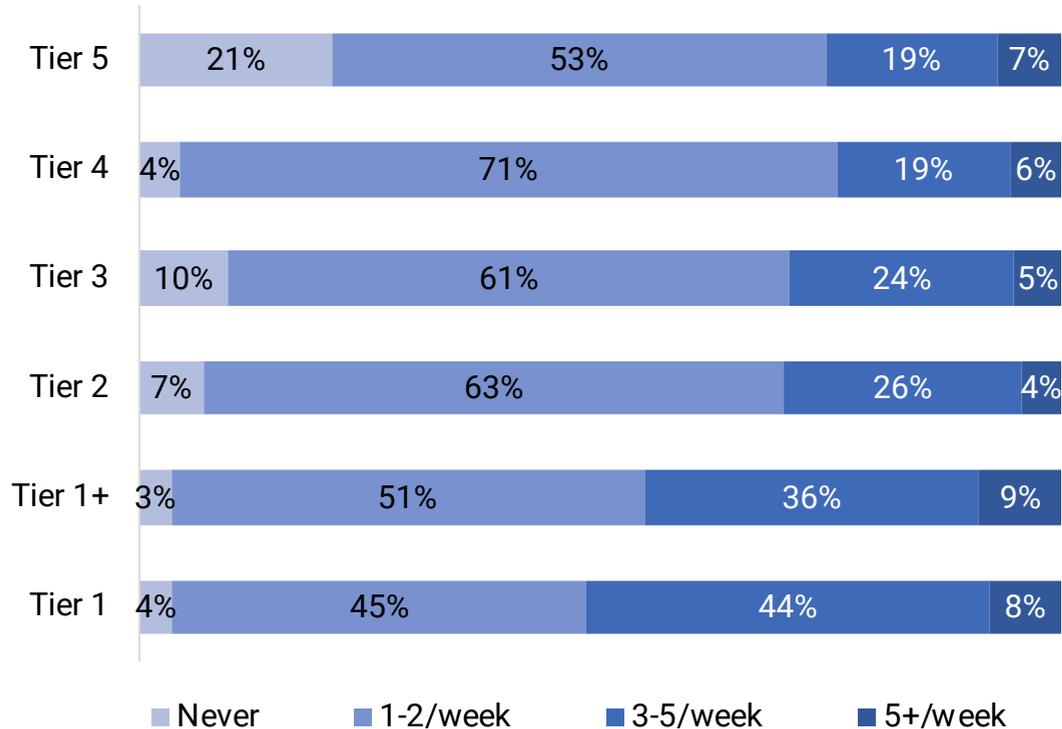


Data collected in partnership with dataSpring

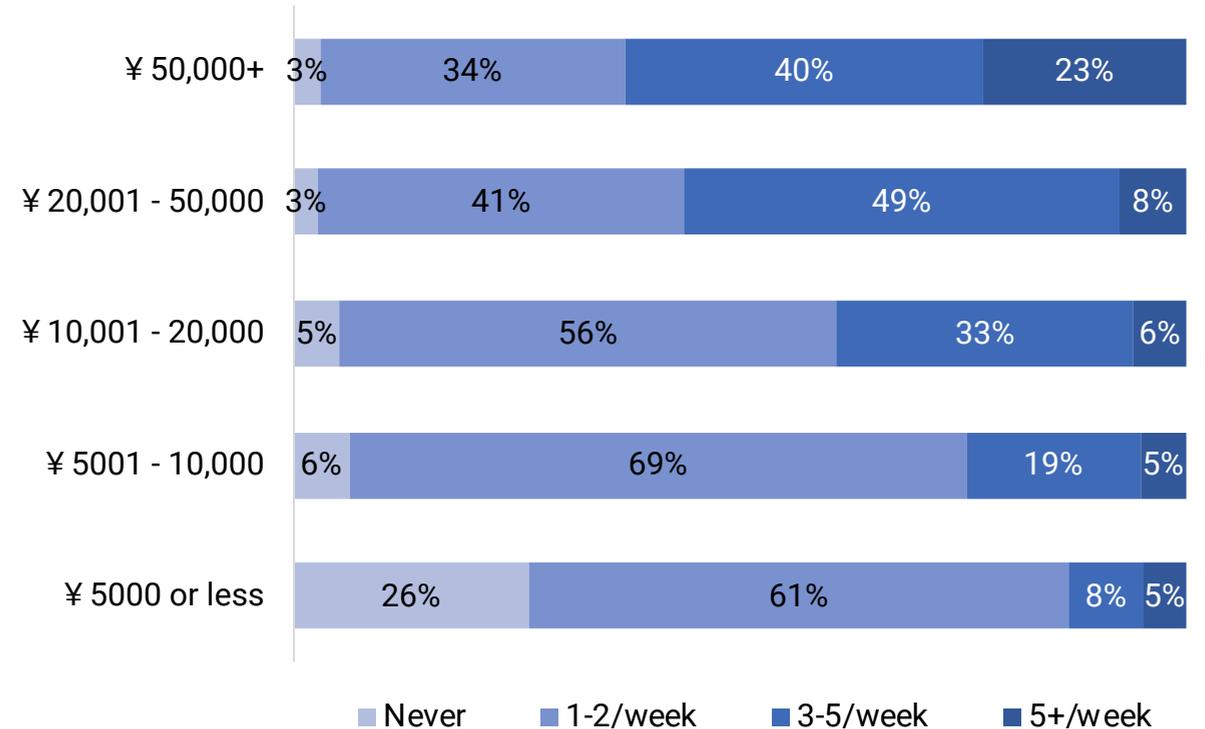
# Children of low-income and low-tier families exercise the least

At least 30% of parents say their children exercise more than 3x per week outside of school. Children of higher income families and families in larger cities tend to get more exercise.

Students' frequency of exercise outside school by city tier



Students' frequency of exercise outside school by family income



Data collected in partnership with 

# Pre-teen children get more exercise than teenagers

Students' exercise frequency drops significantly after the age of 12, which is when they enter middle school and when academic pressure steps up.

**Middle school** is a critical time for Chinese student to develop exercise habits, because PE is on the High-School Entrance Exam (中考), while it is not on the University Entrance Exam (高考)

**47%** **Age 7 – 12**  
Exercise 3X or more per week

**27%** **Age 13 – 18**  
Exercise 3X or more per week

Data collected in partnership with  

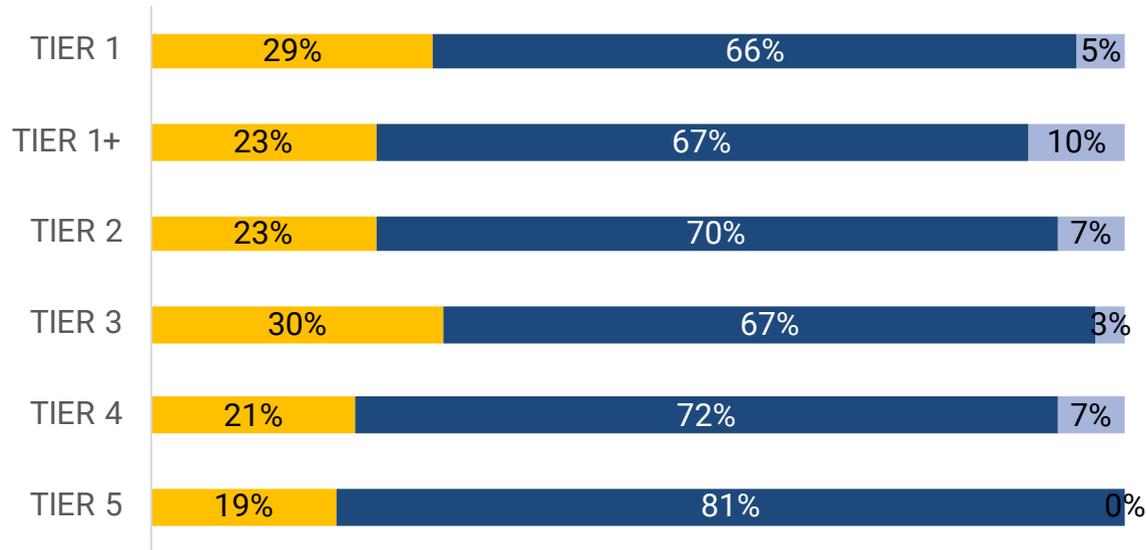

3.2

## Parents' attitudes towards academic's vs physical activity



# Academics are priority for most parents, especially low income families

Attitudes towards academics vs fitness by city tier



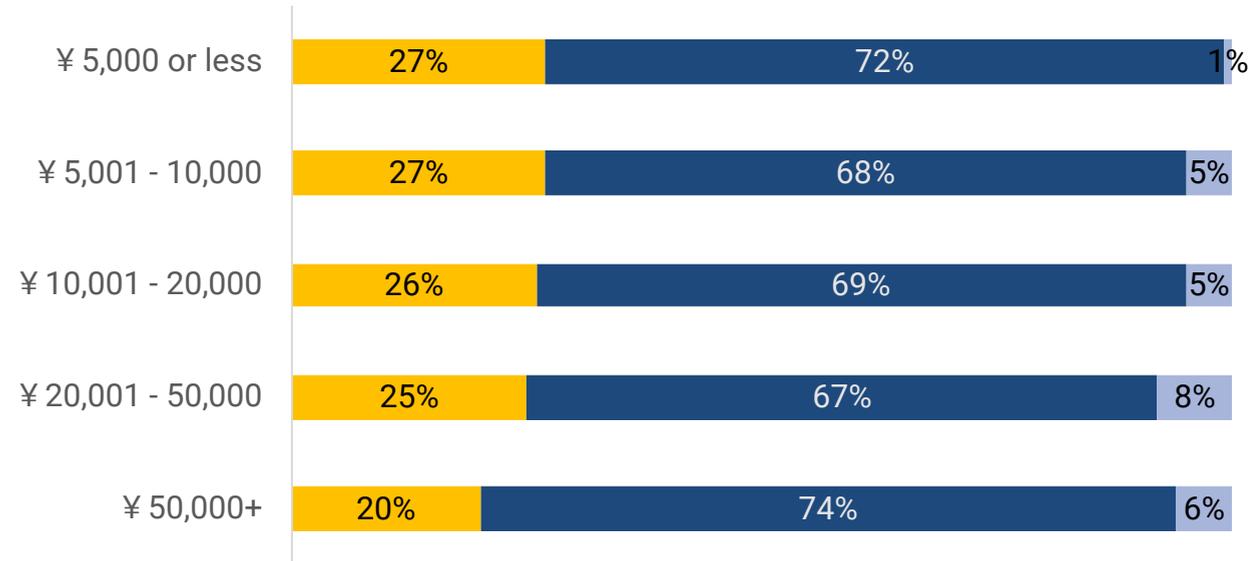
■ Academics > Fitness ■ Academics = Fitness ■ Academics < Fitness

At least 20% of parents **value academics over fitness**, regardless of income level and city tier.



**Fitness is valued more** as soon as families get out of the lowest income level and city tier.

Attitudes towards academics vs fitness by monthly family income



■ Academics > Fitness ■ Academics = Fitness ■ Academics < Fitness

**Academics is key to social mobility** in China, high test scores allows students to attend Universities in larger cities, giving them a chance to change their residency.



However, majority of parents equally value academic to fitness at an average of 70%

# By age 10, most children are sacrificing physical fitness for education



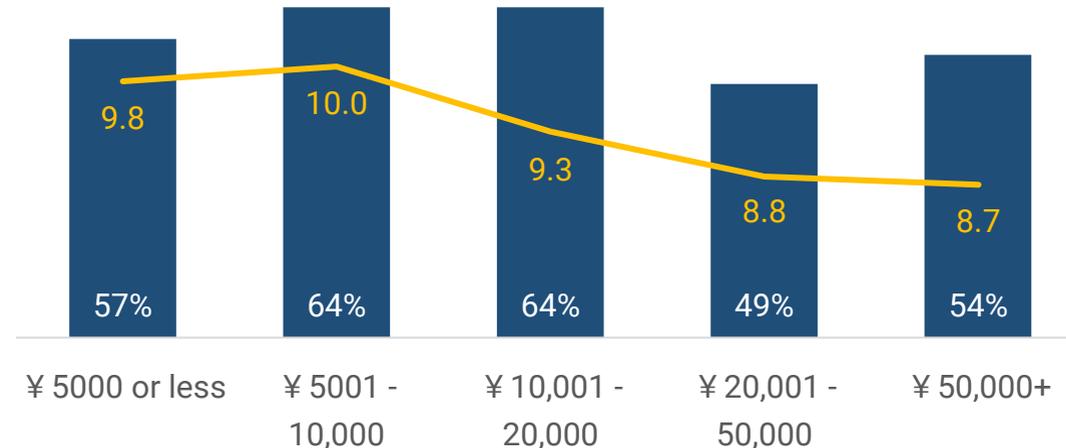
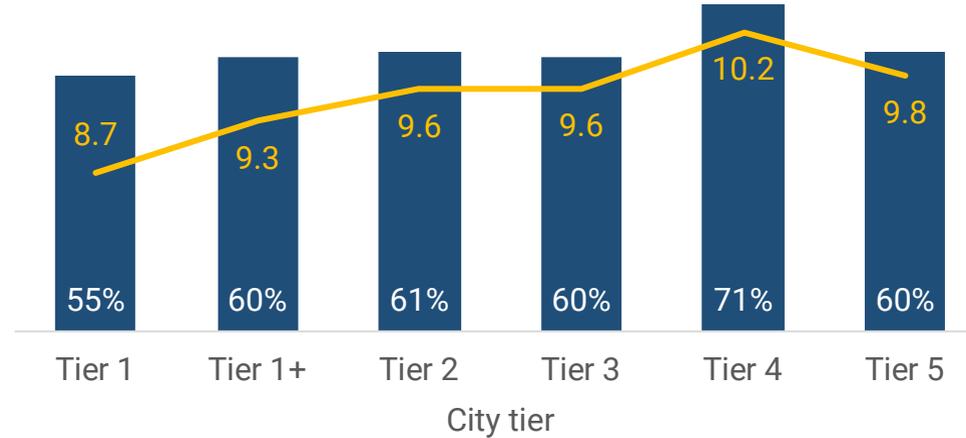
At least half of the parents would sacrifice their children's physical activities for academic studies.



Higher tier cities and higher income families tend to sacrifice physical activities of their children at an earlier age



Education over fitness percentage and average age by city tier and monthly household income



- Percentage of parents who would reduce child's physical activities to make room for academic activities
- Average age of child who has reduced physical activities

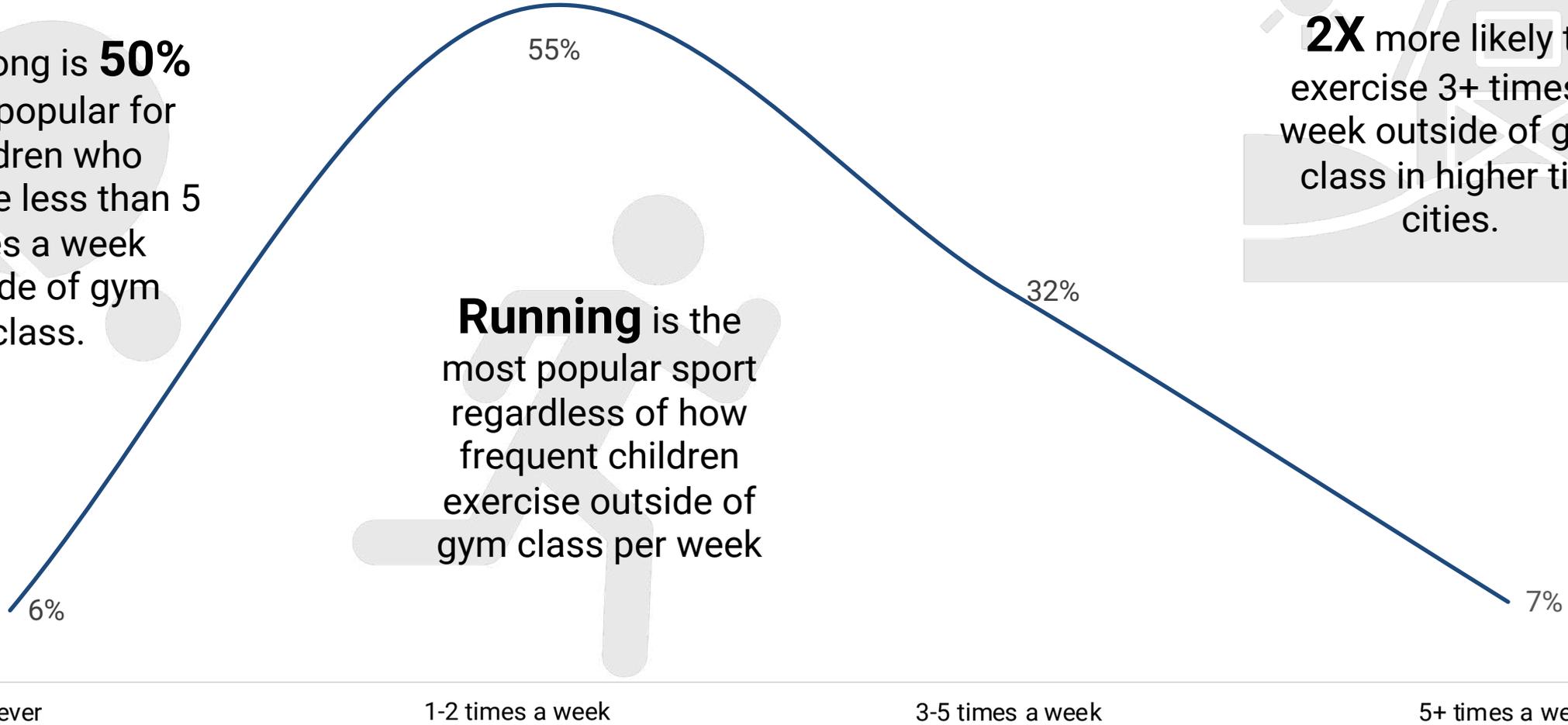
# A majority of Chinese children exercise only 1-2 times a week outside of school

How often do children exercise outside of gym class per week?

Ping-pong is **50%** more popular for children who exercise less than 5 times a week outside of gym class.

Children are around **2X** more likely to exercise 3+ times a week outside of gym class in higher tier cities.

**Running** is the most popular sport regardless of how frequent children exercise outside of gym class per week



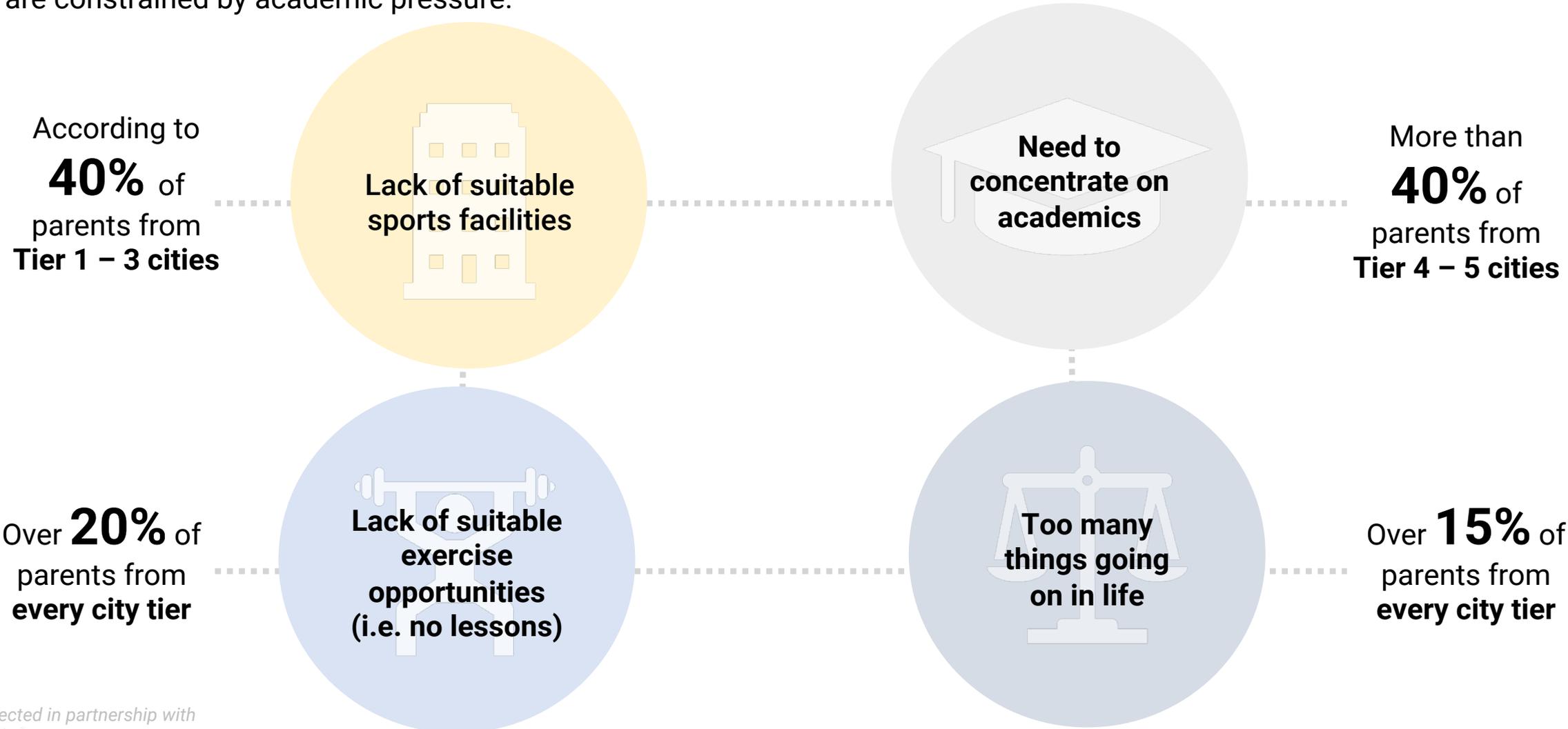
Data collected in partnership with 

**3.3**

## **Obstacles preventing youth from doing physical activities**

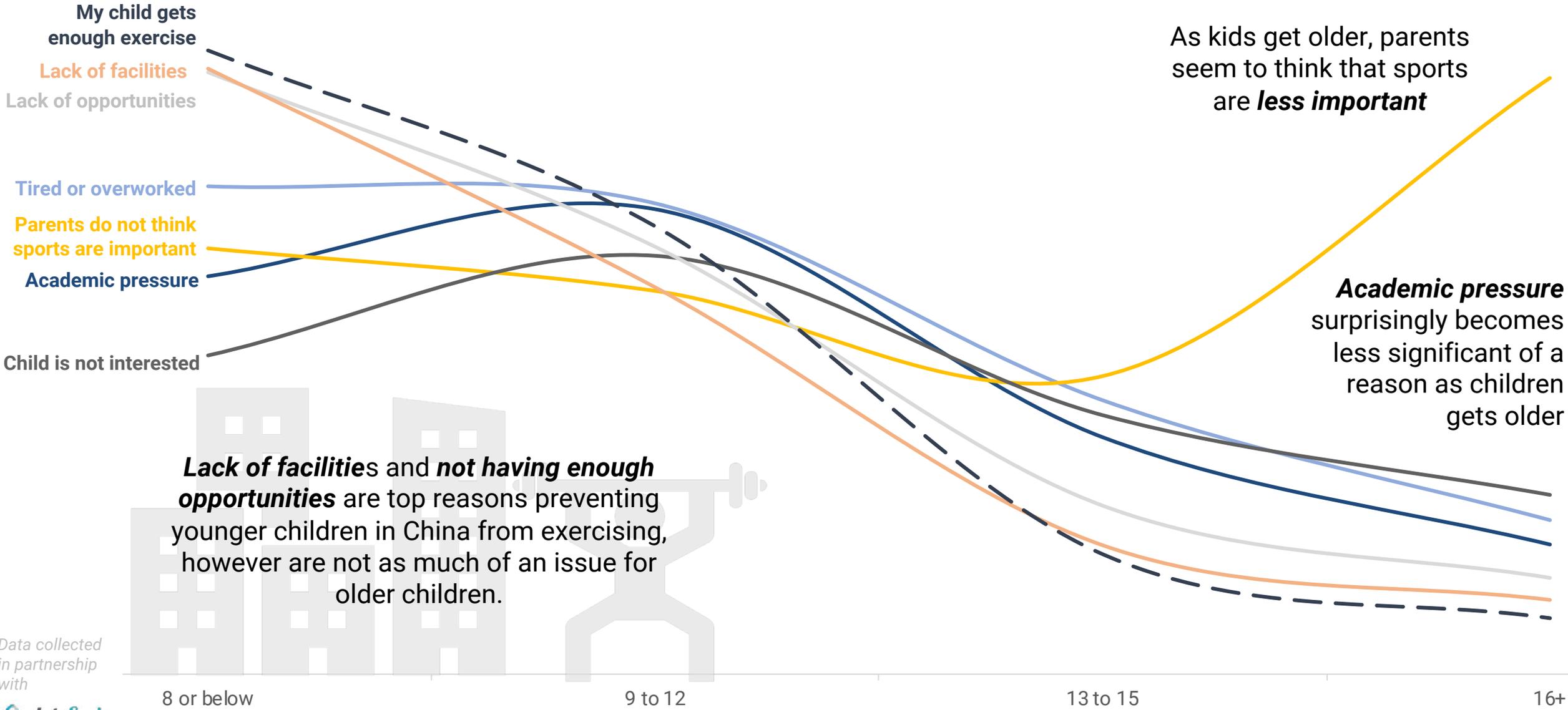
# Top reasons of not getting the desired level of exercise by city tier

The lack of facilities is the top reason of not getting desired level of exercise especially in top tier cities. Whereas lower tier cities are constrained by academic pressure.



Data collected in partnership with  dataSpring

# Parents perceived importance of sports declines with children's age



As kids get older, parents seem to think that sports are **less important**

**Academic pressure** surprisingly becomes less significant of a reason as children gets older

**Lack of facilities** and **not having enough opportunities** are top reasons preventing younger children in China from exercising, however are not as much of an issue for older children.

Data collected in partnership with dataSpring

3.4

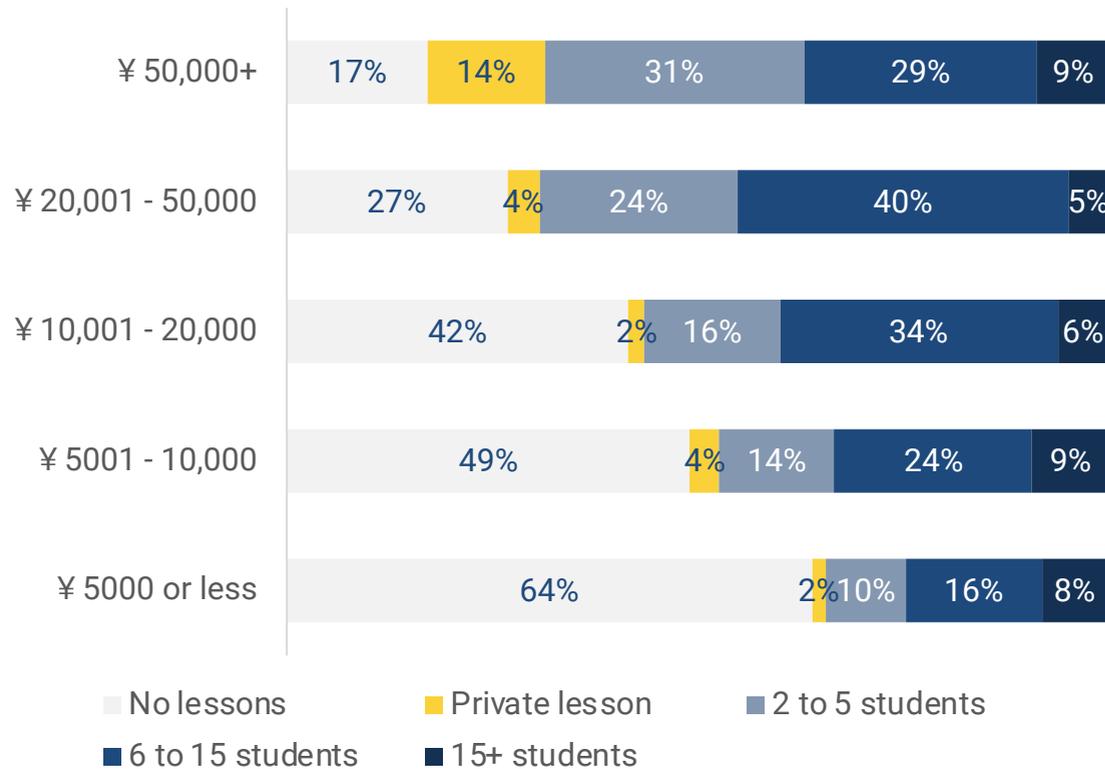
## Chinese parents' buying behavior for children's sports



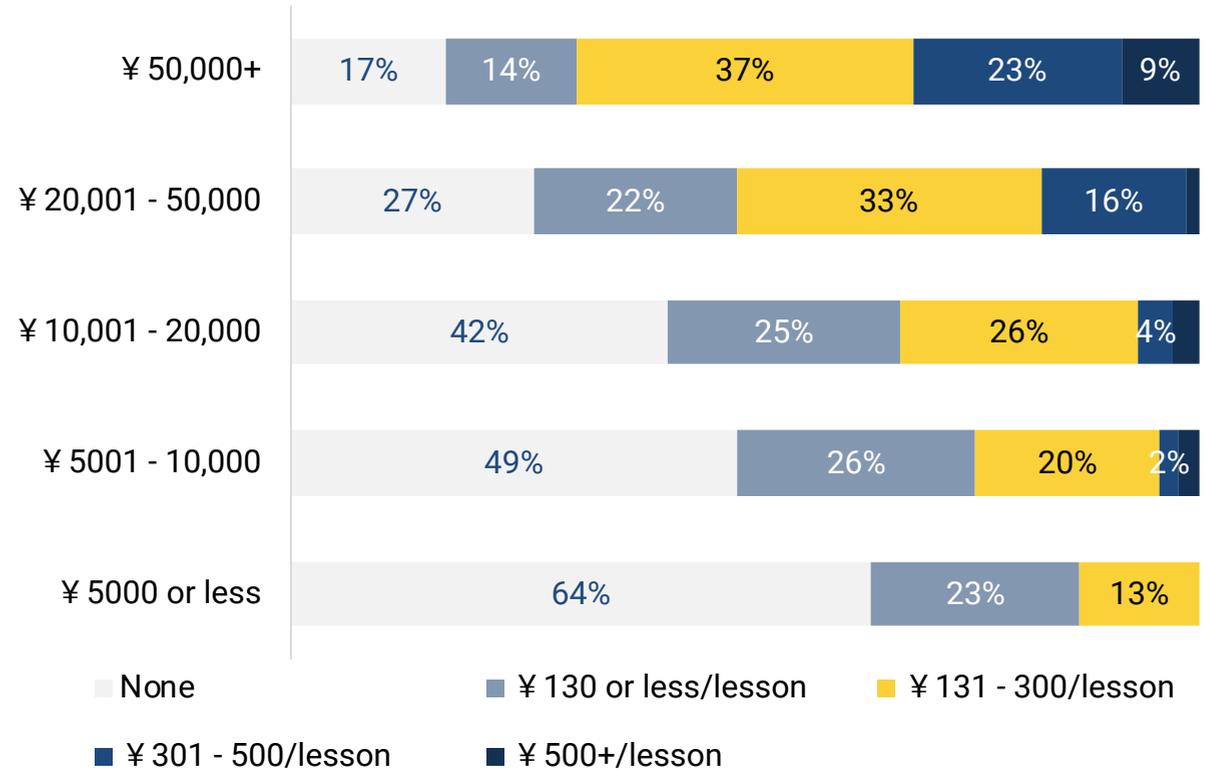
# Over half of middle class families spend on children's sports lessons

Most middle class (earning between 10K to 40K CNY) parents are investing in their children's' sports. Among high income families, <15% choose private lessons and <10% would pay CNY 500+ per lesson. Classes with 6-15 students are the most popular for all income levels. The demand for CNY 130 lessons is stable across all income levels.

**Purchased sports lessons class size by income**



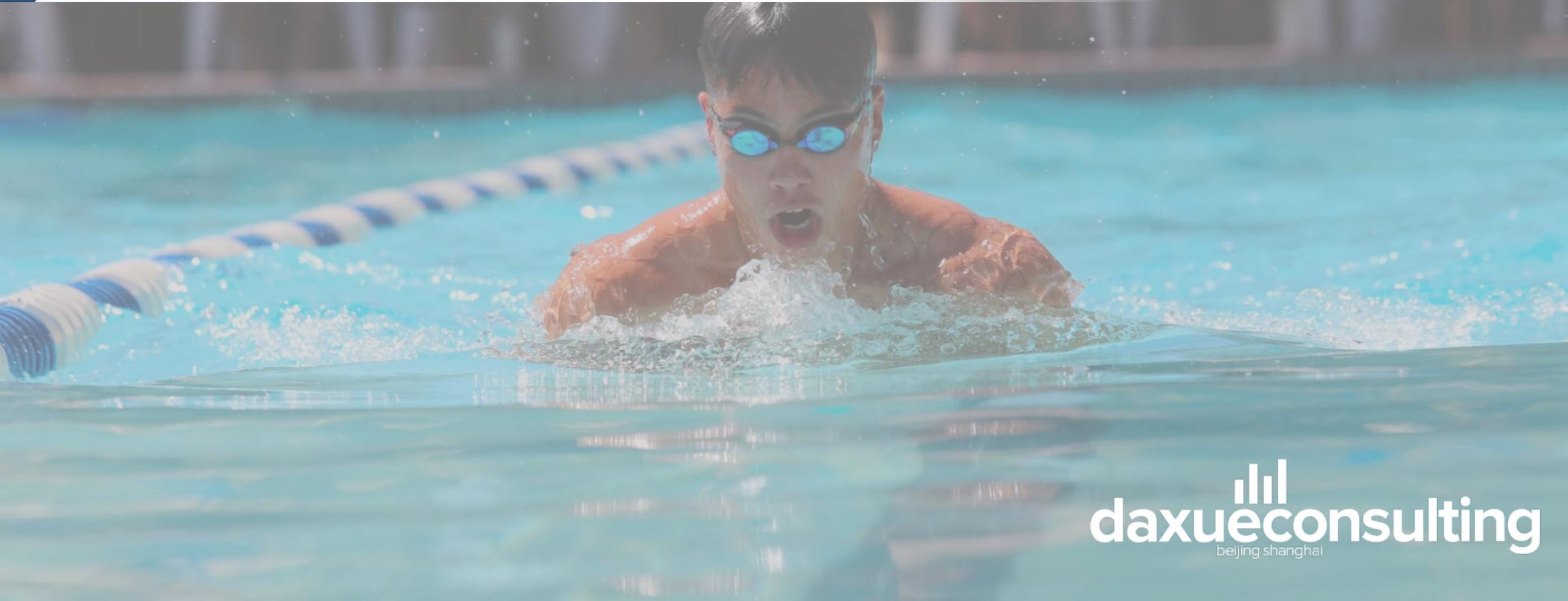
**Spending on children's sports lessons by income**



Data collected in partnership with 

**3.5**

## **Parents' attitudes towards playing sports professionally**



# High income families see sports as an opportunity for success

The **highest income** and the **lowest income** parents are the most willing to make their children play a sport professionally, albeit probably for different reasons.

Would you like your children to apply to college as student athletes?

40%

Of parents with income > ¥ 50,000 per month

High income families are more willing to use sports to help their children get admitted to college

<25%

Of parents with other income levels

25%

Of parents with income < ¥ 5000/month

Would you like your children to become professional athletes?

37%

Of parents with other income levels

<20%

Of parents with income > ¥ 50,000/month

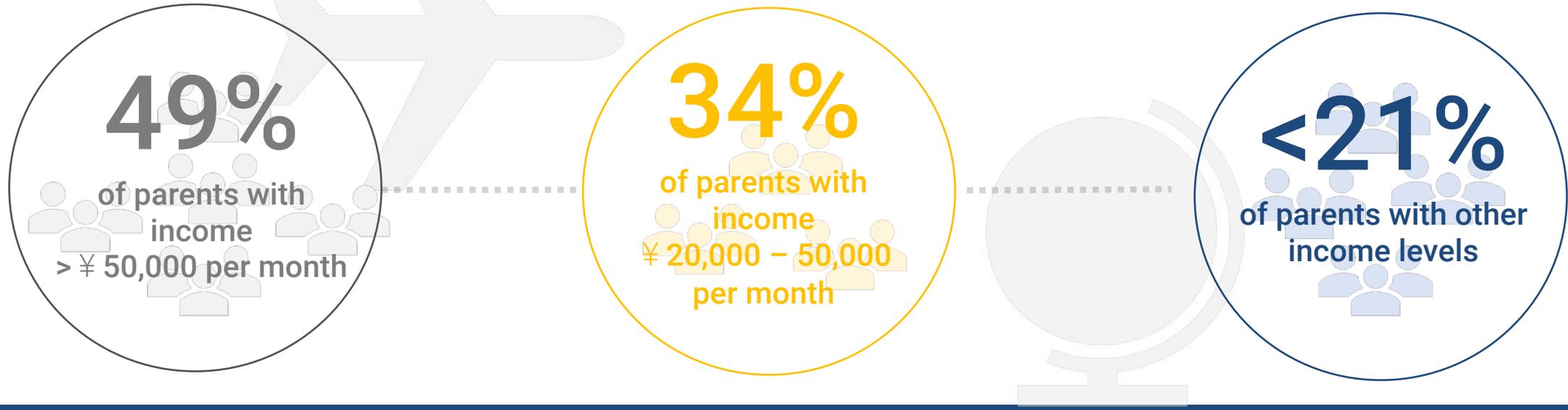


Data collected in partnership with



# Many high-income parents would send their children to international sports camps

Would you like your children to participate in international sports camps?



The children of parents who answered 'yes' to the above question are also

**61%**  
more likely to  
play soccer

**2X**  
more likely to  
play tennis

**2.5X**  
more likely to  
rock climb

**2.5X**  
more likely to  
ski

**1.75X**  
more likely to  
skateboard

Data collected in partnership with  dataSpring

# Takeaways for brands to reach China's youth sports market



**Higher city-tier/income** is correlated with **higher exercise frequency**, which in turn is correlated with **higher spending** in both sporting goods and lessons.

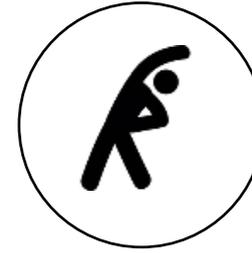


**Exercise frequency drops** significantly after students enter high school.

**Middle school and earlier** is a **key time** to get children involved in sports



The biggest obstacle to exercising more aside from academic pressure is **lack of facilities**, even for high tier cities.



**Running, swimming, badminton, basketball, and ping pong** are always the most popular sports across all cities. However, niche sports might differ based on region



Parents are more willing to spend on equipment than lessons, even if their children do not exercise frequently, indicating that **sporting goods have more than utility value**. The most popular class size for lessons across all income levels is 2–15 students.



4

# The future of youth sports in China

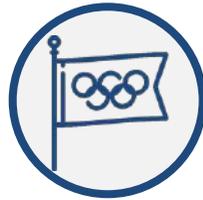
# Sports to fill up children's newfound free time post-tutoring crackdown

Before the education crackdown, 92% of parents in China enrolled their children in extracurricular classes, spending more than 10,000 RMB annually.



**96.3%** of China's 108,000 schools are providing **after-class services** to support working parents, with an **enrollment rate of 85%**

**+99%** of **sporting clubs and arts training centers** compared to the same period last year



**Leading companies** in private educational services such as New Oriental are **switching to non-core subjects**

## National Fitness Plan 2021-2025

**By 2025**, China's domestic sports industry is going to reach **5 trillion RMB**.



## Outline for Building a Leading Sports Nation

**In 2035**, the national sports industry is expected to account for **4% of the GDP**.

# Parents are opening up to the idea of enrolling their children in sports

Previously, parents earmarked most of their resources to their children's after-school tutoring, while now a reallocation of time and money is underway. As household disposable income grows, health awareness increases, PE gains importance in examination score and sports are increasingly seen as a tool for character building and values teaching, parents are keener to invest in long-term physical education for their children

“院长的学费是一年¥ 38000，包括50节私教课（一小时）以及周末的四五人小团体课（2小时一节），因为孩子到了一定程度，有必要起码每周两节课以巩固。另外练习场年卡费用¥ 3888还是要额外交”

“Practicing **golf** with the Club Manager costs around **38,000 RMB per year**, including **50 private lessons** (one hour per class) and **group lessons** for four or five people on weekends (2 hours per class). As my children have already reached a certain level, they need at least two classes per week to improve. The **one-year subscription** fees of **3,888 RMB** are not included”



“树酱正规学习击剑有一年多了，击剑训练年会费大约在1万左右。目前一年外出比赛的费用大约在1~2万。孩子每一次失败和整体进步对我来说都很有收获，很满意”

“Shujiang has been practicing **fencing** for more than one year, with an **annual fee** of around **10,000 RMB**. Currently, expenses for **away-from-home competitions** costs me about **10-20,000 RMB per year**. Yet, both my daughter's wins and losses are rewarding and fulfilling for me”

## Year-on-year keywords trends on Baidu Search

+8% #少儿体育# children's sports education

+15% #儿童运动培训# kids sports training

+74% #少儿运动培训# children's sports training



#高尔夫# golf  
#击剑# fencing

# China's winter sports ambitions go far beyond Beijing 2022

Next year's Winter Olympic Games are expected to give a further boost to Chinese Ice and Snow Industry

## 2016 Chinese government's plan to develop the winter sports industry



Generating **1 trillion RMB** in revenues



Involving **300 million people**

## By 2025



Incorporating winter sports into the PE curricula of at least **5,000 primary and middle schools** in Northern provinces

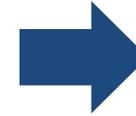


Building **5 national ice and snow industry bases**

## Skiing

2002

**130 ski resorts** with **2 million** annual visitors



2019

**770 ski resorts** with **21 million** annual visitors



**48.52%** of ski resort visitors are aged between **7 and 30**

## Ice-skating

2003

**21** indoor ice rinks



2016

**188** indoor ice rinks



2022

**650** indoor ice rinks



China has an estimated **market capacity** of about **3,000 indoor ice rinks** according to insiders



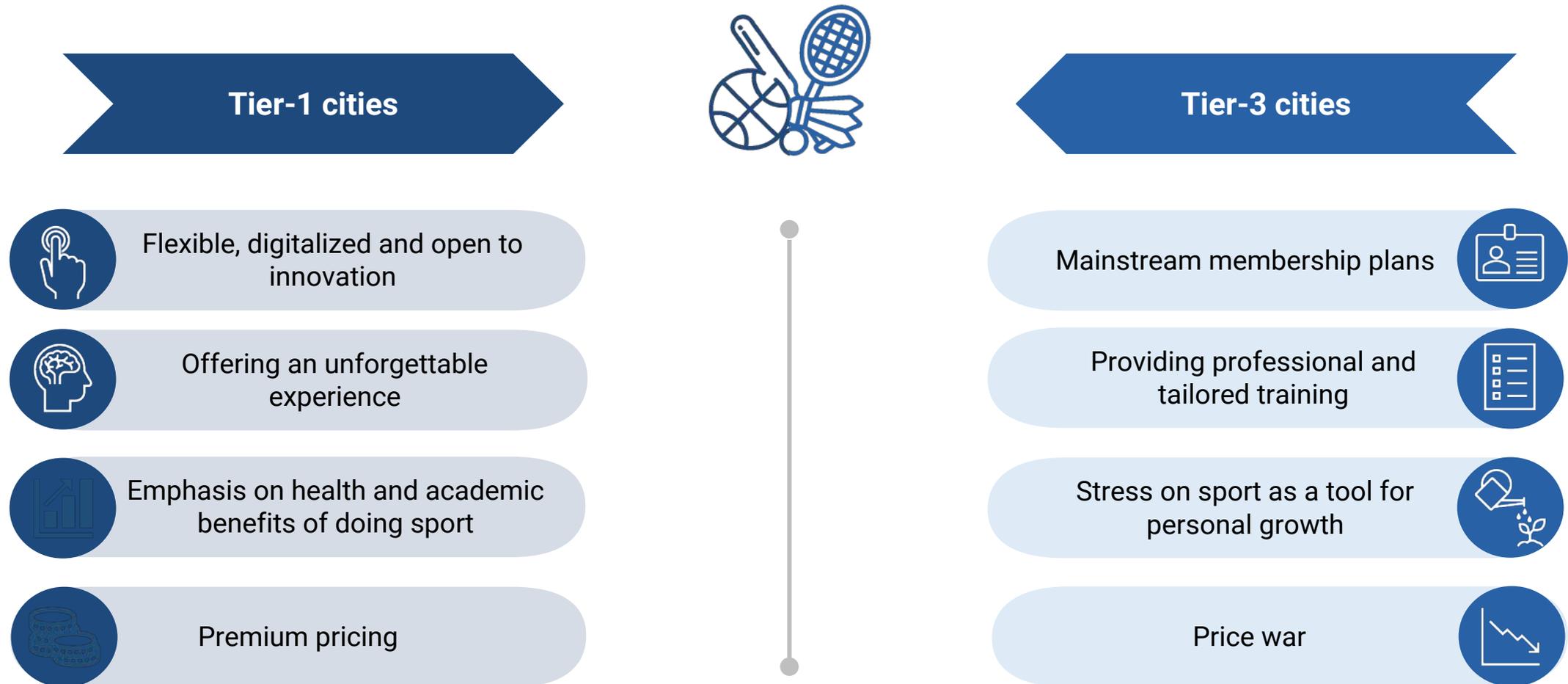
5

# Case studies



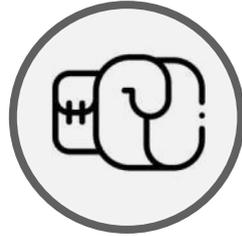
# Youth sports courses in tier-1 cities differ significantly from those in tier-3 cities

Differences mainly reside in their degree of flexibility, brand differentiator, marketing communication and pricing strategy



# Children's boxing courses are not very common outside higher tier cities

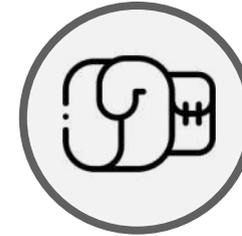
Monthly memberships in Tier-1 cities cost slightly less than yearly memberships in Tier-3 cities



## Tier-1 cities

- China's **boxing gyms** are mainly located in **high-tier cities**, where they offer different courses for different needs.
- Professional boxing gyms in Tier-1 and new Tier-1 cities provide children and white-collar courses to make their business more sustainable.
- In higher tier cities, fighting clubs stress the social, psychological and health benefits of boxing.
- **Monthly memberships** cost around **5000 RMB**.

VS



## Tier-3 cities

- Boxing is **not that common** in lower tier cities. Chinese martial arts courses are much more developed.
- Due to cheap rent and large space availability, martial arts professional schools are somewhat widespread.
- Beyond contributing to a healthier lifestyle, gyms depict boxing as an effective tool to infuse ethical and social values in children's young minds.
- Parents can purchase a **year of membership** for just **7000 RMB**.

# Tier-3 cities tennis programs are well behind tier-1 cities

Tier-3 clubs usually provide cheaper, less internationalized and less innovative courses than their counterpart in Tier-1 cities



## Tier-1 and new Tier-1 cities

- Children's tennis courses offer a holistic approach and provide training programs in English to convince parents that their children are going to enhance a wide range of skills.
- Children can join study-abroad programs to train in a western country and improve both their tennis and English skills.
- Children's tennis clubs organize yearly tournaments on their premises.
- Summer camps in Tier-1 cities usually cost around **100 RMB per class** (90 min).

VS



## Tier-3 cities

- Tennis clubs emphasize the idea that tennis is a complete sport, which beyond **strengthening the whole body**, will foster their mental game, elegance and teach them fair play.
- Unlike what happens in Tier-1 cities, children's **tennis courses are harder to find** in Tier-3 cities and clubs usually offer both adults' and children's programs.
- Summer camps usually include tennis matches to put into practice what children have learned.
- Tennis clubs in Tier-3 cities offer summer camps at less than **50 RMB per class** (90min).

# Football chains in Tier-1 cities provide an international-level of training

Small football clubs in lower tier cities have tiny budgets since they cannot attract big corporate sponsors



## Tier-1 cities

- Many foreign clubs (e.g., Juventus F.C., Bayern Munich, Ajax) have their own schools in Tier-1 cities.
- Football training schools have professional, stylish and user-friendly websites where parents can enroll their children via online registration.
- Children's football schools count on corporate sponsorship from international companies like Adidas.
- They offer premium additional services as well as a wide range of trips and activities during their summer and winter camps.
- Membership offers.

VS



## Tier-3 cities

- Local football clubs are usually more frequent than chains.
- Many clubs either do not have any website at all or very basic ones. They usually rely on their **WeChat account for advertising** and getting in touch with parents.
- Children's football clubs usually count on their own financial resources.
- Tier-3 children's football schools provide basic additional services (e.g. free uniforms) and longer winter/spring training camps at a bargain price.
- Group fares are very common.

# In high-tier cities, badminton clubs invest more resources in branding

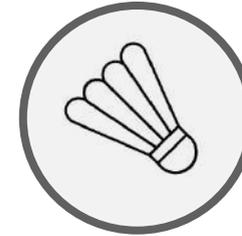
In low tier cities, few badminton clubs have a company website and they rarely utilize storytelling techniques



## Tier-1 and new Tier-1 cities

- Badminton clubs in higher tier cities have state-of-the-art websites where parents can find all the details about courses and comfortably enroll their children online. Most of them share children's stories on a dedicated section on their WeChat official account.
- **Modern courts, highly-qualified coaches** and the numerous **awards** received contribute to persuade parents about the professionalism of such clubs.
- One class can cost up to **10 times** more than in lower tier cities.

VS



## Tier-3 cities

- Clubs offering children's badminton courses in Tier-3 cities usually do not have a private website, but they rely on fitness aggregators, review apps and direct communication on WeChat.
- The brand differentiator in Tier-3 cities resides in providing professional training which will make children stand out during championships and give them the chance to enter good a university.
- Badminton clubs do not provide summer and winter camps very frequently.

# ABOUT

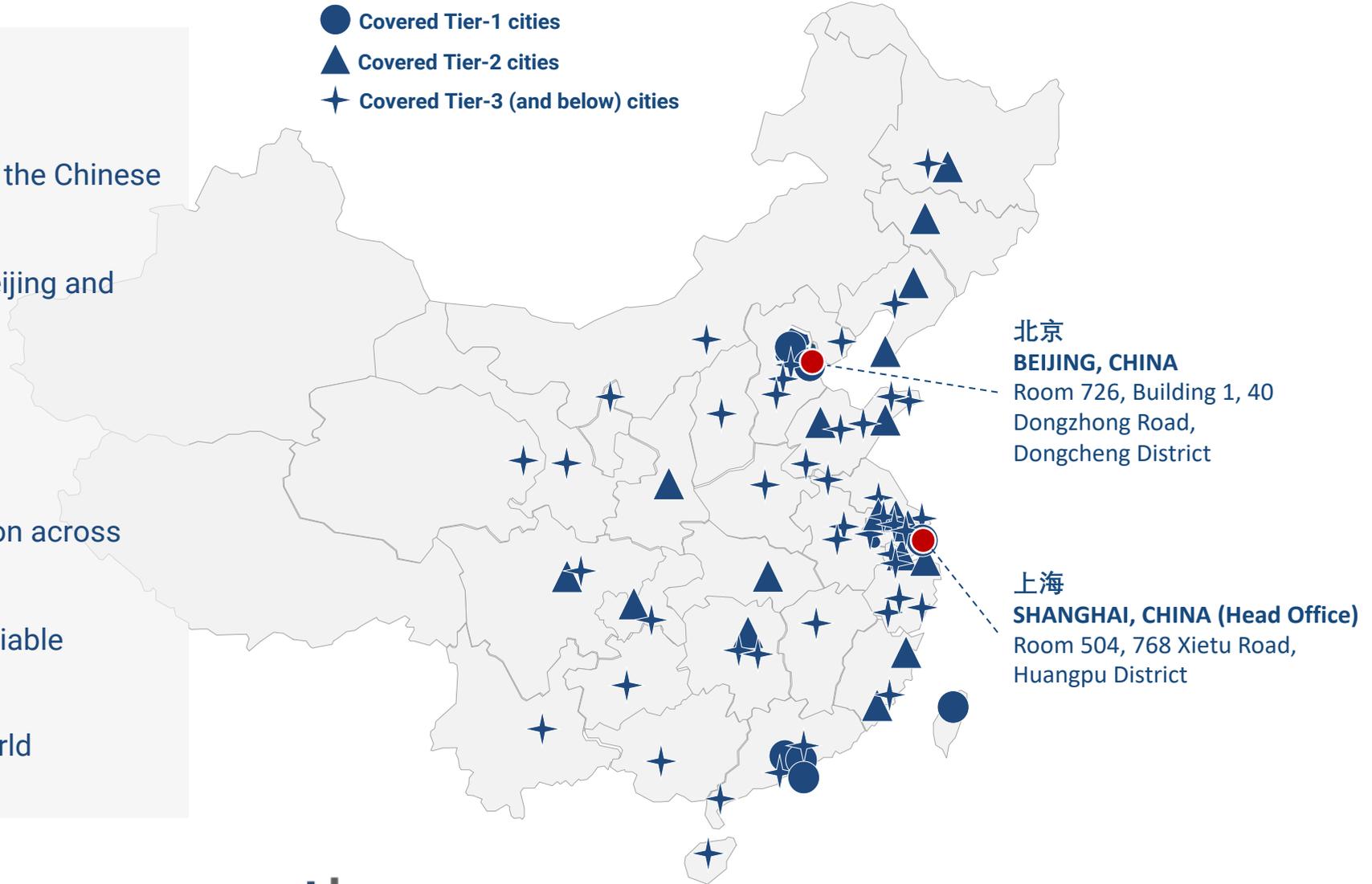


# Who we are

We help businesses prosper in China by uncovering deep insights and transforming them into action plans

## We are **daxue consulting**:

- A market research firm specializing on the Chinese market since 2010
- With 3 offices in China: in Shanghai, Beijing and Hong Kong
- Employing 40+ full-time consultants
- Full, complete, national coverage
- Efficient and reliable fieldwork execution across China
- Using our expertise to draw precise, reliable recommendations
- With key accounts from around the world



# Our approach to methodology-based consulting

An agile and data-driven approach towards solving complex research questions

## RESEARCH

as the base for

## CONSULTING



### IN-HOUSE ORGANIZED

*We do not outsource*



### TRADITIONAL METHODOLOGIES

*Interviews, cold calls, focus groups, surveys, and etc.*



### SOFTWARES AND TOOLS

*3<sup>rd</sup>-party software and in-house built scrapping tools*



### ACCESS COUNTRY-WIDE

*Able to run research across all layers of population*



### MASSIVE

*Data-driven and cross-checking from many angles*



### RESEARCH-DRIVEN

*Consulting backed up by massive research*



### AGILE

*Market discovery -> market validation -> market entry*



### COLLABORATIVE

*We encourage frequent meetings and workshops with our clients*



### TRANSPARENT

*Full insights into our work with frequent intermediate updates*



### INDUSTRY PARTNER NETWORK

*Built-up over 350+ projects and 100+ podcasts*

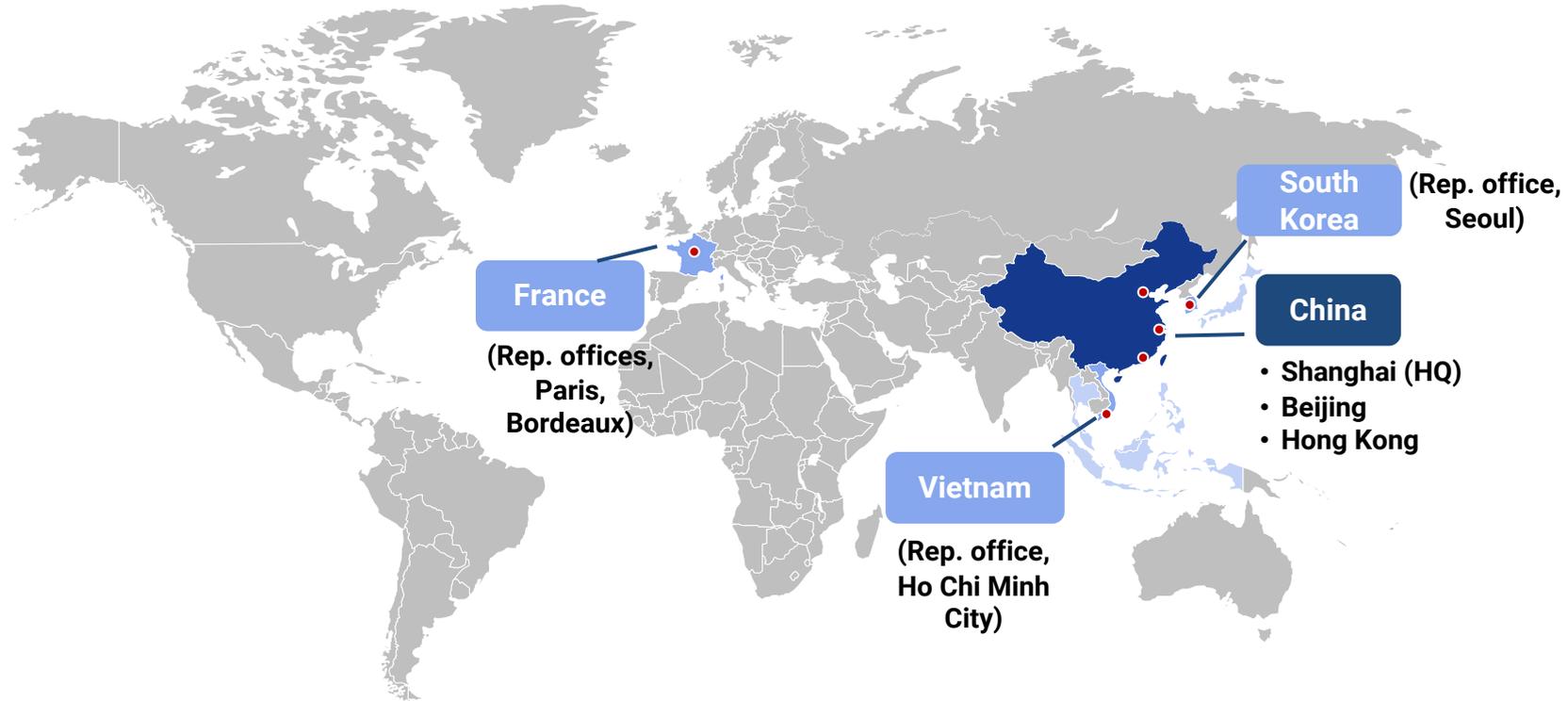


### CROSS-CULTURAL UNDERSTANDING

*Mix of foreign-educated Chinese and China-educated foreigners*

# Our APAC network

A research and consulting firm headquartered in China, with an Asia-focus and a presence on three continents.



### Partner offices:

- Philippines
- Malaysia
- Japan
- Thailand
- Indonesia
- Singapore

### Our history



# Our past and current clients

400+ clients with 600+ projects over the past 9 years



# Our testimonials

## Comments from our clients



JAPAC Revenue Strategy  
Manager @ **Twitter**

*"Thanks so much for your hard work over the last several months and the multitude of presentations that you have done to [our] stakeholders. **I highly appreciate the quality of work and also the patience with which you have answered the questions.***

***Overall the work has been very well received and has been very educational for our teams in Singapore, New York and San Francisco. We will be using a lot of this information as we make critical investment decisions into China over the next several months.***

*Please do pass on our thanks to the entire Daxue team - hope you do take a moment with the entire team to celebrate the success and outcome of this project! **Also, I would be happy for you to use my reference for any future clients.**"*



Managing Director @  
**Palmer Hargreaves**

*"**The communication, structure, problem solving and support we received from the team throughout the project was fantastic,** and it provided us with the ideal structure to keep the client engaged and confident of the deliverables.*

***In terms of the outputs / deliverables, I was very pleased with the level of detail in the reporting, speed of response to questions and the flexibility to adjust and provide alternative output views.***

*Should we be in the position of providing similar support to our clients in future, **I would have absolutely no hesitation in contacting daxue consulting again, working in partnership to deliver a high-quality solution.**"*



E-commerce Manager  
@ **LIDL**

*"Thank you so much for your and your team's support regarding our China eCommerce project. **The feasibility study was very well delivered and useful to give us insights about China market.** As business evolves, we definitely need to keep abreast of the latest developments to cope with the rapid change of the market. In this sense, **we will continue to need your support to our business growth.**"*



Director Ecommerce  
Marketing EMEA @ **Ubisoft**

*"Thank you for your answer. I've been through the presentation and **I'm very impressed by all the useful detailed information I've found. Thank you so much!**"*

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EAST WEST BANK

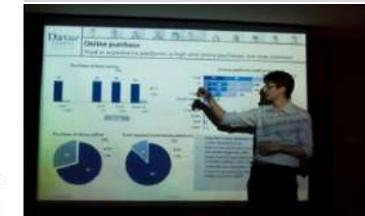
The Business of Finance  
BOF

Los Angeles Times

StartupBRICS  
L'Accu Tech & Startup des Emergencies



TV interviews on prime time television in Singapore



Workshop on the China's food imports

Lecturing at Peking University MBA.



Daxue on Thoughtful China

Frequent speakers on China-business topics

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