

Health

as the Comprehensive
Concept Taking Off

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Health is desired regardless of gender and age, infusing a great stimulus into the industry of “Big Health.” Digitalization of medical care and services is a new trend that helps to increase efficiency and equality in this sector, especially with regard to the long-neglected aspect of psychological health. Marked differences in mentality exists between the west and east when it comes to how to maintain health.

Executive Summary

- The understanding of health differs largely from generation to generation; this influences their choice of sports activities and preference of brand values. Brands should emphasize age-group orientation in terms of desires and pain points.
- Geographical features are often indicators of the potential sports categories or fitness which can gain more popularity. In terms of localization strategy, it is crucial for brands to locate the most ideal city or region to initiate the trend.
- With the technology of Big Data booming, combining offline settings with online fitness management is essential. Brands looking for sustainable growth should expand into tech-driven dimensions and offer the seamless online-to-offline experience.



What are We Talking about when We Talk about Health

The Chinese have different interpretations of the concept of health. For seniors (primarily over 60), health means to live longer. Their behavior is heavily affected by the traditional thoughts of both mental and physical health—achieving the balance of Yin and Yang. As for the younger generation, fitness is part of appearance management and building a healthy foundation for work productivity.

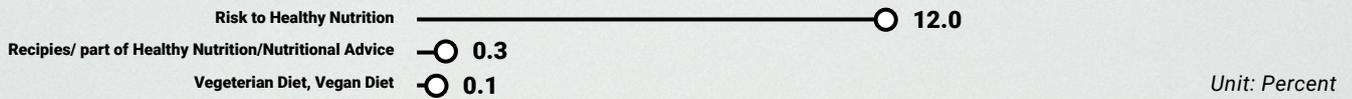
As part of their entertainment life, Chinese seniors practice less demanding sports activities, including the Chinese martial arts, Taichi, public square dancing and the Chinese yo-yo, diabolos. Younger generations, due to the nature of digital jobs and long working hours, suffer greatly from chronic neck and spine pain. Therefore, stretching and relaxing workout formats have an alluring appeal, as is proved by the influx of yoga studios, communities, and brands in China. Besides, by watching sports events such as EPL, La Liga and the NBA, the young generation extends their understanding of the health of a well-proportioned body and even how to reach their athletic potential. The eagerness to participate in sports that were unfamiliar to Chinese people until recently opens new markets. For example, the 2008 Beijing Olympics triggered the popularization of tennis to be what it is now: a \$60 billion market annually (China Market & Media Survey, 2010). The successful application of the 2022 Winter Olympics is visibly energizing many new sports in China, such as hockey and ice skating.

Despite the divergences, one common ground shared by the senior and junior generations is the belief in and advocacy of dietary supplements. According to the social media data analysis in Trendbüro's *Chinese Consumer Value Index 2019*, around 12% of the posts about health revolve around eating. Regular supplements for vitamins and microelements are no strangers anymore to Chinese consumers, but sports-related nutrients still have not yet formed. A mature system of knowledge and categorization is still missing. In the coming five years, the annual compound growth rate of the Chinese market could still be as high as 24% compared to the 11% in the global market (Euromonitor International, 2018).

1 VALUE HEALTH: DETAILED CONTENT OF POSTS

There are neither discussions about the Chinese healthcare system, nor about the definition of health. Talks about nutrition focus on nutritional Chinese advices or recipes.

Healthy nutrition



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

Best Practices



Shanren Sports positions itself to be a one-stop Taichi product supplier, including clothes, shoes, and accessories. By becoming the clothing supplier for the Chinese Martial Art Association and undividedly focusing on one field, Shanren is second to none in this industry.



China's tennis junior development program "**Swing for the Stars**" was launched, in 2007, and has so far expanded to eight cities. Its online counseling and training have benefitted more than 29 million people all over the nation. Yearly national camps, in partner with Mercedes-Benz, are always warmly welcomed by parents in first and second-tier cities.



Fix Body, a Taiwanese snack brand traditionally known for puffed food, has recently launched a new product series targeting the realm of fitness diet. Snacks such as Queen Alice included specific supplements including collagen, tea leaf extract and successfully grabbed the attention of health-advocating consumers.



DIFFERENTIATE HEALTH SEGMENTS BY GENERATION AND RECOGNIZES THE COMMON GROUND OF HEALTH SUPPLEMENTS.

For both young and senior Chinese, dietary supplements are greatly desired. According to Daxue Consulting, China is the largest and the most diversified market for dietary supplements with a market value of 3.44 billion USD in 2017. Companies should recognize the target group behind the market segment and develop a corresponding strategy.

A Geographical-bounded Understanding of Fitness

Sports and fitness become trendy in China as the young generation increasingly recognize the value of health. Naturally the fitness industry in coastal areas is highly diversified due to its better economic conditions. While in less developed cities, people are ready for the popularization of general fitness concepts.

The development between first and second-tier cities compared to the others has a time-lapse. This manifests in a consumption mentality difference as well. The number of traditional gyms was booming in 2018, particularly in inland cities such as Chengdu and Chongqing, according to the *2018 Fitness Industry Report* published by GymSquare. The young consumers living in big cities, on the other hand, are shifting to more tailored and entertaining options, as the South China Morning Post (2018) noticed in the article *The China Fitness Club making workouts as exciting as a concert*. Space Cycle, for example, is a fitness studio that brings cycling into a club setting. Its success in major Chinese cities convinced the investors, securing 100 million RMB (around 12 million EUR) investment from Alibaba. According to the *2017 Chinese Hiking Tourism Analytical Report*, Beijing, Shanghai, Guangzhou and Shenzhen are the four major cities where hiking is a popular sports choice. Even though they are not located in mountainous regions, the transportation convenience and stable financial situation propelled the booming of this market.

Best Practices



Mobifitness rowing machine raised over 3.6 million RMB on JD's crowdfunding platform back in 2016. The novel format has caused lots of discussions about the pros and cons of popular social media platforms and news websites such as Zhihu and Sohu.



Vis by Versus Fitness is a female-only boutique studio that offers courses with the intensity appropriate for women, including TRX, Pilates, boxing, yoga, etc. At a time when most workout spaces want as many customers as possible, the courage to say no helped Vis by Versus shape its high-end exclusive image.

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GEOGRAPHICAL FEATURES ARE AN IMPORTANT FACTOR FOR BRANDS TO CONSIDER WHILE DECIDING ON MARKET FOCUS AND STRATEGIES.

Although the industry of traditional gyms might seem saturated, it is the only representative of developed cities. There is still huge potential to be ignited in lower-tier cities in terms of popularization of workout habits. People in bigger cities with more mature options are inclined to choose those with a niche selling point.

The New Era Fitness: Online Data Centralization and Offline Experience

The health and workout services have to be localized to fit the Chinese market, as the *Chinese Consumer Value Index 2019* suggests. As offline workout scenarios are getting redefined by data-driven online fitness companies, the paradigm of fitness is to balance a combination of both.

In China, the fitness dynamics are primarily dominated by several disruptive players. KEEP demonstrates the explosive potential as a data-driven newcomer and how the soft power of online content can help a company shift focus. As the household setting became one of the mainstream workout scenes, relevant guiding content was missing. This was KEEP's entry point to gather momentum online: providing high-quality feasible short video courses. Data-collecting allows the unconventional advantage of accurate prediction of user behavioral patterns. Going offline with KeepLand is a strategic necessity, providing users with a bigger variety of equipment and in-person guidance and the instant checking of personal sports data on the app.

On the other hand, CODOON, a fierce competitor, used to focus on company that focused on offline running and cycling for nine years, and hence collected a pool of over 5 billion pieces of sports data. This is an undeniable advantage that enabled their recent transformation into online fitness by launching CODOON V-COACH and CODOON LIVE. V-COACH provides advice and corrections of the user's postures in combination with instant analysis generated by an intelligent sports hardware ecosystem. CODOON LIVE connects high-quality coaches with dedicated users via live-streaming in an entertaining and interactive atmosphere, assisted by professional and systematic guidance.

Best Practices



KEEP, gathering 170 million users in just four years, has developed a comprehensive fitness community supplying of virtual classes, tailor-made personal schedules, a social media feature, R&D of smart workout devices, and innovative offline gyms. Its utilization of big data for more precise customization is second to none in this industry.



CODOON, with developed offline communities, made two major moves trying to overtake as the latecomer to online fitness: the completion of an intelligent hardware ecosystem and the CODOON Hub which allows the e-commerce integration of hundreds of famous sports brands such as Crocs.



Traditional giant gym brands such as **Tera Wellness** start to take on the proved model of perfecting online experience by launching their own app. Features range from the reservation of courses, record-keeping during activities, synchronization with sports hardware, instant sharing on social media, etc.

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APPLY THE O2O (ONLINE-TO-OFFLINE) MODEL TO THE FITNESS INDUSTRY.

A balanced combination of both online and offline is key in fostering user loyalty while giving them the maximum amount of freedom. Fitness consumers, especially those in first-tier cities, no longer want to trap themselves in long-term gym memberships and demand a variety of choices. A smooth digital experience of purchasing one-time offline classes that still keeps a personal workout record on the cloud offers great flexibility.

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



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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.