



A STUDY ON SPORTS OPERATION INDUSTRY IN CHINA:
BASED ON HY SPORT ENTERPRISE

BY
DONGBO YANG

AN INDEPENDENT STUDY SUBMITTED IN PARTIAL FULFILLMENT
OF THE REQUIREMENT FOR THE DEGREE OF MASTER OF
BUSINESS ADMINISTRATION (INTERNATIONAL PROGRAM)
SOUTHEAST ASIA UNIVERSITY
ACADEMIC YEAR 2022
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Program Master of Business Administration (International Program)

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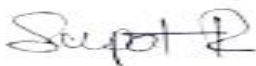


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Abstract

This research aim to study on Sports Operation Industry in China: Based on HY Sport Enterprise This study were qualitative methodology via in-depth interview, and content analysis. The study found: 1) Market Segmentation were classifier by consumer behavior by gender, age, race, income, and hobbies of the people around the stadium, Target customers of the sports center, of which 58% were aged 30-40, 24% were aged 40-50, and 10% were aged 20-30, it can be seen that consumers aged 30-50 in the workplace are the main force to participate in sports and sports consumption, Positioning focuses on provide quality services to the market segments, and focus on management goals and fine management. 2) Management Plan to stand out in the fierce competition of the early stage of the company's establishment and finally decided to establish a limited liability company, Production plan create Talent Development Program to the training of professional talents in sports industry management are composite talents who "know sports, are good at management, and can manage" and require strong professionalism, negotiation ability and interpersonal skills, Operation Plan Comprehensive job training. 3) Financial 5 years projection, first initial investment 400 thousand Yuan, ROI average per year = 223.69 %, NPV = 4,073.78 Thousand Yuan, IRR = = 48.7 % and Breakeven point 4 years and 7 months.

Keywords: Sports operation, enterprise.

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Section 1

Introduction

1.1 Company Description

1.1.1 Venture Team and Launch Purpose

HY Operation Company is initiated by three young people who love sports and are energetic, they have ideas and drive, and all of them have more than 10 years of sports experience and more than 5 years of experience in the sports industry. One of them has a financial background, having worked for a Big Four accounting firm.

At present, the domestic sports industry is developing very rapidly, and in early 2020, the data released by the State General Administration of Sports and the National Bureau of Statistics showed that the total scale (total output) of the national sports industry in 2018 was 265.79 billion Yuan, with an added value of 007.8 billion Yuan, and the added value of the sports industry accounted for 1.1% of the gross domestic product. Stadium construction and operation, as part of the sports industry, is naturally a huge market. However, the current operation of large stadiums is generally not particularly satisfactory, mainly because their construction and operation do not branch out, and as an asset-heavy operation, they are burdened with heavy construction capital and financial costs in the operation process, resulting in weak profits or even losses. Referring to the experience of better stadium operations at home and abroad, the entrepreneurial team believes that they should use the existing stadium resources in various cities in China to obtain the operation rights, so that on the one hand, they can adopt an asset-light operation method and reduce the risk of the operating company; on the other hand, they can solve the pain points of the

government and reduce the operation burden of the government.

Since the release of the Health China 2030 Plan in 2016, HY's entrepreneurial team decided that the time was right. They approached the governments of Qingdao, Dalian, Chengdu, Hangzhou and other places to discuss the possibility of cooperation. By contacting the construction operator of the D City Sports Center arena, the HY operations team decided to start in D City, which has a better sports foundation and superior arena conditions, and set up an independent operations company to run the existing arena.

1.1.2 Project background: DL Stadium market operation

Located between the Bohai Sea and the Yellow Sea, D is a famous tourist city in China with four distinct seasons and a pleasant climate, and is also a national civilized city with "six consecutive championships". D The city sports center is a key livelihood project in the 12th Five-Year Plan of the city, and is a key project for the city's westward and northward expansion, with a total area of about 4.3 million square meters, consisting of land for the construction of the sports center stadium and land for supporting development. Among them, 800,000 square meters of land for the construction of the sports center, the construction of a total of 10 single projects, namely: gymnasium, stadium, tennis courts, indoor tennis training center, baseball field, swimming pool, media center (now the Crowne Plaza Hotel), comprehensive training hall, indoor track and field hall, education and research building, a total construction area of about 520,000 square meters is currently the largest and most comprehensive building planning and design in the northeast It is the largest and most comprehensive sports, recreation and fitness center in Northeast China. On the north side is the Wanda Youth Training Base, which is built according to the international first-class standard. The project covers an area of 22 hectares and has a total construction area of 90,000 square meters. The southwest side is the Health Center, with a total land area of 207,000 square meters and a total construction scale of 170,000 square meters, including the newly built City Maternity Hospital, City Children's Hospital, Xinhua Hospital, City Disease Control

Center and Population and Family Planning Service Center. The sports center is surrounded by a traffic network of "three vertical and three horizontal", and Metro Line 2 will be opened in June 2022, and the sports center station will also be put into use by then, in addition to the new airport under construction and the upgraded Dalian North Station traffic hub.

Figure 1.1 Schematic diagram of the location of the sports center project



From Figure 1.2 After the use of the National Games, D City Sports Center adopts the way of independent operation, but due to the constraints of the huge volume of venues, high operation, management and maintenance costs, a single source of income and other factors, coupled with the remote location, low public awareness, operational efficiency has not been high, the current use of external rental venues to rent the simple mode of operation, not fully exploited the functions and potential of the venues, and low utilization rate. Since its operation in 2013, the D City Sports Center has been primarily engaged in

government events, the nature of which requires a partial or total waiver of venue rent. The only sources of revenue for the D City Sports Center are rental income from large events and resident training, short-term advertising income during large events and performances, and income from the use of individual boxes during sports and performance events. According to statistics and estimates, the D City Sports Center will have operating costs of approximately RMB 60 million in 2019, revenues of approximately RMB 40 million in various categories and a conservative estimated loss of approximately RMB 20 million (operating data for 2020 is not indicative due to the impact of the epidemic).

It is known that many successfully operated stadiums at home and abroad have a very high percentage of venue operating income from other types of revenue sources other than venue rental, even up to 68% [27]. Therefore, D city government and Sports Center Development and Construction Investment Co., Ltd. also wanted to refer to successful operation cases at home and abroad and bring in an experienced and resourceful operation company to take over. After discussing with the HY team, the two sides hit it off and decided to cooperate.

1.1.3 Main partners

HY Sports Operation Company is a mixed-ownership enterprise initiated by the HY entrepreneurial team, DL Sports Center Development and Construction Co., Ltd. with assets for equity, and ZT Industry Group Co.

At the beginning of HY Venture's intention to cooperate with DL Sports Center Development and Construction Investment Co. In order to promote the company's future sports brand, strengthen the company's sports events and promote them

nationwide in the future, HY Venture, D City Sports Center and ZT Industry exchanged short-term business and long-term development plans.

The three parties jointly believe that in the process of project development, it is necessary to introduce social capital, especially various types of venture capital funds and industrial funds that mainly invest in the sports industry in China. One is to enrich the capital, and the other is to obtain the relevant resources behind the capitalists and integrate high-quality sports resources, such as event resources, on a national scale.

1.2 External environment and market analysis

The success of HY Sports Operations' commercial operation of the stadium in D is a brand-new attempt. An analysis of the current industry and market environment through various analysis tools and models is a prerequisite to determine whether the project is likely to be successful. The analysis can also help the company to identify the market positioning, and provide a strong basis for formulating practical corporate strategies and development goals.

1.2.1 PEST analysis

PEST analysis refers to the analysis of a company's political, economic, social, and technological and other macro background, through PEST analysis can be sorted out and analyzed the macro environment in which the HY Company is located, so as to facilitate understanding of the various conditions that the company may encounter, in advance to make predictions and preparatory measures.

1.2.1.1 Policy Environment

China attaches great importance to the popularization and universalization of the sports industry, and has introduced many corresponding policies and programs. In the Opinions of the State Council on Accelerating the Development of Sports Industry and Promoting Sports Consumption [1], it is pointed out that national fitness has been elevated to a national strategy, and the fundamental goal is to enhance people's physical fitness and improve their health, and to realize the transformation of a large sports country to a strong sports country. Meanwhile, the Outline for the Construction of a Strong Sports Country [28] mentions that by 2020, a new mechanism for sports development will be established that is compatible with the completion of a moderately prosperous society; by 2035, the sports governance system and governance capacity will be modernized, and the sports industry will be bigger, more active and better, making it a pillar industry of the national economy. It can be seen that the next 10 years will be the great development of the sports industry 10 years, will also be the market-oriented operation of sports venues blooming 10 years, the HY operating company should resolutely implement national policies, ride on the east wind of the industry's great development, adhere to the market-oriented road, the national fitness, enhance the physical fitness of the people as its mission, timely find the right market positioning, planning the path of enterprise development, design to meet the industry development and market demand for products.

D city also performed very timely in the construction of policy support facilities, taking

the lead in the province in formulating sports industry regulations and policies, and also successively formulated and issued regulations and documents such as "D city sports business activities management regulations", "D city sports industry to speed up the implementation of opinions to promote sports consumption", "D city sports industry medium and long-term development plan", providing policy support and legal protection for the development of D city's sports industry, and at the same time accelerating the The construction of seven sports bases and parks, such as Sports New City and Sports Industry Park, has been accelerated to make the layout of sports industry more reasonable. It also accelerated the construction of seven sports bases and parks, including Sports New City and Sports Industry Park, to make the layout of sports industry more reasonable.

With the operation of D city sports center as the origin and starting point, the construction of sports new city area is in line with the government's "sports center as the engine to drive the development of the area, the area into a collection of sports and culture, tourism and exhibition, commercial logistics, headquarters economy, ecological housing and other urban functions as a whole, the city's secondary center and coastal life model new city The goal of "sports center" is a promising one.

1.2.1.2 Economic environment

As mentioned earlier, in early 2020, data released by the State General Administration of Sports and the National Bureau of Statistics showed that the total output of the sports industry in China in 2018 was about 265.79 billion Yuan, with an added value

of about 100.78 billion Yuan, and the proportion of the added value of the sports industry in the GDP reached 1.1%. From the perspective of the internal structure of the sports industry, the sports service industry maintained a good momentum of development, with an added value of 653 billion Yuan, accounting for 64.8% of the sports industry, which was higher than the previous year; among them, sports competition and performance activities, which are directly related to sports for all, and sports fitness and leisure activities grew prominently, with a growth rate of 26.2% and 76.8%, respectively.

Table 1.4. 2018 National Sports Industry Status

Category Name	Total volume (billion yuan)		Structure (%)	
	Total output	Value added	Total output	Value Added
Physical Education and Training	1722	1425	6.5	14.1
Sports Media and Information Services	500	230	1.9	2.3
Sports goods and related products sales, rental and trade agency	4116	2327	15.5	23.1
Other Sports Services	1377	616	5.2	6.1
Sporting goods and related products manufacturing	13201	3399	49.7	33.7
Construction of sports venues and facilities	646	150	2.4	1.5

In 2019, the total urban GDP of city D is worth 700.17 billion Yuan, up 6.5% year-on-year, ranking 27th in GDP, with a total retail sales of social consumer goods of 394.87 billion Yuan, a per capita salary of 6,280 Yuan/month, and a per capita GDP of \$14,200, equivalent to about 99,900 Yuan, far exceeding the internationally considered take-off line of \$10,000 for the sports industry, which will show rapid growth trend. In recent years, City D has given full play to the basic role of mass sports, the leading role of fashionable sports projects, the

stimulating consumption pulling role of sports competitions and performances, and the radiation driving role of sports industry parks, striving to make sports industry a new driving force of economic and social development. Before and after the Twelve Games, the growth rate of sports industry output value in D has accelerated significantly, in 2012, the city's sports and related industry assets of 3.06 billion Yuan, in 2014, the figure reached 11.48 billion Yuan. 2015 sports industry added value of about 7.7 billion Yuan, accounting for more than 1% of GDP, sports industry employees of 39,000 people, per capita sports consumption of residents reached 785 Yuan, and successfully the first China International Leisure Sports and Culture Industry (DL) Expo was held successfully. The city has a total of 1,339 sports lottery sales outlets, with annual sales of about 1.7 billion yuan, making it the first city in northeast China whose total cumulative sports lottery sales exceeded 10 billion Yuan [30].

According to the "Special Plan for the Layout of Sports Facilities in City D (2019-2035)", the current land area of public sports facilities in City D is about 929 hectares, including 3.2 hectares in Zhongshan District, 5.2 hectares in Xigang District, 3.8 hectares in Shahekou District, 77.8 hectares in Ganjingzi District, and 2.9 hectares in High New District, with a per capita public sports facility area of about 0.34 square meters, of which Ganjingzi District has the largest per capita public sports facility area of about 0.73 square meters. The area of public sports facilities per capita in Ganjingzi District is the largest, at 0.73 square meters, mainly because the D city sports center is located in this area. The figure below shows the distribution of public sports facilities area and per capita in each administrative region of City D.

Table 1.5 Area and per capita distribution of public sports facilities in D city by region

Region	Resident population (10,000 people)	Area of public sports facilities (hectares)	Area per capita (sqm/person)
Zhongshan District	42.8	3.2	0.07
Xigang District	33.0	5.2	0.16
Shahekou District	69.2	3.8	0.05
Ganjingzi District	107.1	77.8	0.73
High-tech Park	22.3	2.9	0.13
Total	274.4	92.9	0.34

Tab.1.5 Area and per capita distribution of public sports

Source: Based on Dalian City Master Plan (2001-2020), Dalian City Sports Facilities Layout Special Plan (2019-2035), Dalian City Population Development 13th Five-Year Plan

Figure 1.2 Facilities in different regions of DL City

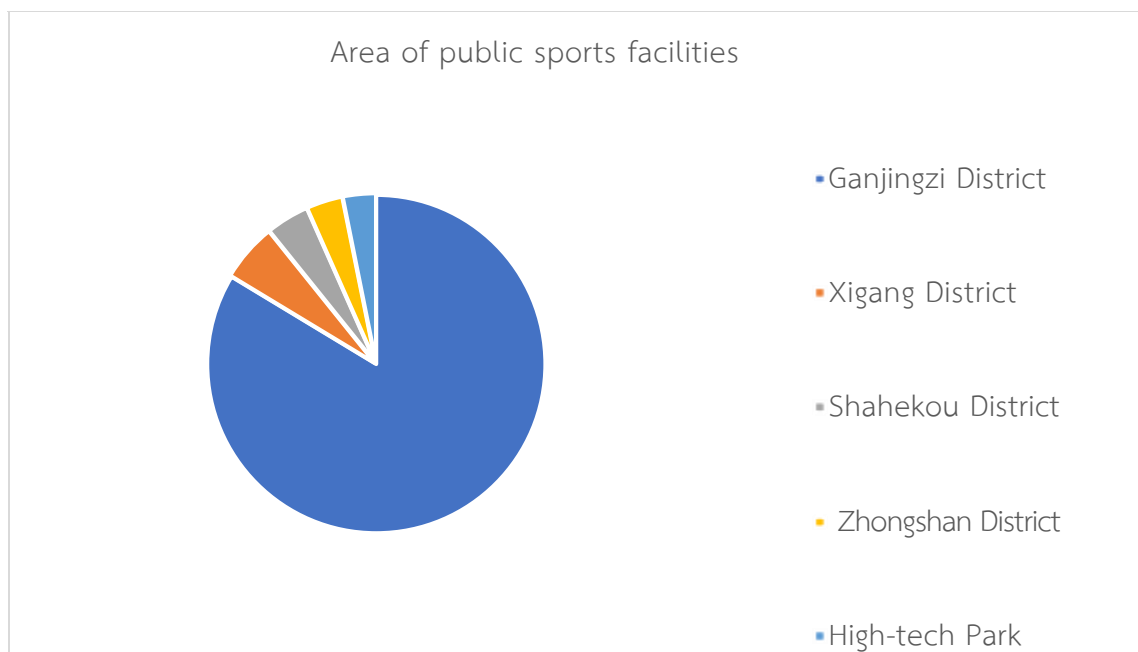
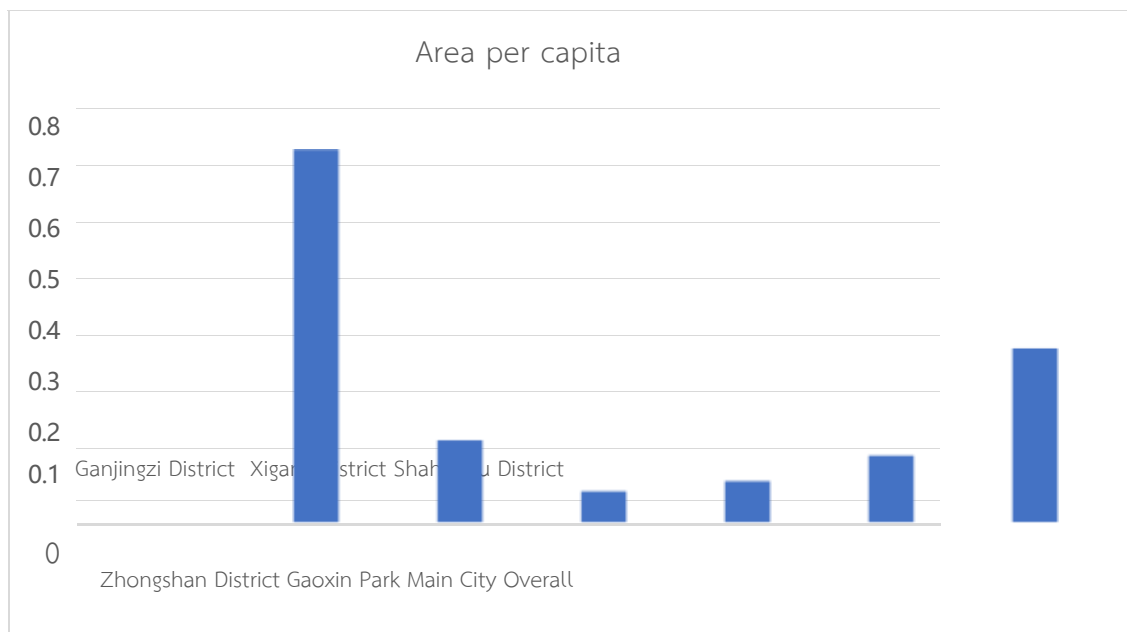


Figure 1.6 Area of public sports facilities by region in DL City

Fig.1.3 Area of public sports facilities in each district of DL city



There are 29 public sports sites in city D. If we divide them according to four levels: city, district, street, and community, then there are 6 city-level venues covering an area of about 81.9 ha; 9 district-level venues covering an area of about 8.2 ha; 6 street-level venues covering an area of about 2.8 ha (see Table 3.3); and 8 sports parks covering an area of about 289.3 ha. Since sports parks are not affiliated with public sports facilities, they are not counted in the total area of sports land in this statistics ^[31]. As seen in the table below, the distribution of public sports facilities within each administrative district is extremely uneven due to the influence of large municipal sports facilities.

Tab.1.8 Distribution of sports land in different regions of D city

Grade	Serial number	Administrative District	Venue Name	Area (ha)
Municipal	1	Ganjingzi District	Dalian Sports Center	81.9
	2	Xigang District	Dalian Citizen Construction Center	
	3	Shahekou District	Dalian International Tennis Center	
	4	Shahekou District	Dalian Swimming Pool	
	5	Shahekou District	Dalian Shooting Sports School	
	6	High Tech Zone Xigang District	Olympic Football Stadium	
District level	1	Zhongshan District	Trainspotting Stadium	8.2
	2	Zhongshan District	Zhongshan District Citizen Fitness Center	
	3	Zhongshan District	Labor Park Tennis Stadium	
	4	Zhongshan District Xigang District	Xigang District Gymnasium	

Table 1.8 Continued

Tab. 1.8 Cont

Grade	Serial number	Administrative District	Venue Name	Area (ha)
Street level	5	Shahekou District	Dalian Locomotive Stadium	2.8
	6	Ganjingzi District	Ganjingzi District Stadium	
	7	Ganjingzi District	Ganjingzi District Gymnasium	
	8	Ganjingzi District	Ganjingzi District Citizen Fitness Center	
	9	Ganjingzi District	Ganjingzi District Youth Sports School	
	1	Ganjingzi District	Heshi Reef Cultural and Sports Activity Center	
	2	Ganjingzi District	Yingchengzi Street Cultural and Sports Center	
	3	Ganjingzi District	Xinzhaizi Street Yujia Village Activity Center	
	4	Ganjingzi District	Silicon Valley Holiday Sports Field	
	5	Ganjingzi District	Ling Shui Community Sports Center	
	6	Ganjingzi District	High Tech Zone Village Community Activity Center	
	29	Ganjingzi District	High Tech Zone	
	Total			

Data source: According to "Dalian City Sports Facilities Layout Special Plan (2019-2035)"

According to the September 2019 Opinions of the General Office of the State Council on Promoting National Fitness and Sports Consumption to Promote High-Quality Development of Sports Industry [3] proposed to "encourage and promote the transformation function of public stadiums, reform mechanism projects, and new government-invested stadiums should be entrusted to capable and qualified third-party enterprises for operation and management. Support professional sports clubs home stadiums priority

reform." Many of the current stadiums in D city is facing problems such as sloppy management and low efficiency, the need for a professional and fine third party to entrust the operation, HY operating company can be used as a trial and template, and then after the success of the experience to spread, this initiative will greatly activate the sports market in D city, thus pulling the booming development of the industry.

1.2.1.3 Social environment

City D is a beautiful seaside city, with mountains and sea, diverse terrain and pleasant climate, suitable for many types of sports and fitness activities, known as the "City of Sports", "City of Football", "Home of Chinese Athletics "In 2013, City D successfully hosted part of the 12th National Games, and the sports center was the main competition venue, and the hardware facilities, service level and organization level of the venue were widely praised after the games. On the other hand, it also proves that the sports center has the ability and level to host large international-level events.

Based on the existing brand events and series of activities, it is necessary to continuously build or renovate sports facilities, introduce new ideas and partners, keep pace with the times, try to develop new events, strengthen international exchanges and cooperation, promote the development of mass sports, increase the vitality and cohesion of the city, enrich the forms of fitness for the citizens, train and send a large number of excellent sports for the country. HY operating company should respond to such development requirements when specifying short-term goals, and the existing the sports center should be moderately renovated so that it can meet the needs of citizens in various aspects such as sports, leisure, entertainment and catering, etc. At the same time, it should leverage advanced domestic sports operators such as ZT Industry Group to introduce rich resources for sports events and activities and use advanced management concepts and

means to achieve industrial development, image enhancement and integration of sports and education in D city.

1.2.1.4 Technical environment

In 2021, under the guidance of the 14th Five-Year Plan, we will continue to take advantage of the Internet to speed up the development of sports marketing, and transform to digitalization on the basis of traditional marketing methods, especially in the post-epidemic era, we should do a good job of international and domestic double-loop marketing model, strengthen digital online marketing, and leverage the advantages of Internet applications to develop innovative sports marketing in the future. In particular, in the post-epidemic era, it is necessary to do a good job of international and domestic double-loop marketing model, strengthen digital online marketing, and develop innovative sports marketing in the future with the advantage of Internet application.

Especially with the development of 5G technology, the intelligent national fitness data center can be built with the help of 5G "intelligent +" platform to provide services for customers through front-end service equipment; operation and management through back-end management system; data reserve through data center to realize the national data center for the scientific development of sports and the introduction of the Internet of Things. The new technology of the era, to create a different intelligent joint with crowd.

HY sports operating companies should grasp the business opportunities of new business models and scenarios, integrate online and offline organically, provide sports consumers with convenient and efficient services as well as cost-effective national fitness consumer products through intelligent platform booking, membership management and body parameter management, etc., comprehensively improve the utilization rate of venues, and further integrate technological innovation into the commercial operation of sports venues.

To sum up, the framework of the 14th Five-Year Plan of City D, "the capital of opening and innovation, the famous romantic bay city", has been basically formed, striving to enter the ranks of a trillion dollar city in terms of economic output by 2025. The city's economic output is expected to reach the trillion dollar level by 2025. It can be said that the commercial operation of large stadiums in D city using the existing sports center is promising in many aspects such as policy background, economic environment, social factors and technological progress, etc. HY operating companies seize the opportunity to facilitate cooperation at this time, and can find the right positioning to develop products and combinations suitable for target customers, then the market space is huge and profitable.

1.2.2 Porter's Five Forces Analysis

The Porter's Five Forces model refers to the analysis of the scale and degree of competition among five forces: the competitive ability of existing competitors, the entry ability of potential competitors, the substitution ability of substitutes, the bargaining power of suppliers, and the bargaining power of buyers in the same industry, to guide HY Operations in making rational and effective competitive strategy decisions.

1.2.2.1 Ability of potential competitors to enter

The assets of sports and related industries in D city were RMB 3.06 billion in 2012, RMB 11.48 billion in 2014 and RMB 19.2 billion in 2015. There are several other private stadiums, such as the Dalian People's Football Youth Training Base (about 3 km from the sports center), the Gantian Fitness Center (about 3 km from the sports center), and the Great World Sports Complex (about 10 km from the sports center). (about 10 km from the sports center), etc. Since the choice of sports venues is subject to the consideration of the distance factor, stadiums above 5 km are not considered for the time being.

Dalian Renmin Football Youth Training Base covers an area of 220,000 square meters, with a total construction area of 90,000 square meters, equipped with 23 training and competition venues (including 22 training pitches and 1 5000-seat competition pitch). It can meet the needs of 18 teams of professional soccer clubs, such as first team, reserve team, youth team and women's football team, with a total of 600 coaches and athletes, and the players' club has a media room for 300 people. The Darien Football Youth Training Base is one of the best infrastructures in the world and has been awarded the highest quality and safety certification by FIFA, as well as the IAI Global Design Award Silver Award for Architecture, which is considered the most recognizable and valuable international design award in the world. Homogenous and higher standard soccer fields are very competitive for the lease of the D City Sports Center soccer field.

DL Gantian Fitness Center is located in the prosperous Shandong Road and South China business district, surrounded by a large number of mature communities, with a resident population of over 120,000. With the same or slightly lower rental rates, the surrounding restaurants and transportation facilities will divert some of the customers from D City Sports Center, especially when the entire section of Shandong Road is opened in the future, which will cause greater competitive pressure.

Therefore, in terms of competition in the operation of individual venues, D City Sports Center does not have an advantage, and even in terms of location, it is still at a disadvantage for the time being due to the unavailability of the subway in the short term. Therefore, in terms of venue rental for mass sports consumption, efforts should be made to improve the level of service, reduce operating costs and sales prices in order to meet the fierce competition from the surrounding homogeneous venues head-on.

1.2.2.2 Substitution ability of alternatives

The industry code for stadium operations is R912 and possible alternatives

for HY Operations are sports organizations (R911), convention and exhibition services (L7491) and various sports APPs online, depending on the scope of HY Operations' business.

Sports organizations mainly refer to other operating companies or institutions, such as Jimei Sports, which operates more than 300 marathons such as the Guangzhou Marathon and Hangzhou Marathon, Rheinland Sports, which focuses on six directions such as sports finance, sports real estate, sports media, sports events, sports education and sports network, and Ali Sports, which aims to innovate and develop the sports industry chain with digital economy thinking, etc. Their markets are still concentrated in first-tier cities and are slowly radiating to second- and third-tier cities. HY operation company at the beginning of the establishment of the firm to be based on the long history of sports but slightly less vigorous, the market is still a large number of gaps in the local market of D city, coupled with one of the shareholders themselves have the unique advantage of the property rights of sports venues, and ZT industry group quality resources to support, other foreign companies want to move in to carry out sports and cultural competitions, activities are more difficult HY operating company can deepen the local market, based on this bigger and stronger.

Conference and exhibition services may compete with local exhibition service companies in the fields of sports culture/tourism expositions, sports industry summit forums, sports equipment decoration exhibitions, etc. that the company plans to operate. ZT Group has accumulated certain operating experience in this regard as it has already tried similar exhibitions in other cities, which can be used as a reference for HY, while one of the shareholders, D City Sports Center Development and Construction Investment Co. Ltd. has been committed to providing conference and exhibition services in the local market, and has deep research and a lot of data accumulation in the local market, so the combination of the two makes it more difficult for foreign exhibition

service companies to enter and poses little threat to HY.

In addition, fitness APPs such as online fitness software PLAYBOOK, KEEP, Yue Run Circle, Mint, etc., which present elements of "Internet + Sports" have also emerged. PLAYBOOK provides a platform for fitness content creators to broadcast their videos and other works and deliver them to consumers who need them, and offers consumers a paid subscription service of \$15 per month or \$99 per year, after paying the fee, consumers can watch all kinds of exercise videos without restrictions and learn more about fitness content, and PLAYBOOK will receive 20% commission from this, and the rest of the fee is returned to the creators. The advantage of PLAYBOOK is that consumers have more choices, they can choose their favorite trainers from many trainers and follow them without the restriction of geography, but the disadvantage is that there is no translation and the audience is small, and only Apple related products can be downloaded. The more famous fitness APPs in China are KEEP and Yueyun circle, Keep aims to provide diversified sports and fitness programs guidance, users can follow coaches to complete various fitness programs anytime and anywhere, and build a sports community for users, which is convenient for fitness enthusiasts to communicate and encourage each other, with great emphasis on positive guidance, the number of users has exceeded 100 million by the end of 2017; Yueyun circle APP focuses on "It was founded in February 2014 and won the Best Sports Industry Innovation Award, China Marathon Development Contribution Award, TRACKER Innovation Annual Experience Design Innovation Potential Award, the Most Popular Running APP and the Best Sports APP Award at the 2017 Sina Sports Running Festival. At present, there are 63 million users, 20,000 registered running circles, covering 2100 cities. This kind of fitness APP has certain competitive advantages due to the small restriction of venue, high convenience and relatively low cost, and has certain impact on the operation of D city sports center, therefore, HY operation company should rely on the

advantages of large physical venues of sports center, combine online guidance with offline sports, launch visualization wearable products, coach remote guidance, students centralized training, and organize regular coaches and The group building and competition activities between coaches and trainees to increase the stickiness of trainees.

1.2.2.3 Capabilities of Existing Competitors

The barriers to entry for the commercial operation of completed stadiums are low and the market is relatively mature. Based on the consideration of service radius, there are many competitors of the same kind, only within 3 km of D City Sports Center, there are several large stadiums such as Wanda Youth Training Base and Nanguanling Sports Center that overlap with it in terms of business. Wanda Youth Training Base will be put into use in 2019 with first-class venues and hardware facilities, but due to its single business, it only has strong head-to-head competition with the Sports Center in the field of soccer field rental, and the rest of the business is not very competitive; Nanguanling Sports Center is a comprehensive sports venue integrating basketball and badminton, etc., but due to its positioning in serving the sports and fitness needs of the residents around Nanguanling, it is not very competitive. coupled with the general facilities and management of the venue, there is a risk of low price competition for the operation of the sports center .

In terms of international and domestic large-scale comprehensive sports events, there are not many local comprehensive venues of the same type in city D. The same type can be compared with the Olympic Sports Center in Shenyang. The Shenyang Olympic Sports Center is planned to cover an area of 54.6 hectares, with a total construction area of about 297,000 square meters, and is laid out as one stadium and three halls, with "one stadium" referring to the Wulihe main stadium, with a total construction area of about 140,000 square meters and six floors above and below ground, including a FIFA-compliant natural turf soccer field with a standard plastic track and track and field

competition function and a natural turf soccer field with a standard plastic track. It includes a natural turf soccer field with a standard plastic track and a natural turf soccer warm-up training field with a standard plastic track, which can accommodate 60,000 people at the same time; the three stadiums are the gymnasium, swimming pool and tennis stadium, with a total construction area of about 50,000 square meters and four floors, including indoor ball games, gymnastics, ice sports and training fields, which can accommodate about 10,000 people at the same time. The total construction area of the swimming pool is about 37,000 square meters, with three floors, including indoor water sports swimming, synchronized swimming, diving, springboard diving, water polo competition and training field, which can accommodate about 4,000 people at the same time, and the total construction area of the tennis hall is about 15,000 square meters, including one indoor field, three outdoor competition and training fields, which can accommodate 4,000 people at the same time. From the new and old facilities of the venue, comprehensive aspects and D city sports center are different, but from the location advantage, Shenyang City, the traffic is well-connected, railroads, airlines are radially spread outward, covering a wide range of people, its traffic conditions and political and economic status is inherently better than D city, so in the hosting of large events, sports education and training activities on the HY operation HY operating company should adhere to the strategy of "going out and coming in", learn more from the operating experience of domestic and foreign large sports venues, improve the operational efficiency of the venues, and at the same time, attract investment through multiple channels to attract excellent brands of events to D city with favorable policy conditions.

1.2.2.4 Bargaining power of suppliers

The bargaining power of suppliers mainly refers to sponsors of events, providers

of venues, etc. Due to the large number of events nationwide, the geographical characteristics of D city and the current economic situation, the sponsors have more room for selection and higher bargaining power. HY needs to take advantage of the policy support of D city government and the group advantage of ZT to minimize the cost and obtain resources. On the other hand, since the owner of the venue is one of the shareholders of the HY operating company, the bargaining power of the suppliers is negligible in terms of the use of the venue. Overall, the high bargaining power of the suppliers poses certain difficulties for the operation of D City Sports Center, which should be taken into consideration in the actual operation process and risk control.

1.2.2.5 Bargaining power of customers

Customer bargaining power refers to the bargaining power of a venue renter or event participant, or its ability to raise the cost of a business in the industry by demanding better products or services. In the field of stadium operations, the bargaining power of customers is the process of consumers comparing prices and pursuing high cost performance in a comprehensive manner. For the consideration of customer bargaining power, to analyze from two aspects, first in the basketball court, soccer field, badminton court and other comprehensive stadium rental field, by the high homogeneity of services, remote location and other factors, HY operating company's advantage is not obvious, the customer's bargaining power is more, to provide customers to meet their needs, quality services and unique products become HY operating company in the competition to win. But at the same time, the scarcity of resources in large sports competitions and professional events has led to the weak bargaining power of customers, so we can design some pricing combinations to attract more potential customers, so as to expand market influence and share and achieve profitability.

In summary, as sports are becoming more popular and people's awareness of fitness is increasing, the demand for sports venues is also increasing, and more and more businesses are seeing the dividends of the sports and fitness industry, so the HY operation company has more and more competitors. At the same time, the company should develop its own detailed development plan, marketing strategy and risk control measures to cope with changes in the demand of suppliers and consumers.

1.3 SWOT analysis

In this paper, through the above-mentioned EST and Porter's Five Forces analysis, the internal strengths, weaknesses and external opportunities and threats that are closely related to HY operating company are organized as follows, and the factors are analyzed by matching two by two according to the matrix arrangement and using the SWOT system analysis method, so as to provide a basis for strategic decisions and work plans of HY operating company.

1.3.1 Strengths

(1) The venue is fully functional and large in scale.

D City Sports Center is the largest and most comprehensive sports, recreation and fitness center in Northeast China, with 10 major facilities such as stadiums, gymnasiums, swimming pools, tennis courts, five-star hotels and other complete building monoliths, which can undertake various cultural performances and competition events of international level. 2020 post-epidemic period of the Chinese Super League, in the choice of home field, also favored D City The DL Sports Center has also received wide acclaim for its superior soccer playing field, comprehensive athlete training field and fitness environment, and five-star hotel that can accommodate 8 teams and all the organizing committee, staff and media reporters at the same time. 135 days of preparation, 106 days

of schedule closure, and 80 matches for 12 teams, accompanied by the perfect conclusion of the Chinese Super League. The following table shows the comprehensive technical index of each venue in DL Sports Center.

Table 1.9 Detailed list of the construction of sports venues

Tab.1.9 Detailed list of stadium construction

Serial number	Project Name	Number of layers	Floor space (m ²)	Total floor area (m ²)	Parking space (pcs)	Size (seat)
1	Gymnasium	5	94704	80897	199	18343
2	Stadium	5	134740	119610	229	61000
3	Baseball field	2	52131	1882	100	3015
4	Training Base		129595	96906	147	18000
4.1	Comprehensive training hall	4		40556		
4.2	Indoor Athletic Hall	1		9764		
4.3	Teaching and Research Bases	6		46586		
5	Swimming pool	2	46978	36500	300	4405
6	Tennis Court		99085	43620	443	
6.1	Tennis Main Court	3		22858		10146
6.2	Training hall	4		20762		4000
7	Media Center	24	22233	78000	269	
8	Semi-underground parking	1		30700	672	
9	Property management room	2\4\5\6	9102	9230	49	

(2) Assets are valued into shares and competition is weak.

The existing stadiums of the sports center will be bought into the joint venture

company, and the joint venture company will have a unique advantage in terms of operation, management and use after having the corresponding management rights for several years. For example, the company's internal board of directors can directly make decisions and implement the installation of restaurants and bars around the stadium, which is an inherent advantage that other operating companies do not have; secondly, in terms of intangible asset value-added, the company can also increase its income through venue naming and advertising space investment, which other similar operating companies do not have.

(3) Experienced and strong in operation.

ZT Industry Group Co., Ltd. is the earliest listed company in China to develop sports industry as the main body, and is also one of the earlier companies to commercially operate large stadiums, with rich experience in hosting various sports competitions, developing and operating sports and fitness programs, building sports-themed communities, etc. Moreover, the company is one of the main planning bodies for Beijing's Olympic bid. Its event services include Beijing Marathon, Guangzhou Marathon, Wuhan Marathon, World Round the World Yacht Race, Tour of China International Road Cycling Race, National Fitness Vitality China Series, etc. It has participated in sports marketing activities such as the 7th World Military Games, the 14th National Games, Yili Panorama Sports, etc. It has also carried out sports education and training business, such as fitness instructor training for retired military personnel, yoga instructor training, and vocational skills fitness training in Guangdong Province. training, hosted the Guangdong Provincial Vocational Skills Fitness Competition, etc.

1.3.2 Weaknesses)

(1) The large volume of the venue is inefficient in operation.

The total construction area of the sports center is about 520,000 square meters, with a total of 10 single units. According to the statistics and calculations of D City Sports Center, the operating cost expenditure in 2019 is about 60 million yuan, and the income of all kinds is about 40 million yuan, with a conservative estimate of loss of about 20 million yuan. The lower efficiency prevents normal turnover of daily operations and makes it difficult to obtain a new round of capital investment to update and maintain the equipment, which will also make the cultural performance and sports competition contractors look down on the market of D City and lack investment interest, resulting in an unfavorable situation and hindering its future sustainable development.

(2) Poor accessibility and accessibility.

The commercial operation of the stadium is closely related to its traffic convenience, a survey shows that the stadium covers a certain service radius of the population, beyond this service radius, unless there are exclusive resources or particularly outstanding advantages can attract people to go, otherwise it will affect people's travel decisions. d city sports center in the site selection, due to the large area, the choice of Ganbei's Nanguanling area. When it was first built in 2013, public transportation was scarce, there were no bus lines, Metro Line 1 was under construction, people could only drive private cars to exercise the building, and it was nearly 20 kilometers from the city, which over time created a cold status quo. After these years of improvement, there are now 4 bus lines, and in 2021 there are plans to open 1-2 bus lines, and metro line 1 will also be in trial operation in mid-2022.

1.3.3 Opportunity factors (opportunities)

(1) the development of sports services, fast growth rate and high potential.

The sports service industry is the most valuable and profitable area in the sports

industry, and it is developing rapidly in China, gradually becoming the main body of the sports industry. The added value of sports service industry was 270.36 billion Yuan in 2015, 356.07 billion Yuan in 2016, 449.90 billion Yuan in 2017, and 653.30 billion Yuan in 2018, showing a rising trend year by year, and from 2017 to 2018, the added value of sports service industry increased by 46.7%, and the added value of sports industry reached 64.8%, which reached the target of 60% proposed by the State Council. The target of 60%.

In 2019, the gross domestic product of City D will be RMB 700.17 billion, an increase of 6.5% over the previous year, of which the value added of the primary industry will be RMB 45.85 billion, an increase of 3.0%; the value added of the secondary industry will be RMB 279.99 billion, an increase of 11.9%; and the value added of the tertiary industry will be RMB 374.33 billion, an increase of 2.9%. The added value of the primary industry accounted for 6.5% of the regional GDP, the added value of the secondary industry accounted for 40%, and the added value of the tertiary industry accounted for 53.5%, so there are good opportunities for the development of the tertiary industry represented by the sports service industry.

(2) The development of sports industry has taken off and gradually become a consumption hotspot.

The development of sports industry in city D is still in its infancy. According to the research, the percentage of sports consumption population is about 5%, which is obviously lower than the international standard of 10%, but there is a large demand for sports life consumption, which is conducive to promoting the development and upgrading of urban sports industry.

1.3.4 Threats

(1) Develop mass sports and organize dispersion.

National fitness has been elevated to a national strategy, and all parts of the country are actively responding to and implementing national fitness policies. However, due to the lack of a perfect mass sports system, systematic propaganda mechanism, professional mass sports organizations, etc., there are imperfect systems, irregular organizations and scattered organizations at this stage.

(2) Professional sports talents, a large gap.

By 2021, China will achieve the target of 435 million sports population, 15-minute fitness circle and 1.8 square meters of venue area per capita. With the nationwide fitness and sports frenzy, the government is vigorously building sports venues, but behind the scenes, it is facing a shortage of professionals, systematic venue management equipment and quality management personnel.

(3) Operating a sports business with poor profitability.

Sports are of public welfare and welfare nature, with more emphasis on social benefits. The development of sports is characterized by high spatial dependence on venues, high environmental requirements, high energy consumption and high maintenance costs, requiring large amounts of investment in people, money and materials, and poor profitability.

(4) Development of sports industry with high investment and poor accessibility.

The sports industry is a special economic activity. At present, the development of China's sports industry has immature investment system, relatively single investment and financing channels, and unsound market supervision. With the development of the economy, consumers have higher and higher requirements for sports space, sports consumption level, and sports service quality, which require large amounts of hardware and software investment.

(5) Blockchain sports with weak linkage.

With the widespread use of block chain, the connection between sports and block chain is getting closer and closer, but due to the imperfection of the five levels of the development of block chain sports model, namely, resource layer, operation layer, communication layer, user layer and service layer, and the poor linkage of each industry, it is difficult for the sports industry to form a complete industrial chain, and it is impossible to build a benign block chain sports ecosystem and form a community of interests.

Table 1.10 SWOT Matrix Analysis

Tab.1.10 SWOT matrix analysis

	Strengths S	Weakness W (1) Large
SWOT Analysis	(1) The venue is fully functional and large in scale. (1) The venue is functional and large. (2) Weak competition as assets are valued for equity. (3) Experienced and strong in operations.	low volume of venues and operational efficiency; (2) Inconvenient transportation and poor accessibility.
(1) Development of sports services, fast growth rate and high potential. (2) The development of sports industry has taken off and gradually become a consumption	SO Growth Strategy. 1、 Digging deeper into the resources of the venue and doing a good job of all-round operation. 2、 Enriching the business mode, increasing the functions and increasing the supporting investment. 3, carefully designed to meet	WO turnaround strategy: 1. open source and cut costs, and strive for special subsidies for events; 2. carry out a variety of business activities to improve the operational efficiency of the venue; 3. increase the publicity of events, and hold more high-level events to

hotspot.	the needs of consumer's products to improve customer stickiness. 4. Portfolio pricing to expand consumer groups.	improve the company's reputation.
(1) Opening up mass sports and organizing dispersion.	ST Enhanced Strategy. 1、 To meet industry trends and promote the development of the company.	WT Defensive strategies: 1. Cost reduction through refinement of management.
(2) Professional sports personnel, with a large gap.	2、 Use the breadth of the venue to develop a diverse program.	2 、 Introduce social resources and expand social
(3) Operating a sports business with poor profitability	3、 Establishing a training mechanism that combines industry and academia to select outstanding reserve sports talents.	will cooperate.
(4) Development of sports industry with high investment and poor accessibility.	4. Integrating the upstream and downstream of D city sports industry to build a block chain sports ecosystem.	
(5) Block chain sports with weak linkages.		

To sum up, it is recommended that HY should adopt a growth-oriented strategy, take a comprehensive inventory of its stadium resources, take customer demand as the guide, insist on the route of "having what no one has and having what no one has" in the track of stadium operation, continuously consolidate high-quality product resources such as professional sports events, exhibitions and conferences, increase new business modes such as catering and derivatives sales, and develop different marketing strategies, business

strategies and pricing strategies for different business segments. We will develop different marketing strategies, business strategies and pricing strategies for different business segments, and develop new upstream and downstream businesses to establish a smoothly circulating block chain sports ecosystem, appropriately renovate the stadiums, improve the functional partitioning, and increase the supporting investment, while supplementing with exhibitions, conferences and other forms of publicity and promotion to continuously expand the company's influence and prepare for further business development in other cities. Make good preparation for further business in other cities.

Section 2

Marketing Plan

2.1 Market and consumer behavior analysis

There is an old Spanish proverb, "To become a gladiator, you must first know the habits of the bull." To understand the market and develop a reasonable and effective marketing plan, we must start from the consumer's point of view and study the preferences of target consumers before we can talk about adapting to the market and guiding the market. Many profitable stadiums in the United States attach great importance to the analysis of the market and consumer behavior by analyzing the gender, age, race, income, and hobbies of the people around the stadium to develop products and business models that meet the demand, and also evaluate the traffic, environment, and support of the area where the stadium is located to develop a matching response plan, which not only enriches the products of the stadium, but also reduces company's operational risk [37].

In December 2020, the HY operating company conducted anonymous market research in the form of a web-based questionnaire on whether to come to the sports center to exercise, exercise programs, consumption levels, and why not (see annex for questionnaire and data analysis). 440 valid questionnaires were received from different ages, genders, occupations, and income levels. The questionnaires helped HY to understand the needs, preferences and target prices of its target customers, and helped HY to design its products and pricing.

(1) Consumer structure analysis.

(2) Of the 440 valid questionnaires received, the age structure of the target customers of the sports center, of which 58% were aged 30-40, 24% were aged 40-50, and 10% were aged 20-30, consumers aged 30-50 in the workplace are the main force to participate in sports and sports consumption, this age group of consumers have certain consumption strength and sports needs. In particular, the survey shows that nearly 60% of the respondents are corporate employees and managers, who are mostly white-collar workers, usually do office work, mental labor, more willing to pay for a healthy body, so in product design and supporting services, to take care of this category of people; In addition, from the income structure, the middle-income group with an annual income of 100,000-300,000 accounted for nearly 50%, this group of people have a certain amount of discretionary income, and are willing to pay for a healthy body. These people have a certain amount of discretionary income and are willing to spend money on exercise, but also have the desire to upgrade consumption, and participation in sports is a social activity and a symbol of status; low- and middle-income consumers within 100,000 yuan also account for 34%, indicating that the market for the sports industry is getting broader and broader, and a reasonable product line design will be able to meet the people of different consumption levels.

(3) (2) Consumer demand analysis.

(4) Among the 440 respondents, 204 people said they were willing to go to the sports center for exercise, accounting for 46%, while 236 people said they would not come, accounting for 54%, and their reasons for not coming to the sports center for exercise were mainly because the road was too far and the traffic was inconvenient, accounting

for 68%, in addition, 8% of those who found it inconvenient to eat, 7% of those who charged for parking, and 5% of those who charged too much. Sports center around many driving school exams and training affect to go, do not understand the sports center, indoor exercise in winter is too cold, the venue is difficult to book and other factors also affect their exercise to the sports center. In view of this, the problem of poor accessibility can be solved by appropriately installing additional shuttle vehicles to connect with existing public transportation; adding food service facilities in the stadium to solve the problem of exercisers' meals; and strengthening the publicity of the sports center to eliminate people's worries and make more and more people willing to come to the sports center for consumption.

(5) (3) Consumer behavior analysis.

(6) According to the survey, among 440 respondents, 204 people expressed their willingness to go to sports centers for exercise. In terms of the choice of exercise programs, swimming is the most popular, accounting for 24%, followed by badminton (18%), running (13%), parent-child sports (9%), soccer (8%), table tennis (7%), and the less popular programs are basketball (6.5%), yoga (5.6%), tennis (4.5%), training (2.6%), baseball (0.9%), and other programs (0.4%). The analysis shows that the sports programs available in sports centers can basically cover the needs of consumers; ball sports, running and other popular sports exercise programs still account for the majority, but traditional ball sports such as basketball do not have more consumer choices, on the one hand, they may be affected by the competition from similar sports venues around. Tennis, baseball and other niche sports, want to form a climate in the field of mass sports, still lack of fire, in the short term, this type of sports venues or competition-based projects; resource-leading exercise programs, such as swimming, can be made into a fist product, especially the swimming program by the number of restrictions on the impact of The impact of swimming is minimal, and can increase the popularity of the venue through publicity and promotion, and achieve profitability through differentiated pricing.

In terms of the consumption level of single exercise, 40% of consumers are willing to spend 20-50 yuan per time, 29% of consumers are willing to spend 50-100 yuan per time, the

consumption level is basically comparable to the venue rental fee of each venue. The questionnaire also made statistics on the respondents' annual spending on sports equipment, in which 24% of the population spent 100-500 Yuan, 31% spent 500-1000 Yuan, 18% spent 1000-2000 Yuan, 15% spent 2000-5000 Yuan, with an average spending level of about 1400 Yuan, accounting for about 0% of the average annual income (220,000 Yuan). The average consumption level is about RMB 1,400, which is about 0.6% of the average annual income (220,000), higher than the national average, so the company sees the market and opportunity to operate the sports industry and commercialize the stadiums.

The questionnaire also set up open-ended questions, asking the respondents to give their opinions and suggestions to the sports center, the questionnaire shows that consumers are more concerned about the convenience of transportation, the degree of commercial support, the opening hours of the stadium, the level of service, etc. They also hope that the sports center to strengthen the promotion through the organization of activities, such as the provision of more measures to benefit the public, the opening of a longer stay with special sports activities to attract long-distance consumers. For example, it is planned to renovate the empty area of the S platform of the stadium and recruit some branded or unique food and beverage stores to provide supporting services for the consumers who come to the stadium, and also hope that the stadium will become a popular spot in the Gambei region.

In addition to popular sports consumption, the HY entrepreneurial team learned from interviews with relevant personnel of the sports system, some leaders of the sports center and relevant employees of the football association that the atmosphere of competitive sports events is still very strong in D. The 2019 DL International Marathon was awarded the "gold standard event" by the International Association of Athletics

Federations (IAAF), officially entering the "double gold club", which symbolizes the highest level of China. The 2019 DL International Marathon was awarded the "Gold Label Event" by the IAAF, officially entering the "Double Gold Club", which symbolizes the highest level of marathons in China; after many rounds of fierce competition from many cities, D finally won the right to host the 2023 Asian Cup; in addition, the D City Sports Center has successfully hosted various soccer leagues, athletic meets, tennis tournaments, karate tournaments, archery competitions, etc., as well as youth In addition, the D City Sports Center has successfully hosted various soccer leagues, track and field games, tennis tournaments, karate tournaments, archery tournaments, youth badminton tournaments, swimming tournaments, children's balance bike tournaments, tennis tournaments, etc., as well as Olympic Day Fitness Run, BubbleRUN Bubble Run, and Cycling and Running Challenge, with over 40,000 participants. It can be said that the competitive sports brand events represented by the marathon have a good foundation in D city, but in terms of influence, quantity, operation ability and collaboration ability, etc., they still need to be strengthened, and they need to closely contact with various organizers for hosting opportunities.

2.2 Target market segmentation

Market segmentation is the premise of market strategy. To enter a certain market, an enterprise should first analyze the whole market, and then subdivide it into several markets according to the business categories and consumer groups, and then analyze the sub-markets to develop a marketing strategy suitable for the development of the enterprise. There are many types of stadium operation industries, and the needs of their target customers are also diverse, including not only the different needs of different customers for different products, but also the differences between different products provided by enterprises, which can

be roughly subdivided from the following aspects.

According to the "market and consumer behavior questionnaire", we can understand that: most of the group under 20 years old are students, who do not yet have a fixed economic source, but the consumption level is not low, mostly from the financial support of parents, this part of the population is willing to participate in novel and adventurous sports activities and love to listen to concerts, but also willing to pay for This group of people is willing to participate in novel and adventurous sports activities and concerts, and also willing to pay for experiential activities, which is a group of people worthy of attention in the operation of venues; the highest proportion of people aged 20-40 years old participate in sports, and many of them are white-collar workers and corporate executives, who maintain good exercise habits and frequency because of high work pressure. For people over 50 years old, the survey shows that they do not have high requirements for places for daily exercise, they have the habit of exercising, but the intensity is not great, and the sports facilities in the community can basically meet their needs for daily exercise. It is also noted that housewives also have a strong demand for fitness and entertainment, but their needs include training and entertainment with children in addition to their own beauty, so the consumption needs of this group and their families should also receive focused attention.

The following table provides an analysis of the various market segments for stadium operations.

Tab.2.2 Market segmentation of stadium operation

Market Segmentation	Size (%)	Core requirements	Key Human Variables
Professional category Athletics	30	Branding, Uniqueness	Middle and upper income earners, higher education , Inclusive
Sports Training	10	Professional, all-category all- age, differentiated	Younger and more purposeful Time and frequency fixed
Venue Rental	20	Professionalism, uniqueness	Large enterprises, low frequency of use
Tickets	10	Uniqueness, coverage	high Young people, middle to high income

2.3 Overall Marketing Strategy

Based on the analysis of the above market segments and the actual situation of D City Sports Center, each market segment was analyzed, and the corresponding marketing strategy was developed according to the Boston Matrix analysis.

Table 2.3 Boston Matrix Analysis of Segmented Markets

Star			Question
Professional Competition	Class	Sports	Popular sports programs
Sports Training			
Dairy cattle			Skinny Dog
Venue Rental			- -
Ticket revenue			

Popular sports programs belong to the problematic products with high market

growth rate but low market share at present, such products industry has strong attraction and large market space, but many competitors, at the same time, due to their own location conditions or other reasons temporarily did not achieve good profitability, "wine fragrance is also afraid of alley deep", should adopt "cost leadership strategy", while increasing marketing investment, improve visibility, on the basis of refinement management, optimize product services, design differentiated products and prices for different customers, increase customer stickiness.

For these products, we need to maintain our old customers, fully utilize our core resources such as venues, operation experience and customer resources, adopt a "centralized" marketing strategy, provide quality services to the market segments, and focus on management goals and fine management. The goal is to reduce management costs and concentrate enterprise resources to achieve specialized and large-scale operation.

Venue rental and ticket revenue belong to cow products with low market growth but high market share. These products are either not available or superior to similar products in the market due to unique factors such as venues and qualifications, and the barriers to entry of competitors are high, so it has a large premium space and can adopt a "differentiation strategy", and at the same time develop the market through marketing and publicity, so as to achieve a rise in volume and price.

2.4 Segmentation Marketing Strategy

Based on the analysis of the market segments in the previous section, HY has combined the analysis of the market segments with that of the American scholar Eugene Jerome. Jerome McCarthy proposed the famous "4P" marketing mix theory, targeting the four market segments of mass sports consumption, competitive sports activities, commercial facilities investment, and other businesses, and formulating marketing mix

strategies from four aspects: product, price, channel, and promotion.

2.4.1 Mass sports consumer marketing

"Only enough customers can ensure the revenue of the whole stadium", and many profitable venues are under the banner of "customer first", taking the needs of customers as the starting point [38].HY's business philosophy in sports centers has always been to serve the consumer The aim of HY is to promote mass sports consumption in three ways: product, channel, and price.

(1) Enrich the diversity and fun of sports activities, more for the city's sports enthusiasts, groups, parent-child families and other fun activities with high participation, such as bubble run, outdoor expansion projects, etc., in the design of activities to strive for creative and unique, interactive, through the activities so that participants personally experience the excellent site conditions and service level of the sports center, both to promote the national fitness movement, the promotion of Sports Center.

(2) Take the initiative to contact large enterprises and institutions in D city and all kinds of civil organizations, such as badminton clubs, basketball clubs, and soccer clubs, various running groups, etc. The sports center as the host unit for the association of such units held sports, annual meetings, competitions, etc. to do a good job of service, through quality service to expand the visibility of the sports center, improve the reputation and influence, in order to attract more and more individuals and groups To attract more and more individuals and groups to come to participate in exercise and organize competitions.

(3) One person, one code to implement the "one card", point-to-point marketing. Through the network push, short video, public number marketing and other

forms, the HY company's activities, information about the sports center, etc. accurately placed in front of the target customers, the public number will occasionally push the event activities, reservation information, sports and fitness knowledge, etc., the target customers who have followed the public number can apply for exclusive membership code by scanning the code, but also through the sports center to open the membership card, membership card in the sports center The higher the stored value of consumers or the more they spend, the higher the level they will receive and the more discounts they will get, and the higher level consumers will enjoy special services such as no reservations at venues and no queues at restaurants.

2.4.2 Competitive sports hosting category marketing

The HY operating company will strengthen the foundation and improve the level of marketing from channels, products and promotions to do a good job in the category of hosting the event.

(1) Promote the event well. For example, if a large enterprise sponsorship is selected, the sponsorship of the D city or a nationally known enterprise can be used to promote the event and the D city; the TV broadcast publicity can be used to obtain high-profile TV media to broadcast the event during the event to expand the popularity and attractiveness of the D city sports center and HY operation company; the publicity through the event itself can attract a large number of visitors during the large event, which is the most direct publicity for the D city. Visitor traffic to the city, providing the most direct publicity for D City.

(2) improve the operation, organization level and hardware conditions. The organization level and service of an event is the key, which directly affects the effect of the event. Therefore, we should make a thorough plan before the event, communicate and

coordinate repeatedly in all aspects, prepare materials, publicity and promotion, volunteer training, etc., do a good job of reception, broadcasting and opening and closing ceremonies during the event, do a good job of public promotion and data analysis after the event, and do a proper transformation for some events in terms of venue setting. In terms of venue setting, we can make appropriate modifications for some events to better meet the requirements of the tournament.

(3) Multi-channel contact with partners to facilitate cooperation. We will do a good job of organizing the yellow pages of related industries in D city and even in the northeast and the whole country, and contact the event organizers in a targeted way, and if necessary, make site visits to promote the company on the one hand, and to facilitate future event cooperation on the other.

2.4.3 Commercial facilities investment class marketing

There is only one Rosen, which is currently closed due to the epidemic, but because of its weakness and relatively remote location in the whole sports center, the sales during the business period are not particularly satisfactory. On the one hand, it can meet the needs of consumers and increase their intention to come to the sports center, and on the other hand, it can carry out marketing of commercial facilities and promote investment and sales through the presence of famous brands and new media promotion.

(1) Invite McDonald's, Starbucks and other famous brands to move in. As the wind vane of commercial brand investment, this kind of food and beverage brands have high requirements for site selection, and their cooperation marks the consumption upgrade of the sports center area, which also means the market's affirmation of the development achievements and future potential of the sports center

section, while the publicity effect of such brand enterprises themselves can also bring quality customers to the sports center.

(2) Strengthen the publicity and promotion of new media to create a net-celebrity spot. Through the APPs such as WAP, ShakeYin, and Racer, we will introduce unique restaurants and bars, and combine the sports elements of the sports center to create a new netizen spot in Gambei.

2.4.4 Other marketing strategies

(1) Promote interactive media center through Netflix and champions. Netizens have good media effects, many fans and high activity, strong interaction, netizens themselves are the topic, easy to detonate the popular point, faster and wider dissemination. For example, you can invite Olympic champions, sports net stars, Dalian national players or foreign aid, "Duanzi" Feng Xiaoting, etc. to conduct live online and live publicity, and their interaction with customers can also promote the interactive media center and promote the ticket sales of the media center while promoting the sports center.

(2) Selling peripheral products through live streaming. From the perspective of retail, it is essentially a sales method, through the continuous fermentation of the celebrity effect with a view to selling more products and gaining more attention, and this sales method is very suitable for the sales of goods around sports centers that need preliminary market development.

(3) Promotion through interactive advertising screens. The renovation of the sports center also includes the addition of interactive advertising screens, through which various commercial advertisements can be scrolled and the sports center can be promoted.

Section 3

Management and Operation Plan

3.1 Organizational structure and human resources

3.1.1 Organizational structure and position setting

The company plans to have a chairman, a general manager, three deputy general managers, a supervisor, and six functional departments.

3.1.2 Functional division of labor and team formation

HY Sports Operations has a total of 39 employees, including.

The chairman is recommended by DL Sports Center Development and Construction Investment Co., Ltd. and elected by the shareholders' meeting.

A general manager, recommended by the HY entrepreneurial team and elected by the shareholders' meeting, who will be fully responsible for the operation of HY Sports Operations for a three-year term and may be re-elected.

One supervisor, recommended by ZT Industrial Group Co., Ltd. and elected by the shareholders' meeting, shall be responsible for supervising the implementation of the shareholders' resolutions by the chairman and general manager for a term of three years and may be re-elected.

Three deputy general managers, executive vice president, in charge of investment and catering management, recommended by ZT Industry Group Co.

The Vice President of Operations, who is responsible for operations, administration and personnel, is recommended by the HY Venture Team. All three vice presidents are elected by the shareholders' meeting at.

The company has 6 functional departments with specific operations as shown in table.

Tab.3.2 the department functions of HY sports Operation Company

Department	Number of people	Functional division of labor
Finance Department	1 head of department, 1 deputy head, 2 employees	Responsible for the financial management of the sports center, accounting, daily cashiering of the venues, and management of the company's first-level library.
Administration and Personnel Department	1 head of department, 1 deputy head, 2 employees	Responsible for company administration, human resources, party building, discipline inspection and supervision, planning and propaganda, general affairs, logistic support, trade union, bidding and procurement, supplier management and external coordination.
Legal Department	1 head, 1 employee	Responsible for drafting, revising and reviewing all kinds of contracts of the company, and cooperating with lawyers to deal with the legal business of the company.
Merchandising Department	1 head of department, 1 deputy head, 2 supervisors, 2 employees	Responsible for the company's commercial development, promotion, introduction of large event projects, coordination of large event projects and development of undertaking programs, establishment of cross-industry cooperation with authoritative institutions, sponsorship sales and preparation of commercial complexes.
Operations Department	1 head of department, 1 deputy head, 4 supervisors, 6 employees	<p>Property: responsible for security management, cleaning management, square security management, square cleaning management, parking management, greening project management, turf maintenance management, turf machinery and vehicle management, public area property management, property rental, supermarket management.</p> <p>Equipment and Security. Responsible for the daily management and maintenance of network equipment, communication equipment, LED screens, cable TV systems, audio systems, air conditioning and drainage systems, power supply and distribution systems, special equipment, etc., coordinating the safety needs and security work of all departments, safety certification system</p>

management, corporate safety culture construction, and safety production management.

Engineering: responsible for the upgrading and acceptance of some venues in the sports center.

Catering Management Department	1 head of department, deputy head, supervisor, employees	of 1	Responsible for the operation of the renovated hotel food and beverage stalls on the S platform Camp management and supervision and inspection.
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In the case of large events, the company will recruit volunteer workers for each position as needed. HY's approach of having a small but skilled day-to-day management team and recruiting a large number of temporary staff when needed can significantly reduce the company's operating costs, as has been done in many successful stadiums abroad. For example, the Wachovia Sports Center in the United States has about 20,000 seats, 126 luxury boxes, and about 2,000 club seats, and in contrast to such a large facility, the company has less than 100 employees on staff, which can increase to more than 500 temporary employees when the number of events increases or when faced with large events [35].

3.1.3 Talent Development Program

The good or bad operation of a company is closely related to the training of professional talents in sports industry management. Sports industry management talents are composite talents who "know sports, are good at management, and can manage" and require strong professionalism, negotiation ability and interpersonal skills [36]. At present, such professionals are scarce in D city and even in the national stadium-related industry, especially when the economic situation of D city is in recession and the

attractiveness of the city to talents is gradually lost, the excellent talents are facing loss, the follow-up talents are still to be cultivated, and there is a situation of lack of succession in the industry, therefore, the company plans to explore talents from the following aspects.

(1) The existing staff of the company. The advantages are that they recognize the company's corporate culture, their personal growth goals are more compatible with the company's development goals, and they are more familiar with the company's existing business, but the disadvantage is that they have a fixed mindset.

(2) They are graduates of sports colleges and universities with bachelor and master degrees. Their advantage is that they are familiar with the sports industry, and some of them have even engaged in sports events and have rich practical experience, but their overall quality and management skills need to be improved.

(3) Graduates of business management, marketing and other related majors, especially MBA graduates, are needed for company operations, but they need to be trained in some sports industry-related knowledge.

The company also has a full range of training programs for the above possible talents.

(1) Improve the pre-employment training, including inviting HY entrepreneurial team to do training on company vision and corporate culture, inviting DL Sports Center Development and Construction Investment Co. We also implement a three-month rotation system to find talents in the actual work and put them in the most suitable positions.

(2) Comprehensive job training. The company involves a wide range

of business, according to the needs of each business position, targeted training plans throughout the year, including sports disciplines, sports medicine, management, marketing, law, humanities and other systematic training, but also includes the organization to participate in sports broker assessment, social sports instructor assessment, nutritionist qualification assessment and other practical assessment, etc., the number of training and results will be linked to the individual performance assessment and The number of training and results will be associated with individual performance appraisal and promotion.

(3) Quality management training. In addition to the professional manager training for the company's middle and senior management, the company also plans to conduct business-related management training for all employees, such as office software training, interpersonal training, big data extraction and analysis ability training, negotiation ability training, etc., in order to achieve the company's full staff "know a little sports, learn a little management, a little management The goal of "know a little sports, learn a little business, know a little management".

(4) Steadfastly carry out education and training of party members. The company attaches great importance to the education and training of party members, especially D City Sports Center Development and Construction Investment Co., Ltd. also has the background of state-owned enterprises, the company will implement the party system, regularly carry out the party organization life, strict management and strengthen education.

The above-mentioned talent development plan will be evaluated in the form of assessment and combined with the human resource management system such as

promotion and salary increase to increase the motivation of employees to participate in training, optimize the training effect and promote the overall progress of employees, and eventually make HY Operations an excellent sports management company.

3.2 Management Organization Process

3.2.1 Decision-making level

The decision-making level of the company consists of the shareholders' meeting, the board of directors, etc.

The shareholders' meeting is the highest authority of the joint venture company and is composed of all shareholders in the ratio of 33% by DL Sports Center Development and Construction Investment Co. The shareholders will exercise their voting rights at the shareholders' meeting.

The board of directors of the joint venture operating company is composed of the chairman, general manager and deputy general manager, of whom the chairman and the deputy general manager in charge of finance are recommended by the sports center company, the general manager and the deputy general manager in charge of operation and administration are recommended by the HY venture team, and the executive deputy general manager in charge of investment and catering is recommended by the ZT Industry Group, and the specific candidates are elected by the shareholders' meeting. The Board of Directors shall exercise its authority in accordance with the Company Law and the Articles of Incorporation, and shall implement a one-person-one-vote system, and resolutions of the Board of Directors shall be unanimously approved by the Directors.

3.2.2 Management

The management consists of the general manager, supervisors, deputy

general manager and the head of each department.

The general manager is responsible to the board of directors, presides over the daily production and operation management of the company, organizes the implementation of the resolutions of the board of directors; formulates the plan of setting up the internal management bodies and the basic management system of the company; formulates specific regulations of the company; organizes the implementation of the annual operation plan of the company; decides to appoint or dismiss the responsible management personnel other than those to be appointed or dismissed by the board of directors; and other matters assigned by the board of directors.

The Supervisors exercise their supervisory authority in accordance with the provisions of the Company Law of the People's Republic of China and the Articles of Association of the Target Company.

3.3 Operating Model

Based on the profitability of the project, the future direction of the company's operation will revolve around the operation mode of pure commercial projects, quasi-commercial projects and public welfare projects, which will be complementary to each other and inseparable based on the large platform of HY Operations, with pure commercial projects mainly responsible for revenue, creating maximum profit for the company and ensuring sustainable operation; pure public welfare projects The purely commercial projects are mainly responsible for revenue, creating maximum profit for the company and ensuring the sustainability of the operation; the purely public welfare projects play the role of publicity and promotion, attracting traffic to the sports center on the one hand, and taking the social responsibility of promoting sports on the other hand, reflecting the mission and value of the HY operation

company; the quasi-commercial projects are in between, building a bridge between the company and the society, reserving information and resources for the development of the company internally and providing a platform for the society to promote productivity and efficiency externally.

3.3.1 Purely commercial projects

The company's purely commercial projects, which are the focus of its earnings, fall into the following four main categories.

(1) Diversification of venue leasing. Venue rental is one of the earliest and most direct businesses that the company can carry out based on the sports center venues, and is also one of the main profit points of the company, combining the five major venues to carry out a number of rental businesses such as soccer, basketball, badminton, table tennis, swimming and tennis, etc., with differentiated pricing for holidays and different groups of people to maximize benefits. The following table shows the service standards of HY's public fitness programs.

Tab.3.3 The service standards for fitness programs

Venues and Programs	Business Hours	Location	Sub-ticket rate	
			weekday	Statutory holidays
Stadium (Soccer)	09:00-17:00	No. 1-3 natural turf	1000 RMB/2 hours	1200 RMB/2 hours
		No. 4 artificial turf	600 RMB/2 hours	800 RMB/2 hours
		Futsal	350 RMB/2 hours	450 RMB/2 hours
Comprehensive Training hall	Summer (4/1 to 10/31)	Badminton	30 RMB/hr (09:00-17:00)	50 RMB/hour
			50 RMB/hour (17:00-20:30)	
(Futsal, badminton, table tennis, indoor and outdoor basketball)	09:00-20:30	Table	*\$10/hour	
		Tennis	50 RMB/hour	
	Winter (11/1 to 3/31)	Indoor basketball (half-court)	(09:00-17:00) 80 RMB/hour	120 RMB/hour

09:00-20:00	(17:00-20:30)
Indoor basketball (full court)	100 RMB/hour (09:00-17:00)
	200 RMB/hour

Table 3.3 Continued

Venues and Projects	Business Hours	Location	Sub-ticket rate weekdays	Legal holidays
			150 RMB/hour (17:00-20:30)	
		Indoor basketball (free play)	*20 Yuan/person	
		Outdoor basketball	40 RMB/hour 09:00-17:00	30 RMB/hour 50 RMB/hour
Gymnasium (Badminton)	Summer (3/1 to 10/31)	Training hall	50 RMB/hour (17:00-20:30)	
	Weekday: 12:00-20:30		50 RMB/hour (09:00-12:00)	100 RMB/hour
	Saturday and Sunday: 11:00-20:30	Indoor Venue	80 RMB/hour (12:00-20:30)	
Tennis Center (Tennis)	Winter (11/1 to 2/28)		20 RMB/hr (09:00-16:00)	30 RMB/hr
	Weekday: 10:00-17:00	Outdoor space	(16:00-20:30)	
	Saturday and Sunday: 10:00-17:00		Adult 30 RMB/person/time (*Wednesday 20 RMB/person/time)	
		Warm-up pool	*Children and students \$25/person/time	(*Wednesday students
Swimming pool (Swimming)	(Closed Tuesdays, holidays Open as usual on holidays, except Chinese New Year)	onwater depth (1.5-1.7m) Competition Pool (Water depth 3m)	\$20/person/time (Children's height 1-1.4m, students must have student ID)	36 RMB/person/time

(Above, 30% discount for full-time students with valid documents for a single visit)

In addition, the company will also open a multimedia exhibition ground at the athletes' training base, learn from the Toyota Sports Center's sports tourism program, and use ZT Corporation's top athletes' resources to launch the "Sports Stars Face to Face" program, which enables online communication between sports stars and the public through AI, artificial intelligence and other high-tech means. The public can purchase tickets to visit the exhibition site and, if they are interested, they can also choose to play a game with a sports star online or ask the sports star for online coaching to increase interactivity.

(2) Self-run sports events and create its own sports IP. based on the advantages of the sports center site and venue, actively introduce large new events in conjunction with ZT, and regularly run its own events to create D city's own sports IP, for example, combined with the Ganjingzi District's plastic fitness track along the northwest road and the planned sports park, and take advantage of the marketing momentum of the properties for sale around the sports center, to run the Ring of Life marathon under the title of real estate developers. Given that the DL International Marathon is held in May every year, this event is planned to be held in October, the first year, mainly for runners in the eastern provinces, open registration for the whole country and even the world, inviting domestic and world-famous marathon runners to participate in the event, while applying to the China Athletics Association for gold, silver and bronze medals corresponding to the event title and logo; in addition, the company also plans to make full use of In addition, the company also plans to make full use of the company's high-quality venue resources to hold a small triathlon in the inner and outer ring of the sports center, swimming pool and stadium, which has created a precedent of large-scale official small triathlon held in regular stadiums in DL city; and strive to hold more

than 20 small, medium and large sports events throughout the year.

(3) Develop resident training and recreation projects. We will improve the road of "integration of sports and education", build a one-stop training center for youth culture and sports, establish an "industry academy" and youth outdoor sports base, link top sports training and event resources at home and abroad, set up independent sports brand clubs, and build a group building and operation service system. We will also work together with domestic and foreign high-quality medical resources, combine the conditions of the surrounding health centers, make full use of the facilities of the athletes' apartments, promote the integration of sports and medicine, and build the top professional health base in China by providing professional sports rehabilitation, sub health conditioning and body correction services.

(4) Creative development of catering services and sales of sports goods and peripheral products. The S platform of the stadium will be renovated and commercial business will be developed to create a comprehensive supporting service facility with a floor area of about 20,000 square meters that integrates catering and entertainment, bars and leisure, and shopping and consumption. On the one hand, it will be convenient for people who come to the sports center for exercise to shop and relax, and solve the problem of eating at the same time, and on the other hand, it will be developed into a special food and beverage combined with sports culture, and become a popular spot for the surrounding residents and even It will be a popular destination for DL citizens.

3.3.2 Quasi-commercial projects

The company's planned quasi-commercial projects can be grouped into three main categories.

(1) Build a service platform that integrates fitness, experience, leisure and rehabilitation, including opening up a fan square, training sports rehabilitation teachers, carrying out sports promotion and health guidance, and promoting the formation of a disease management and health service model that integrates sports medicine; improve the national physical fitness monitoring index system, incorporate relevant indicators into the recommended scope of health checkups for residents, and provide targeted sports and fitness programs or sports guidance services for different groups of people. Promote scientific fitness and enhance fitness effects.

(2) Build a platform for sports industry innovation and entrepreneurship, sports cultural and creative events are the beginning of sports industry innovation , by holding creative entrepreneurship competition, combined with sports scientific research, science and technology products, close to the needs of sports, property services around data collection, research and development, training, etc., the combination of competitive sports, national fitness and other needs and professional production and production, event output can be implemented into the industrial structure, innovation of new sports industry industry, providing data basis and project library for sports center operation and sports industry development.

(3) Regular exhibitions, conferences, forums and other activities, such as China Sports Culture Expo, China Sports Tourism Expo, China Sports Industry Summit Forum, Sports Decoration Equipment Exhibition and other activities, bringing together the latest ideas in the sports industry, the world's advanced sports equipment, become an important place to promote DL, promote the sports industry and the public sports exhibition tourism.

3.3.3 Public benefit projects

In addition to the above-mentioned commercial and quasi-commercial projects, the company also has a part of social responsibility and therefore has planned the following types of public welfare projects in its business.

(1) In the public fitness, resolutely implement the General Office of the State Council "on strengthening the construction of national fitness venues and facilities for the development of mass sports," "sports venues open to the community for free or low cost" policy, all venues in the legal holidays, national fitness days and Wednesdays for members free of charge, non-members low cost open.

(2) The "sports classroom" education is carried out by using the top athletes' resources of ZT Group, inviting school teachers and students to the multimedia exhibition field of the company's athletes' training base in batches every year, popularizing sports culture knowledge, DL city's sports history and honors to teachers and students through AI, artificial intelligence and other high-tech means, and having experienced coaches and online sports stars lead children to a different kind of sports class. On the one hand, the children will be inspired by the positive sports stars, strengthen their physical exercise and gain a healthy body, so that they can be positive, friendly, confident and face the challenges on the road of growing up in life, and thus have a healthier and better future; on the other hand, the top athletes, as the best in the industry, have high reputation, influence and advertising value. On the other hand, top athletes, as the best in the industry, have high reputation, fame, influence and advertising value, and as the most favorable interpreters of the sports spirit of "higher, faster and stronger", they are undoubtedly the most effective carriers for corporate publicity.

(3) The Company has plans to establish the "HY Sports Foundation" in the future, which aims to focus on the healthy development of the sports industry by

organizing sports activities, providing funds, venues and other resources, and funding sports projects so that more people can enjoy the fun of sports, have a healthy body, a positive and optimistic attitude and a healthy and good life.

3.4 Profitability and benefit distribution mechanism

3.4.1 Revenue Sources and Profitability Design

The company will rely on the existing venue resources and event resources to develop the above-mentioned different types of products and projects and obtain profits, with the short-term business planning and long-term development needs of the company, and the revenue sources are mainly divided into five categories, which are: venue rental income, including mass fitness sports for individuals and large activities for organizations, enterprises and institutions, etc.; venue title and event sponsorship income; professional The income from training, resident training and recreation projects; income from the sale of food and beverage and peripheral products, etc. The specific profit design is as follows.

3.4.2 Benefit sharing mechanism with partners

HY Operating Company is a community of interests of the three parties. In terms of profit distribution, the company always upholds the principle of fairness, and the profits after deducting all costs and related expenses, income tax paid by the company according to the law and the withdrawal of all funds will be distributed equally according to the shareholding ratio of the investment parties. When the company has the conditions for dividend distribution, the profits will be distributed once a year. The Board of Directors will submit the profit distribution plan for the previous year and the amount of profit to

be shared by each party to the shareholders' meeting at the beginning of January of each year and before the shareholders' meeting, which will be executed after approval by the shareholders' meeting.

The initial idea of the HY team was confirmed and supported by two partners. If operated properly, it will be a successful model and gradually spread nationwide, eventually making HY bigger and stronger and going nationwide.

In terms of event operation, the company will vigorously carry out its own sporting events, and will also encourage the developers of the surrounding properties for sale to sponsor them, in the hope of gathering popularity for the sports center, doing a good job of publicity and promotion, creating a business card of the city's sub-center, and enhancing the value of the area, on the other hand, it will also provide a unique opportunity for the developers of the properties for sale to promote their business, and help the investment of D City Sports Center Development and Construction Investment Co. Ltd.

In terms of supporting commercial operations, HY plans to make the first attempt in the renovated food service area of the S platform to meet people's one-stop demand for sports, health and leisure, in order to achieve the best integration of "quality IP + sports consumption" and sports space, and to lay the foundation for ZT Industry Group Co. to enter into commercial and residential projects around sports centers in the future. This will lay the foundation for ZT Industrial Group to enter into commercial and residential projects around the sports center.

In terms of government relations, HY will bring popularity and consumption to the Ganjingzi area and even City D by hosting large sporting events, which will serve as a springboard for ZT Industrial Group Co. to enter the DL market and open up more sports-related cooperation with City D government in the future for mutual development.

3.4.3 Resource investment and long-term construction planning

HY Commercial Operation Company will combine sports industry with commerce, tourism, media, etc. to develop in a grid-like chain. In the future, the company intends to cooperate with a large real estate developer with commercial development experience to bid for a comprehensive site bundled with commerce and residence around the sports center. The commercial complex will be a combination of urban functions and intelligent sports complex, with sports as the theme, through "sports + culture", "sports + tourism", "sports + recreation", "sports + park", "sports + park" and "sports + park". "sports + culture", "sports + tourism", "sports + recreation", "sports + park", "sports + business" and other industrial combinations to create an urban functional complex space with industrial characteristics, and at the same time, with the help of 5G "intelligent +", build an intelligent The national fitness data center, through the front-end service equipment, provides services for customers; through the back-end management system, carries out operation management; through the data center, realizes the national data center data reserve, for the scientific development of sports, introduces new technology in the Internet of Things era, and creates a different intelligent joint.

The company should lay out the layout of such a sports complex at the beginning of its establishment, and carry out a lot of preliminary work such as site selection, seeking partners, exploring cooperation models and talent pool. The specific mode of cooperation will be discussed with the leaders of Qipan Village after the planning plan is released; for the selection of partners, it is recommended to cooperate with large real estate developers who have their own sports business or have successfully operated commercial stadiums, such as WK Group, which has laid out hockey + commercial residential in the northern region, and WK Group, which is deeply involved in the tennis industry and has formed "tournament management", "player agent management", "player management",

"player management" and "player management". The company also has a strong presence in the tennis industry and has formed four industry clusters: "tournament management", "player agent management", "sports complex and stadium management" and "community sports platform management".

The company's long-term plan is to apply the business model of operating large stadiums and building sports complexes, attracting traffic with the complexes and enhancing regional value with the stadiums to other cities in China, and to combine it with the current situation of the local cities to build new sports cities.

Section 4

Financial Projection

4.1 Investment and Financing Plan

4.1.1 Funding Sources

HY has a registered capital of 60 million yuan, of which: DL Sports Center Development and Construction Investment Co., Ltd. holds 33% of the equity of HY with the 10-year operation right of the stadium, gymnasium and other facilities of the sports center for 20 million yuan, ZT Industry Group Co. Ltd. invested 12 million yuan, holding 20% of HY, and the management of the company contributed a total of 4 million yuan, holding 7% of HY, and introduced social capital of 24 million yuan, holding a total of 40% of the company's shares.

4.1.2 Investment and Financing Plan

The HY operating company mainly relies on the venues and equipment of the major venues of DL Sports Center for commercial operation. The investment plan in the initial stage of operation mainly includes: i. The existing sports center pattern lacks commercial atmosphere and poor mobility, which requires appropriate renovation of some venues and areas; ii. The equipment of some venues, billboards and signage systems of the sports center need to be updated and renovated; iii. The promotion, market channels etc.; iv. office area rent, decoration costs; v. office furniture, computers and other equipment and consumables procurement; vi. personnel salaries, training costs, etc.

Specifically, the following table.

Tab.4. 1 Preliminary investment plan of the company

Content	Details	Amount (million)	Remarks	Characteristic	Depr ciable life	Annual depreciati on
Update	Billboard, signage repair and maintenance	500 1000	One-time investment 12 months	Assets Fees	10	50
Property	Office rent decoration	35 150	12 months One-time investment	Fees Assets	10 years	15
Office	Furniture, computer, supplies company start-up costs	50 1	One-time investment One-time investment	Assets Fees	5 years	10
Promotion Other	Public, platform and other staff salaries	100 750	One-time investment 12 months	Fees Fees		

Table 4.1 Continued

Tab.4.1 Cont

Content	Details	Amount (million)	Remarks	Characteristic	Depr eciab le life	Annual Depreciati on
Other	Outsourced		12 months	Fee		
Other	Staff Salary	250	Total 18 times	Fee		
Other	Volunteer Salary ²			Fee		
Other	Recruitment Fee ¹²		One-time investment	Fee		
Other	Training Fees	150	One-time investment	Fee		
	Liquidity	4000				
	Total				175	

Therefore, HY's preliminary investment plan is about 40 million Yuan, of which

17 million Yuan is fixed assets, which are included in assets, and 23 million Yuan is expenses, and the preliminary investment needs to be invested in a one-time basis, and all funds are raised by shareholders. In addition, 20 million yuan of the 10-year operating right of D City Sports Center Development and Construction Investment Co.

4.2 Financial Analysis

4.2.1 Operating income forecast

According to the design of Section 2 , the main revenue sources of HY Operating Company are divided into five major categories: venue rental, event tickets, food and beverage and peripheral products, resident training and recreation, and title and sponsorship. Due to the large deviation in the operating data of the sports center in 2020 due to the impact of the epidemic, the operating data and market conditions in 2019 were studied to forecast the future revenue of HY Operating Company's main segments.

In 2019, the sports center will receive 300,000 people for fitness, of which 70,000 people will be free of low charges, and the low charges will be converted into 10,000 people, so the number of fitness people with normal consumption will be 240,000. As the new buildings around the sports center are handed over one after another and new residents move in one after another, the number of people coming to the sports center for fitness will gradually increase, and the number of normal consumption of fitness is expected to reach 280,000 in 2021 according to a 20% growth rate. Therefore, the sales revenue of venue rental in 2021 is expected to be 9.8 million RMB. In the future, with the opening of Metro Line 2, the completion of Dalian North Station Bus Hub, the landing of commercial projects in the surrounding area and other favorable factors, the site

rental income in the next five years will be projected at an annual growth rate of 10%.

According to the historical data, the sports center received 1500 events of all kinds in the peak year, with 1 million participants, and after HY participated in the organization and operation of the event, the level of the event will be improved and the number of participants will increase. If the epidemic is stable in the second half of the year, the events will return to normal. Therefore, based on the 80% achievement rate of the events and the accrual of ticket revenue of \$10 per person, the event ticket revenue in 2021 is expected to be \$8 million. The impact of the epidemic on large events is expected to continue for some time, so ticket revenue from events and activities will be flat for the next two years, with a 10% growth forecast for the next three to five years.

The education and research base of the sports center can accommodate 1200 people for training at the same time. Based on the occupancy rate of 55% in the high season (100 days) and 20% in the low season (150 days), the education and research base can receive 100,000 people for training in 2021, and the accrual of \$100 per person, the sales revenue of the training and recreation segment is expected to be 10 million yuan in 2021. Under the favorable influence of the 14th Five-Year Plan, the company will grasp the opportunity and expects that the training and recreation segment will have a large development in the future, based on a 15% growth rate forecast.

According to the above market forecast, in 2021, the sports center is expected to receive 280,000 people for fitness, 800,000 people for activities and 100,000 people for resident training, totaling 1.18 million people, and 15% of the people will purchase peripheral

products, and the profit per capita is estimated at \$10 per visit, the sales revenue of peripheral products of the sports center is expected to be \$1.77 million in 2021. The growth rate for the next five years is projected at 5%.

Referring to the rental rates of the restaurants and convenience stores in the vicinity of the sports center, the rental income of the restaurant renovation area under the S platform is estimated to be about RMB7.3 million based on the forecast of RMB1 per square day, and since the restaurants in the sports center are in the market cultivation stage, the rental is estimated to remain unchanged for 5 years.

At present, the venues available for naming are stadium, gymnasium, swimming pool, comprehensive training center, education and research base, athletes' apartment, etc. Based on the naming fee of 200,000 yuan/year for large venues and 100,000 yuan/year for the rest of venues, the company's annual naming revenue is estimated to be 900,000 yuan; the sponsorship fee is 1% of the above sales revenue and is about 350,000 yuan. Therefore, the projected revenue from title and sponsorship in 2021 is \$1.25 million. Sponsorship and title fees for the next 5 years are also projected at a 10% growth rate.

Table 4.2 Company's operating revenue forecast for 2021

2023	Number of people	Unit price	Revenue	Percentage of
Venue Rental	28	35	980	26%
Tournament Tickets	80	10	800	21%
Residency and Recreation	10	100	1000	26%
Restaurant Rental	-	-	730	19%

Peripheral Sales		177	5%
Title and Sponsorship		125	3%
Total	118	3812	100%

In summary, HY Operations' annual operating revenue is estimated to be \$38.12 million in 2021.

The following table forecasts the company's operating income for the next five years as the New Crown outbreak is controlled and the social impact is gradually eliminated.

Table 4.3 HY's Operating Revenue Forecast for 2021-2025

Tab.4.3 Forecast of operation income of HY Company from 2023 to 2027

Year	Venue Rental	Tournament Tickets	Resident training	Restaurant Rental	Surroundings	Title	Total
2023	980	800	1000	730	177	125	3812
2024	1078	800	1150	730	186	138	4081
2025	1186	880	1323	730	195	151	4465
2026	1304	968	1521	730	205	166	4895
2027	1435	1065	1749	730	215	183	5377
Total	5983	4513	6742	3650	978	763	22629

4.2.2 Fixed Assets Forecast

The company has 17 million fixed assets, respectively 10 million for S platform and store renovation, 5 million for billboard and signage, 1.5 million for renovation and 0.5 million for furniture and computers, among which the renovation, renewal and decoration costs are depreciated over 10 years and the office furniture is depreciated over 5 years.

As the following table.

Tab.4.4 Fixed assets of HY company from 2023 to 2027

Year	At the beginning of the year (million yuan)	Depreciation rate	Year-end (million yuan)	(million yuan)
2021	1700		1525	
2022	1525		1350	
2023	1350	10% - 20%	1175	
2024	1175		1000	
2025	1000		825	

In addition, 20 million yuan of the 10-year operating right of the venue, which was valued by D City Sports Center Development and Construction Investment Company Limited, was included in the company's intangible assets as follows.

Tab.4.5 Intangible assets of HY company from 2023 to 2027

Year	At the beginning of the year (million yuan)	the of year	Amortizati on rate	Year-end (million yuan)
2023	2000			1800
2024	1800			1600
2025	1600		10%	1400
2026	1400			1200
2027	1200			1000

4.2.3 Cost projections

HY has no cost of venue rental because the sports center company has bought the operating right of the venue as a share, and the company's cost mainly includes operating cost, management cost, marketing cost, tax payable, etc. The operating costs include personnel salaries, depreciation and amortization, maintenance and repair costs, electricity, water and heating costs, office rent, etc. The salary of personnel is expected to be 7.5 million Yuan/year, referring to the salary level of the existing

employees of the sports center, and the outsourcing of cleaning and security services in the daily work, and the recruitment of staff and volunteers in large events, which is planned to be 2.5 million Yuan/year, totaling 10 million Yuan/year; depreciation and amortization is expected to be 1.75 million Yuan/year according to the forecast in the previous section, plus the one-time investment in the platform in the early stage Maintenance and repair costs include regular overhaul and maintenance of all the equipment in the sports center, fault repair, greening maintenance, etc, which is expected to cost 10 million Yuan per year; according to the volume of the existing venues in the sports center, based on the application to the public service facility utility payment standards, it is expected that the cost of water, electricity, heating, etc. is about 8 million yuan per year. Therefore, the annual operating cost of the sports center is about 31.25 million Yuan.

The management expense is 1% of the revenue, about 380,000 yuan per year, and the marketing expense is planned to be 1 million yuan per year, with the public number and platform promotion expenses invested in the first year.

Table 4.6 Company Cost and Expense Forecast for 2021

Projects	Details	Costs and Fees	Percentage of
Operating Costs	Personnel Salary	1000	28.9%
	Depreciation and amortization	375	10.8%
	Maintenance and Repair	1000	28.9%
	Plumbing and heating	800	23.1%
		35	1.0%
		15	0.4%
	Office Leasing		
	Formal recruitment training		
Management Fee	- -	38	1.1%
Marketing Fee	- -	200	5.8%
Total	- -	3463	100.0%

In summary, HY Operations' costs and expenses are estimated to be \$34.63 million in 2021.

In the next five years, personnel salaries, repair and maintenance, office rental costs are expected to increase by 3% per year, utilities and heating costs remain unchanged, and the VAT rate for culture and sports is accrued at 6%, then the costs and expenses of HY are projected for the next five years.

As shown below.

Table 4.7 HY's Cost and Expense Forecast for 2021-2025

Tab.4.7 Cost and expense forecast of HY company from 2021 to 2025

4.2.4 Profitability forecast

Based on the forecasts in sections I and III of this chapter, HY's earnings for 2023-2027 are shown in the table below.

Table 4.8 HY Earnings, 2021-2025

Tab.4.8 Profit situation of HY company from 2021 to 2025

The above figures show that HY's operating projects have yielded significant returns and have been profitable since the end of the first year, with profitability in line with expectations and worthy of investment.

4.3 Annual Financial Statement Forecast

4.3.1 Profit and loss account

The income statement, also known as the "income statement", is an accounting statement that reflects revenues, expenses and net income for a given accounting period. The income statement forecast of HY's DL Sports Center operations

for the next five years will provide theoretical guidance for future operations, help evaluate the performance of various departments and managers in the management process, and help analyze the profitability of HY's operations and forecast future cash flows.

The following table shows HY's income statement for the period 2023-2027.

Tab.4.9 Profit and loss statement of HY Company from 2023 to 2027

Projects	2023	2024	2025	2026	2027
I Operating income	3812.00	4081.35	4464.69	4894.53	5376.78
Less: Operating costs	3225.00	3271.05	3333.93	3398.70	3465.41
Sales tax	104.34	123.86	144.10	167.67	194.27
Marketing expenses	200.00	110.00	120.00	120.00	120.00
Overhead	38.00	41.00	45.00	49.00	54.00
Finance costs	0.00	0.00	0.00	0.00	0.00
II Operating profit	244.66	535.44	821.66	1159.16	1543.10
Add: Non-operating income	0.00	0.00	0.00	0.00	0.00
Less: Non-operating expenses	0.00	0.00	0.00	0.00	0.00
III Total profit	244.66	535.44	821.66	1159.16	1543.10
Less: Income tax	61.17	133.86	205.42	289.79	385.77
IV Net profit	183.50	401.58	616.25	869.37	1157.32
Add: Undistributed earnings	0.00	183.50	585.08	1201.32	2070.69
V Profit available for distribution	183.50	585.08	1201.32	2070.69	3228.01

4.3.2 Cash flow statement

The statement of cash flows is a financial statement that reflects the impact of the operating, investing and financing activities of a company on its cash and cash equivalents over a certain period of time (e.g. monthly, quarterly or annually).

The following table shows HY's projected cash flow statement for the period 2021-2025, which reflects the dynamics of HY Operations' cash inflows and outflows over the five-year period from 2023 to 2027, as shown in the graph, HY's operations at DL Sports Center

The business is in good shape and the company has a very strong viability.

Tab.4. 10 Cash flow statement of HY Company from 2023 to 2027

Projects	2023	2024	2025	2026	2027
I Cash flows from operating activities					
Cash received from the sale of goods and provision of services	3,812	4,081	4,465	4,895	5,377
Subtotal cash inflows.	3,812	4,081	4,465	4,895	5,377
Cash paid for the purchase of goods and services	1,835	1,866	1,898	1,931	1,965
Cash paid to and for employees	1,000	1,030	1,061	1,093	1,126
Other cash paid for taxes and fees related to operating activities	166	258	350	457	580
Subtotal cash outflows.	3,239	3,305	3,473	3,650	3,844
Net cash flows from operating activities	573	777	991	1,244	1,532
II Cash flows from investing activities					
Subtotal cash inflows.	-	-	-	-	-
Cash paid for the construction of long-term assets such as fixed assets and intangible assets	1,700	-	-	-	-
Subtotal cash outflows.	1,700	-	-	-	-
Net cash flows from investing activities	-1,700	-	-	-	-
III Net cash flows from financing activities	4,000	-	-	-	-
IV Cash flows at the beginning of the year	-	2,873	3,650	4,641	5,886
V Cash flows at the end of the year	2,873	3,650	4,641	5,886	7,418

4.3.3 Balance Sheet

The balance sheet is an accounting statement reflecting all assets, liabilities and owner's equity of an enterprise at a specific date (e.g. month-end, quarter-end, and year-end) and is a static representation of the enterprise's operating activities.

The following table shows HY's assets and liabilities for the period 2023-2027, which gives a clear picture of HY's operations over a five-year period.

Tab.4. 11 Balance sheet of HY Company from 2023 to 2027

Projects	2023	2024	2025	2026	2027
Current assets.					
Monetary Funds	2873.50	3650.08	4641.32	5885.69	7418.01
Total current assets.	2873.50	3650.08	4641.32	5885.69	7418.01
Non-current assets.					
Fixed Assets	1700.00	1700.00	1700.00	1700.00	1700.00
Less: Accumulated depreciation	175.00	350.00	525.00	700.00	875.00
Net value of fixed assets	1525.00	1350.00	1175.00	1000.00	825.00
Intangible assets	2000.00	2000.00	2000.00	2000.00	2000.00
Less: accumulated amortization long	200.00	400.00	600.00	800.00	1000.00
Costs to be amortized					
Less: Accumulated amortization					
Total non-current assets.	3325.00	2950.00	2575.00	2200.00	1825.00
Total Assets	6198.50	6600.08	7216.32	8085.69	9243.01
Total liabilities	0.00	0.00	0.00	0.00	0.00
Owner's Equity					
Paid-in Capital	6000.00	6000.00	6000.00	6000.00	6000.00
Capital surplus					
Undistributed earnings	183.50	585.08	1201.32	2070.69	3228.01
Total Owner's Equity	6183.50	6585.08	7201.32	8070.69	9228.01
Total liabilities and equity	6183.50	6585.08	7201.32	8070.69	9228.01

4.3.4 Financial Analysis

The following table analyzes the financial position of HY Sports Operations for the next five years. The cumulative net present value of the company is estimated to be nearly 4.74 Million Yuan, with a payback period of approximately 4.7 years.

Table 4.1.2 Cash flow of HY operating company's projection for 5 year

Total (thausand Yaun)	2023	2024	2025	2026	2027
PV Revenue (Discount rate 10 %)	551.42	718.03	881.22	1,063.69	1,259.42
Accumurate PV Revenue	551.42	1269.45	2150.67	3,214.36	4,473.78

4.3.5 NPV, IRR, ROI, PAYBACK PERION

From table 4.1.2

Initial investment 400 Thousand Yuan

NPV = 4,473.78 – 400.00= 4,073.78 Thousand Yuan

IRR = 48.7 %

ROI average per year 4,473.78/5= 894.76Thousand Yuan

ROI average per year 894.76/400 X 100 = 223.69 %

Pay Back Period = 4 years and 7 months

The data shows that the company can recover all the initial investment at the end of the fifth year of operation, and since all the investment is raised by shareholders and does not involve the company's financing and loan, the capital can be prevented and controlled, so the investment risk is normal and small.

(2) Net present value of investment.

Net Present Value NPV=sum of future NPV at each point in time - original investment value=4,073.78 Thousand Yuan >0

The data shows that the NPV is positive and much higher than 0. This indicates that the present value of cash inflows of HY Operations is greater than the present value of cash flows, and the actual return is higher than the set discount rate, which proves that this project has a significant return on investment and is worth investing in.

4.3.6 Interview Result

Fitness for all has been elevated to a national strategy, enhancing people's physical fitness and improving the health of all people has become our fundamental goal, and the commercial operation of stadiums has ushered in the spring of industry development.

HY Sports Operation Company was initiated by HY's entrepreneurial team, which saw the opportunity to develop the sports industry, and took over the management of the D City Sports Center's stadium resources and operated them on a market-oriented and commercial basis, and used them as a basis to plan for possible future outward development of related business operations.

The analysis shows that the project is worthy of investment because of its considerable profitability and expected profitability. It is hoped that this plan can be used to obtain social capital injection, which will enrich the capital and speed up the project implementation. At the same time, it also provides a general reference for the commercial operation of similar large-scale integrated sports venues with high construction standard, large volume and huge cost, and it is hoped that it can be spread in other cities in China to achieve a win-win situation of national fitness and reasonable utilization of the venues.

Section 5

Conclusions and Suggestion

5.1 Conclusions

Under such a background, this business plan is based on case studies of excellent sports venues at home and abroad, analysis of DL Sports Center's historical data and consumer and market research, summarization of a large amount of data and information, and reasonable use of management tools to analyze The business plan presents the background, organizational structure, human resources, operation model, investment and marketing, financial management and risk control of HY Sports Operations as a start-up company, and proposes feasible solutions, and finally concludes that

HY Sports Operation Company, a mixed-ownership enterprise jointly established by HY Sports Operation Team, DL Sports Center Development and Construction Co. Ltd. and ZT Industry Group Co. and recreation, stadium title and sponsorship, etc.

Since stadiums for large games are generally characterized by high construction standards, large volumes and huge costs, and face post-game utilization constraints, wasted resources and high depreciation rates, HY Sports Operations intends to explore a viable operational path for the operation of such large stadiums, starting from D city, to develop experience and then extend its business to other cities in the future. On this basis, the company has set the short-term goal of "optimizing and rationalizing the use of stadium resources, improving the level of software services and brand building, and expanding the scope of operation to achieve profitability", with profitability as the first priority as soon as possible. The company plans to introduce some social capital, mainly various venture capital funds and industrial funds that mainly invest in the sports

industry in China, so as to enrich the capital and obtain the relevant resources behind the capitalists and integrate high-quality sports resources nationwide. The company relies on the good relationship with local stadiums and government, and strives for the greatest preferential efforts in rent, tax and supporting fees, coupled with the resources of the big IP of sports, open source and cost reduction, and then according to different market segments targeted to develop a detailed marketing plan, the project invested 40 million in the early stage, mainly for the renovation and renewal of venues, company publicity and promotion, office leasing, decoration, office supplies procurement and staff salaries, etc. In the first year, the estimated income is 38.12 million Yuan, and the planned profit is 2.45 million Yuan, and the net profit is 1.83 million Yuan after deducting taxes, and the overall profit of the project can be recovered in the second year.

5.2 Suggestion

The project is also subject to a certain degree of financial and policy risks. For this reason, HY will do a good job of early warning work in the preliminary preparation stage and all stages of operation to prepare for the rainy days, and at the same time strengthen the organization and personnel training management to consolidate its own management capabilities.

In conclusion, this project is in line with the needs of the sports industry, and a reasonable management and operation mechanism has been developed.

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Appendix A

Market and Consumer Behavior Survey Questionnaire

Thank you for taking your valuable time to participate in this Dalian Sports Center questionnaire!

1. Your gender: Male Female
2. Your age: below 20 years old 20-30 years old 30-40 years old 40-50 years old
 50 years old or older
3. Your occupation.
 Enterprise manager's Enterprise employees Technicians Students
 Government agencies Freelancers Homemakers Others
4. Your annual income:
 100,000 or less 100,000-300,000 300,000-500,000 500-70 million 700-1 million
 More than 1 million
5. Do you choose to come to Dalian Sports Center to exercise?
 Yes (please complete questions 6 to 8)
 No (please complete question 9)
6. What exercise program will you choose when you come to Dalian Sports Center?
(You can choose more than one)
 Soccer badminton basketball swimming tennis baseball running table tennis yoga training parent-child sports other
7. How much do you usually spend on physical exercise in a single visit? (Single choice)
 No consumption Within \$20 \$20-50
 50-100 Yuan 100-200 Yuan 200 Yuan or more
8. How much do you spend on sports equipment? (Single choice)

No consumption 100 Yuan or less 100-500 Yuan

500-1000 Yuan 1000-2000 Yuan 2000-5000 Yuan 5000 Yuan or more

9. What is your reason for not coming to Dalian Sports Center? (Multiple choice is allowed)

don't like sports too far away Inconvenient to eat

Parking fee Too expensive Outdated facilities No items that you want to exercise, such as other

10. Please give your valuable opinions and suggestions to the sports center.

Appendix B

Market and Consumer Behavior Survey Questionnaire Data Analysis

Table 1 Gender ratio of the questionnaire survey

Tab. 1 Sex ratio of questionnaire survey

Gender	Number of people	Proportion
Male	250	56.82%
Female	190	43.18%
Effective number of people	440	100.00%

Table 2 Age distribution of the questionnaire survey

Age	Subtotal	Proportion
Under 20 years old	1	0.23%
20-30 years old	46	10.45%
30-40 years old	256	58.18%
40-50 years old	107	24.32%
Over 50 years old	30	6.82%
Effective number of people	440	100.00%

Tab.3 Occupational distribution of questionnaire survey

Career	Subtotal	Proportion
Corporate Management	127	28.86%
Corporate employees	124	28.18%
Technical Staff	36	8.18%
Students	5	1.14%
Government Offices	55	12.50%
Freelancer	40	9.09%
Housewife	7	1.59%
Other	46	10.45%
Effective number of people	440	100.00%

Tab.4 Annual income of questionnaire survey

Annual income	Subtotal	Proportion
100,000 or less	150	34.09%
100-300,000	218	49.55%
300,000-500,000	44	10.00%
500-70 million	14	3.18%

700-1 million	3	0.68%
More than 1 million	11	2.50%
Effective number of people	440	100.00%

Tab.5 Questionnaire survey of previous intention

Willingness to go	Subtotal	Proportion
will come	204	46.36%
Not coming	236	53.64%
Effective number of people	440	100.00%

Table 6 Sports of the questionnaire

Sports	Subtotal	Proportion
Soccer	42	7.87%
Badminton	98	18.35%
Basketball	35	6.55%
Swimming	127	23.78%
Tennis	24	4.49%
Baseball	5	0.94%
Running	70	13.11%
Table Tennis	40	7.49%
Yoga	30	5.62%
Training	14	2.62%
Parent-child sports	47	8.80%
Other	2	0.37%
Effective number of people	534	100.00%

Table 7 Reasons for not coming in the questionnaire

Reasons for not coming	Subtotal	Proportion
Don't like sports	16	5.05%
Too far	215	67.82%
Eating inconvenience	24	7.57%
Parking Fees	23	7.26%
Too expensive	17	5.36%
Outdated facilities	2	0.63%
Did not want to exercise the project	5	1.58%
Other	15	4.73%
Effective number of people	317	100.00%

Table 8 Questionnaire survey of exercise consumption
Tab.8 Exercise consumption

Exercise consumption	Subtotal	Proportion
No consumption	11	5.39%
Within \$20	12	5.88%
20-50 RMB	81	39.71%
50-100 RMB	60	29.41%
100-200 RMB	23	11.27%
Over \$200	17	8.33%
Effective number of people	204	100.00%

Table 9 Equipment consumption of the questionnaire

Equipment consumption	Subtotal	Proportion
No consumption	7	3.43%
Less than 100 RMB	10	4.90%
100-500 RMB	49	24.02%
500-1000 RMB	64	31.37%
1000-2000 RMB	36	17.65%
2000-5000 Yuan	31	15.20%
More than 5000 RMB	7	3.43%
Effective number of people	204	100.00%

Biography

name-surname	Dongbo Yang
Date of birth	
Place of birth	
Workplace	
Position	-
Education	MBA Southeast Asia University



CERTIFICATE

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THIS IS TO CERTIFY THAT

Dangba Yang

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