



Recognition

Helps Sports Brands Penetrate
Consumption Scenes

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Self-recognition appears weaker than collective or public recognition. Social class remains an important factor for group identification. Government plays an active role in raising awareness of sports and cultural pride.

Executive Summary

- User experience is going through an upgrade phase in China, for which being creative and innovative are key both in terms of sports formats and brand values.
- Strong recognition in regard to sports and nationalism in China creates a perfect joint point but should also be played with caution to avoid of fending cultural pride.
- The effort of promoting outdoor to be the modern lifestyle is still at a budding stage but is inevitable and lays the foundation for long-term multi-layered consumption.

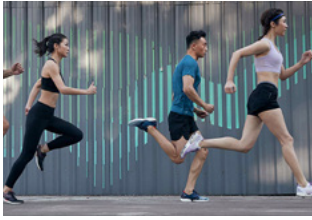


The Recognition of Creative User Experience Becomes the Mainstream

As Chinese consumers get spoiled by seamless digital services, from online shopping, to e-payment and live-streaming, the trend of creative experiences starts to spill into the sports industry. Some borrow from the strength of digital technologies, and some try to redefine the traditional user experience. Urban geo-caching is a popular form of outdoor activity among young city dwellers: Itasktour designs city explorations centering unique architecture and historical sites that allow the user to start an adventure anytime and anywhere they want following the hints in the app. There are many opportunities in sports where creativity can come into play. For example, Aershan mineral water's signature bottle allows people at sports activities to create their own mark on the bottle to avoid potential mix-ups during breaks.

Many Chinese people are obsessed with recording good moments and sharing them on various platforms. The value of a sports experience will be hugely discounted if there are no picture or video "souvenirs". Watersports in particular, due to its photogenic nature, often requires assistance in capturing or creating beautiful images, for which high-quality recording equipment is essential. According to *Technavio's 2017-2021 Global Sports Camera Market Report*, the market share in developed countries is already quite saturated while countries such as China and India still hold a high demand for portable high-quality sports cameras. With underwater photography mostly undertaken by professional service providers in the past, Chinese consumers' interest in outdoor sports and sports camera grew proportionally. As GoPro gradually loses the market advantage due to lack of innovative improvements, China's tech giant Xiaomi with its Ants Camera disrupted the market with almost one-seventh of the price yet more advanced technology.

Best Practices



Li-Ning's 4th generation cloud smart running shoes feature proprietary chips in the sole that can be connected to the app. It not only records the regular set of data including miles, time, speed, calories, and paths, but also tracks the user's step frequency and leg-lifting height and more in order to analyze and correct running postures accordingly. This new feature prompted many users to write product reports and post on social media out of personal interests.



Lion Airline invested heavily in the diving tourism field and targeted Chinese consumers especially due to the booming purchasing power and the close distance between China and nearby foreign islands in countries like Thailand and Indonesia. The airline's creative campaigns such as "Mermaid Training" and "Underwater Mahjong Competition" attracted many Chinese diving travelers and created unique moments for them.



GoPlay is a platform for creative entertainment and sports catering to the most active group of Chinese consumers, aged 18 to 25. Their mission is to help the young generation explore all aspects of their passion and values of life through either giving them the freedom to organize or organizing for them novel outdoor events: bubble football, Go karts, parcour, flash mob, etc.

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CHINESE PEOPLE ARE ALWAYS CRAVING FOR NEW AND CREATIVE EXPERIENCES THROUGHOUT THE PROCESS OF SPORTS CONSUMPTION.

Compared to fostering customer loyalty based on invariable brand images, the young generation give nowadays its loyalty to brands that constantly evolve in a creative way and speak the same "language" as they do. Sports brands and organizers need to infuse new blood into the veins of traditional mindsets and create the image of being one step ahead of the trend.

China Chic is an Alternative in Sports Fashion

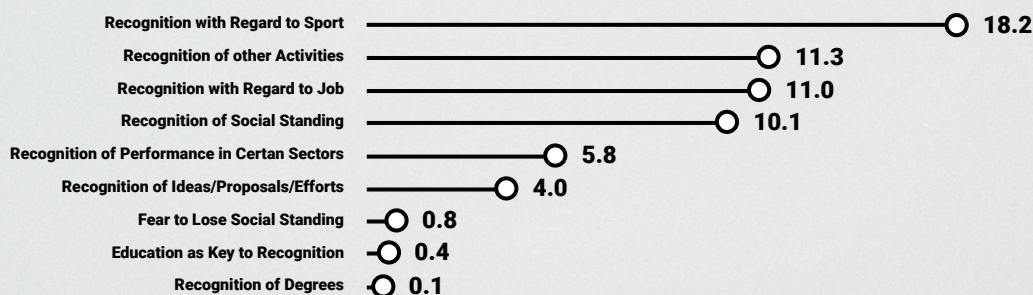
Ignited by Li-Ning's sensational performance at 2018 Paris Fashion Week, China Chic has since developed rapidly into a widely recognized trend in China and around the world. For young Chinese consumers especially, chasing after this trend is a recognition of their own culture and an enhanced self-expression. According to the *2018 Chinese Internet Consumption Eco-dynamics Big Data Report* by CBNDData, the volume of online industry that integrated original Chinese designs enjoyed the year-on-year growth by 33%, 40% of which is contributed by the post-90s generation.

Besides Chinese sports brands that have this innate advantage of integrating China Chic, foreign brands have been testing the waters of recognizing Chinese elements as well. For instance, NIKE's EXP-X14 QS adopted the style of Chinese ink painting and received widely positive feedback from the fans. The recent NBA incident is a minor revelation of this emerging trend of nationalism and cultural pride. Considering how the sports industry became an important indicator for national strength, the combination of sports and national sentiment couldn't have been more pertinent. "Recognition with regard to sport" alone takes up 18.2% of the hot social topics among Chinese netizens. (Chinese Consumer Value Index 2019, Trendbüro)

1 VALUE RECOGNITION: DETAILED CONTENT OF POSTS

Most admired societal performances are performances in sports, on the job and other (diverse) activities or sectors. A remarkably high number of posts deals about recognition/respect for social standing/ status.

Recognition of performances



Unit: Percent

Source: Chinese Consumer Value Index 2019 (Trendbüro, 2019)

Best Practices



VANS is a pioneer in taking inspirations from Chinese cultural elements. Over time, it has generated multiple waves of compliments and mass purchasing through a series of Chinese-style canvas shoes: patterns of Chinese porcelain, Qipao, embroidery, and Kongku etc. China has since become the second largest market for VANS after the U.S.



In August 2019, **Xtep** signed Chinese-American NBA player Jeremy Lin, nicknamed Linsanity by the Washington Post, as its new brand ambassador. As the best Asian point guard, Lin joined Beijing Ducks Basketball Club at CBA shortly after the signing. His identity and personality won the heart of millions of Chinese fans and his influence is by no means to be underestimated. Tremendous social media and news coverage have already brought this somewhat marginalized brand unprecedented public attention.



Lululemon has held multiple viral public fitness events at city landmarks such as the Imperial Ancestral Temple in Beijing and the Pearl Tower in Shanghai. This is not only recognizing yoga lovers and their community, but also the cultural and national context by selecting those locations. Participants naturally feel proud of being linked to iconic national architectures and therefore love sharing the experience extensively.

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BRANDS SHOULD LOCALIZE THEIR CREATIVE TEAM WHILE HAVING AN INSPECTION TEAM IN PLACE TO MAKE SURE THE BRAND IMAGE AND MESSAGE ARE ALIGNED WITH THE LOCAL SOCIAL AND AESTHETIC SENTIMENT.

Especially with China seeking more and more international roles, Chinese consumers demand cultural respect and recognition has risen to a higher level. Linking publicity with positive sports figures and recognition-reinforcing styles will bring exponential momentum in the near future as this trend has only just started.

Outdoor Brand Recognition Driven by Modern Lifestyle

In China, the digitalization of services has extremely progressed, including food deliveries, online shopping of fresh groceries, house cleaning and many other daily tasks. Chinese people who can afford being freed from those labor-laden errands, now turn to sports for constructing a more balanced lifestyle besides work. Research from Credit Suisse AG shows that “almost 40% of the Chinese consumers plan to invest more time in sports and fitness” (Emerging Market Consumer Survey Report, 2017). While more and more people choose outdoor sports for self-quality time, the majority of consumers’ time is spent in cities, which encourages brands to dive into the “urban outdoor” concept: professional sportswear with urban chic and lowering the threshold for participation by simulating the demanding conditions etc. For example, indoor venues have been booming across China for sports such as skiing, skydiving, and surfing. Besides having a balanced work-life schedule, the pursuit of fun, thrill, and the new in their leisure time is also a typical feature of modern lifestyle in more developed Chinese cities.

Driven by the loosening up of one-child policy, 41% of the interviewees (Credit Suisse AG) intend to spend the increasing disposable income on their children. Elite junior sports training and high-end teens’ sportswear are both indicators of a modern middle-class family from the younger generation’s perspective. Influenced by sports-loving parents, the probability of “outdoor second generation” is bigger. Policy-wise, the government has introduced regulations of no less than one hour of outdoor sports for students in school for fear of health issues induced by academic stress and addiction to electronic games.

Best Practices



The style of **PUMA** was initially considered a little bit tacky by Chinese consumers, often compared to school uniforms. However, it has become one of the most stylish sports brands, especially with the whole series of Fenty Puma by Rihanna. Avant-garde materials and designs secured the favor of young sports lovers and using Chinese supermodel Liu Wen as their brand ambassador tells the story of a sporty and fashionable lifestyle in the flesh.



NIKE has made successful attempts in terms of winning over potentially influential consumers by infusing healthy lifestyles via NIKE Run Club and NIKE Training Club. Brand recognition and loyalty come along with the sense of belonging to a community that they can turn to for reliable resources and recommendations.



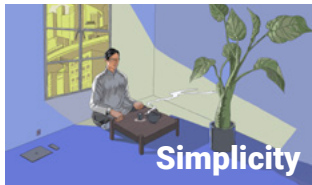
TOREAD, with the spirit of “Outdoor Geeks”, is one of the pioneer promoters for outdoor lifestyles in China, especially with its high-end series Discovery Expedition. By inviting sports-loving pop stars to outdoor forums and setting up lab booths at its product launch for participants to experience extreme conditions with new high-tech products, TOREAD aims to popularize outdoor sports as the new lifestyle.

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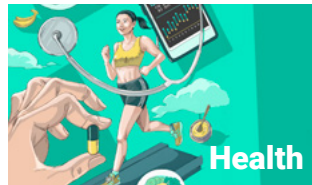
CHINESE CONSUMERS LOOK FORWARD TO ENRICHING THEIR MODERN LIFESTYLE WITH OUTDOOR OPTIONS AND KEEPING THEIR YOUNGER GENERATION ALIGNED IN BOTH MENTALLY AND PARTICIPATION.

As digitalization relieves people from running trivial errands, they also become physically less active. Outdoor sports, as a key element in modern lifestyles, filled the gap of both exercise and new excitement. Brands that succeed in presenting a comprehensive package or style will be highly recognized.

Six More Chinese Values that are Relevant for Your Business in China.



Simplicity



Health



Nature



Community



Success



Freedom

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The 7-part whitepaper series *Chinese Sports Consumer Values* builds on Trendbüro's *Chinese Consumer Value Index 2019* – the first-ever quantitative and qualitative analysis of Chinese consumer values, based on 7.7 million user-generated posts from Sina Weibo and WeChat. An international team of researchers applied the CCVI's findings to the Chinese sports and outdoor industry, complete with best practice examples and business implications.

Pictures: The images shown are pictures from companies were selected as best practices, otherwise sketch illustrations were created to underline the context of the values.