Analysis on the Business Mode of Sports and Fitness O2O Platform in the Context of “Internet plus Sports”

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Abstract. Along with the proposed action plan of Internet plus, It has entered the era of mobile internet in China. When we open the mobile phone applications, social networking, shopping, taking a taxi, chat, and even the delivery industry are seizing the user of the mobile terminal market, mobile Internet reconstructs the people's life style and make life more convenient and intelligent, and create a good market environment and opportunities for the development of sports health industry. Along with people's sports fitness awareness increasing, based on the actual demand for sports interest plus social networking, It promotes the combination of the mobile Internet and sports fitness industry, the mobile App products in sports industry and sports fitness O2O platform emerge. It is a good choice to combine O2O business mode with the mobile Internet for the traditional sports industry. In this paper, it analyzes the meaning and development trend of Internet plus and the O2O business model and its application status in China, and the operation status and future profit model of sports O2O. Furthermore, it takes the sports exercise O2O platform “Coach Appointment” as an example to analyse the commercial application and prospect of O2O pattern in the sports and fitness industry based on the mobile internet.

Introduction

In recent years, with the accelerated development of the mobile Internet, cloud computing, big data, Internet of things and other new technologies, and they are quickly incorporated into the traditional industries, including financial services, taking a taxi and other livelihood areas, and household electrical appliances and other traditional manufacturing industries, especially retail, e-commerce and other fields integrated with the internet in latest years. In fact, the "Internet plus" is not only fully applied to the third industry, forming the new ecology such as Internet banking, Internet traffic, Internet medical, Internet education and others, and it is infiltrating into the first and second industry.

According to the "2015 Chinese Internet plus sports research report" released by iiMedia Research(a Chinese research consulting firm) shows that compared with western developed countries, the sports industry structure is relatively backward and the total output of the sports industry accounting for the proportion of GDP is low in China, sports industry in China still has great development space, and bring the development of Internet sports an opportunity. At present, the Alibaba, LETV PPTV and other Internet companies have been involved in "Internet plus" sports industry, many traditional sports enterprises are cooperating with Internet companies. such as the Ali sports group established by Alibaba, 361°and Baidu, Lining and Xiaomi company have launched a strategic cooperation. In addition, sports stars also joined the "Internet plus" sports start-ups, for example, Chen Yibing called Rings Prince start fitness APP, and Huang Jianxiang known as football commentator create " getting to exercising "to push the O2O products of football training, a new pattern of "Internet plus sports" will become the future trend. iiMedia believes that sports O2O and "sports social networking plus intelligent hardware” are the projects with the most development potential in "Internet plus” sports industry at present. As to the use of sports Internet products, the report data show that the rate of the live sporting events platform, online sports teaching guidance
platform and the site appointment platform most used for Internet users respectively is 20%, 48.3%, 20.8%.

With the popularity of sports fitness, sports fitness field has also been changed by the mobile internet. In order to let more people have no constraints on space, time and equipment and keep up with the fitness trends, gradually enhance the public physical exercise awareness and develop good exercise habits, sports industry practitioners began to use mobile Internet means to transfer physical exercise from the gym to the network, mobile phone, sports O2O mode let the sports lower barriers to entry. As a new way of sports, the mobile App of sports and fitness break the traditional mode, and make use of the way of O2O thinking, it takes it as the goal to provide better service for the people in shaping, slimming and meet the people interests, in the process rationally allocate the resources of supply and demand sides, so it has the features of durability and high user viscosity. In March 2014, Mobiquity company surveyed 1000 U.S. Internet users who had used or planned to use mobile fitness App. The study found that 70% of the respondents used or planned to use the App every day. Nearly two-thirds of respondents plan to use the Apps more frequently in the next five years. Compared with developed countries, the average level of sports fitness industry in China was still less than the United States and South Korea and other countries, there is a large market space in the field, more and more people started to increase consumption in nonmedical services to keep healthy, at the same time, the O2O model based on mobile Internet promote sports industry towards the Internet. The sports O2O products also began to change from reserving the facilities service in the initial stage to making an appointment of coaching service one to one with disintermediation. For example, "initially beginning physical exercise" as a O2O service platform product in Internet plus sports industry aim that change the exercise habits, innovate traditional sports service mode in sports industry, advocate professional teaching and healthy sports. Users can make an appointment with coach anytime, anywhere, but also enjoy the training courses, which is with added value and purchased insurance, so that the users can enjoy a worry-free campaign.

The Introductions and Descriptions of Internet Plus

What is “Internet Plus”?

“Internet Plus” is a new development strategy in the new era, which is closely related to the government information publicity. At an important meeting held on March 5, 2015, Premier Li Keqiang proposed the “Internet plus” action plan in the government work report for the first time. “Internet plus" represents a new economic form, the program will focus on promoting cloud computing, Internet of things, big data as the representative of the new generation of information technology, which has an integration and innovation with modern manufacturing industry and productive service industry, and integrate the innovation achievements of the Internet in the depth into all economic and social fields, fully utilize the optimization and integration role of the Internet to enhance the innovation capability and productivity of the real economy, form a wider range of economic development of new industry based on Internet facilities and tools, to create a new industrial growth point, provide the innovation and entrepreneurship environment for the public and to provide support for industry intelligence, strengthen the new power of economic development, and promote the development of the national economy to upgrade. “Internet Plus” will focus on promoting the healthy development of e-commerce, industrial Internet and Internet banking, which are three important development direction of "Internet plus” in China, and guide Internet companies to expand the international market. Cross-border e-commerce is an important foothold for the Internet business to expand in the international market. In recent years, with the rapid development of cross-border e-commerce, it is becoming increasingly obvious that the supporting role of the Internet is for the export business.

Tencent CEO Ma Huateng pointed out that "Internet plus” strategy is to utilize the Internet platform and information communication technology to combine the Internet with traditional industries
including all walks of life together to create a new ecology in the new field. Simply to say that“ the Internet +XX traditional industry” is equal to “Internet XX industry”, but it is virtually not a simple addition. "Internet plus" is virtually not something new, For example, Taobao came into being with the traditional market plus Internet, Jingdong emerged with traditional department stores plus Internet, Alipay was born with traditional bank plus Internet, Jiayuan Network emerged with the Internet plus traditional matchmaker, the DiDi Fast Car is born with traditional traffic plus Internet, and the traditional news plus Internet give birth to “Under the Dome”, which is a documentary produced by Jing Chai in the spread of viral way. Wanda Commercial as largest real estate companies in China signed close cooperation agreement on the “Internet plus” business with retail giant Suning stores in Beijing on September 6, 2015. "Internet plus" is not subverting but upgrading the traditional industry, and is the new location of "ecological integration" between information technology and traditional industry.

The Development Status and Trend Of “Internet Plus”

From the current situation, "Internet plus" is still in the initial stage and has not yet been implemented, some research and analysis on "Internet plus" will be done in different fields, but most businesses are still in wait-and-see stage. From the point of view of exploration and practice, Internet businesses is active than the traditional enterprise, after all these businesses have been constantly using the "Internet plus" to change more industries and have enough experience to follow, and constantly explore and integrate other areas according to the previous experience, and continue to expand their own ecology. What is really difficult to transform for Internet plus is those very traditional industries, many traditional enterprises in the past few years have begun to try the Internet, mainly by means of B2B, B2C and other electronic business platform to realize the expansion of network marketing channel. Most offline companies still stay in the stage of information publicity and promotion, but not try to network transactions during network marketing, because they can ‘t solve the conflict problem of offline channels and online channels. But owning self-brand businesses who are through the electronic business platform operating sales of clothing and snacks have found out a suitable way to develop e-commerce.

In contrast with the traditional enterprises, in the entrepreneurial era, some projects are the "Internet plus" form from the beginning, therefore not need to transform and upgrade same as traditional enterprises. "Internet plus" aim to facilitate more Internet business projects, thus there is no need to cost manpower, material and financial resources to research and implement industry transformation. There is a normal state as well as the development trend in every social and commercial stage, The normal state is the background that the majority of companies need to upgrade before "Internet plus" put forward, the latter development trend is the outbreak of vast "Internet plus" model as well as traditional businesses destroy the old and establish the new.

A lot of Internet companies lack a better business model to make money and convert the huge user resources into profit, and seek to transform and cut into the traditional market. "Internet plus" will make the traditional enterprise actively looking for Internet companies, make some Internet companies rapidly come true. The future trend of "Internet plus", is basically macro policy, industrial connection, venture and capital, in every industry and segments field and there may be more trend, but on the whole all cannot do without the social and industrial environment. No matter what kind of trends and policies, and as for enterprise it should ultimately promote and implement "Internet plus" or should be combined with their own industry, a better judgment and analysis on the future development may be very important. The choice of routes and methods depends on the understanding of the industry, the enterprise, the Internet, and the business model.
O2O E-commerce Mode

The Meaning of O2O Mode

O2O (online to offline) is a kind of popular electronic business model which is based on the local living services, which integrate the online virtual economy and the offline real economy. As an experience type of e-commerce model, O2O introduces the online consumers to the offline physical stores, online pay offline products and services, and then go to offline to enjoy the service. Through discount or group purchase, store coupons, providing information, reservations and other ways, the goods and evaluation information of offline store are pushed to the online user, thus converting them to the offline consumer. Combine offline business opportunities with the Internet together, so that the Internet has become the front platform between online and offline transactions to achieve a win-win of online and offline.

O2O model is particularly suitable for the goods and services that is needed to consume at offline store, such as catering, fitness, movies, beauty salons, photography, etc.O2O can bring convenience and benefits, consumption security to the users in daily life, and attract a large number of users with high viscosity, and have a strong promotion effect on the businessman, and attract the offline life service businesses to join in, and bring several times of cash flow more than B2C, C2C mode, more advertising revenue and more profit model based on a huge scale. O2O makes the whole business value chain which is composed of the consumer, business and intermediary service providers (group buying network, B2C and C2C sites) and others achieve a win-win, so that the business model tends to be perfect.

Development Status of O2O Mode in China

O2O started relatively late in China, but it developed very rapidly, the initial catering industry, clothing industry , home furnishings and retail are all utilizing O2O model. There is not only the competition among the Public Comments, Ctrip, Ganji, 58 city, Meituan as early entrants into O2O market in China ,but also the three Internet giants of Tencent, Baidu, Alibaba are beginning an active layout, and are preparing for competition from PC to Mobile terminal. With the development and popularity of network and mobile terminal technology and the quick online payment of WeChat, Alipay, Baidu wallet and Jingdong wallet makes O2O e-commerce a new bright spot.

During the O2O development of three Internet giants Baidu, Alibaba and Tencenten, O2O strategy of Baidu takes Baidu map as the center, Baidu group purchase (from “jingtime.com”to LBS product "Baidu side" to the C2C platform “leho” to Hao123 group purchase navigation to Baidu Nuomi network) and Baidu tourism (including Qunar ) as two wings, create the combination model of large platform and proprietary. Ali O2O is stepping forward a closed cycle ,three strategies are namely Taobao local life platform, group purchase (Juhuasuan, Meituan), fusion with offline retail (Strategic Investment of Yintai business for penetrating online and offline) and three tools: price parity between online and offline with etao.com, Alipay as payment tool and Taobao map service , formed group purchase discount provided by Juhuasuan, business information services provided by Taobao local life, map services provided by Ali cloud. The path selection of Tencent O2O is more difficult, forming with “two-dimensional code” plus “account system” plus “Location Based Service” plus “Tencent payment” plus “relation chains”, namely “WeChat plus two-dimensional code” as the entrance, Tenpay and WeChat open up the mobile phone payment market, The group purchase business by means of F group and Gaopeng group bring abundant businesses resources, and the LBS application of QQ map.

Comparison between O2O Mode with B2C and C2C

O2O marketing model is the core of online payment. Although the O2O model , B2C and C2C are the same to pay online, but the difference is that the goods of purchased by B2C C2C is boxed and delivered to consumers, and the characteristics of O2O only put the information flow and cash flow online and put the logistics and commerce flow offline, and is the online payment, purchase goods and
services offline, and then go to offline to enjoy the service. That is different from the “electronic market plus logistics distribution” mode of the traditional e-commerce, O2O mode with “electronic market plus offline consumption in the store” mode, this mode is suitable for those goods and services which can’t be delivered by express delivery service and offline consumption in the store, such as the life service of catering, watching movies, beauty salons is very difficult to realize through the traditional electricity supplier on the internet. On the one hand it supplies a convenient way to order online, on the other hand it gives consumers more benefit experience offline. For consumers, this is a new commercial mechanism combining payment mode and also bringing the passenger flow for shopkeeper. The difference between O2O and group purchase is that O2O is online shopping mall, however group purchase is mainly a temporary promotion of low discount.

B2C and C2C is a kind of consumption pattern characteristic of commodity and logistics and compete with commercial entities, transfers the ground sales to air transport sales, compete comparing Logistics cost to store rent; furthermore, O2O is a kind of consumption pattern combining network with store and has cooperation with offline store, can expand the store sales, make an inventory of resources, expand the market space; the traditional O2O e-commerce forms a complete closed loop transaction process from online matchmaking, online payment, offline consumption and consumer feedback.

**Operation Status of Sports O2O Mode**

With the increase of per capita income and living standards, enhancement of people’s fitness awareness and transformation of aesthetic standards, more and more people have begun to devote themselves to the sport. Due to the limitation of traditional sports venues, campaigners need to find nearby sports venues, pay high membership fees, from the user's perspective, because of the limitations of sports venues, the traditional fitness has been unable to meet the demand of personalized sports. And O2O model based on the mobile Internet will change the situation. O2O model serving local life has been developed maturely, for the sports industry, The fitness service based on O2O mode is more transparent and standardized in price, curriculum and coach compared with the traditional sport limited by sports venues, users only need to use a mobile phone to make an appointment with coach and pay the fee online, then can enjoy direct guidance and sparring services. At present, there are a lot of sports fitness applications based on O2O mode in China, and the development trend of market segmentation is presented. For example, "Gu dong" focus on running, "also thin net" focus on exercise to lose weight, "initially beginning physical exercise "focus on Sports, they have their respective user groups, respectively to solve the different problems of user paying attention, O2O model can solve the following problems:

**Removing the Intermediary Role of Sports Venues and Reducing the Cost of Sports**

The venue is equivalent to the intermediary between the campaigners and the field coach, the campaigners will pay fees to the venue, then venue pay the coach, a user must pay higher fees on the one hand, the coach only draw a small part of percentage from all fees on the other hand, The founder of O2O products “initially beginning physical exercise” named Heng Zhang has done a survey: whether the field coaches only paid the salary or the coaches who have cooperation with stadiums and draw a percentage are only to get a small part of fees paid by consumers, most of the all fees are belong to the venue. "coach appointment "is focus on sports fitness O2O, and its founder Long Zhao found through the market survey that many people think that physical exercise is a troublesome thing, arrangement field, find partner, appointment with coach, Each step will detract from the passion of sport." Sports O2O model can directly dock the user with the coach, remove the intermediate step, so that users can find coach suitable for them in the shortest time, while maximizing the interests of both sides.
Free the Coach From the Sports Venues

Through the fitness O2O mode, coach can get rid of venues dependence, accept user booking orders, and freely set price for different sports and sparring time, cut off a percentage drawn by the stadium boss, really free from the venues. At present, due to the traditional sport mode restricted by the venue costs and geographical position lead to high cost and threshold of sports and fitness. The coach can accept the teaching orders with no cost in the platform, each coach can show personal information, manage courses and orders through their own homepage, reduce fitness threshold at its source, get rid of the restrictions of sports ground and achieve cross regional teaching by O2O mode.

Breaking the Limit of Sports Ground, the Site Choice is More Flexible and Free

Sports O2O service, the users dependent on the coach much more than on the venues, high level athletes and private coach of the public sports will be the driving force for the development of sports fitness industry. For users, the coach is more important compared with sports ground, it will be the key for sports fitness O2O to break the restrictions of sports ground and highlight the role of the coach. As for the field choice, sports and fitness based on the O2O mode is more flexible, neighbor hoods, park or sports venues designated by user can meet the needs of sports ground. In addition, the sport O2O platform itself is also accelerating the venue layout, through cooperation with the gym and other sports venues, to satisfying users anytime, anywhere. For example, when the users from Beijing arrive at other city, also able to appointment the appropriate coach and continue the former course through the platform.

Socialization

In most cases, especially in the early stage of learning a new sport, because of lacking adequate skills, it is difficult for users to get pleasure in the sport movement. Mobile O2O application establish the network community for the mutual exchange between users, and increase the fun of sport through social. In addition, the user can also communicate sports experience with many coaches in the community, make sports more secure and happy. For example, Nike is already own the core product Nike+Running (the mobile phone application for running) connecting with Facebook and Twitter and other social networking products, the user can share their motion records by social media after finishing the sport exercise.

Future Profit Model of Sports and Fitness O2O

At the early stage most O2O projects do not consider the profit, or even spend lots of money to subsidize users in order to rapidly accumulate users, but after the user groups remain stable in the future, the problem that how to achieve profitability in the long term sustainable development is needed for careful consideration. The profit mode of sports and fitness O2O product is as follows:

Making Profit by Production and Sales of Smart Devices

The emergence of wearable devices such as smart band devices brings a new business model for sports fitness O2O project. On the one hand, It can achieve profitability through cooperation with hardware vendors and design the corresponding intelligent hardware for different sports project. On the other hand, coach as a professional sports guider is the best sales staff of sports product, it can achieve profitability through selling intelligent hardware by large amount of coaches from the platform.

Customized Personalized Service

It charges the appropriate fee for the special needs of the user to provide customized services. For example, the user want his weight reduced to expected weight over a fixed time period. The coach from the platform produces the corresponding training courses and charges the course fee. If the user
always wants to make an appointment with the same coach for his guidance sparring, O2O platform can offer specific membership services for these users and charge corresponding membership fees.

Health Management Consulting

It can track the movement of users by smart wearable devices and provide consulting services of health management for the users who need, and charge service fees, analyzing health status of the user on the basis of accumulated big data in a long time.

A Case Analysis of Sports and Fitness O2O Platform “Coach Appointment”

Exercise is a long-term, habitual activities, the coach course fees, sports equipment and venues of traditional sports and fitness are relatively high cost and make people more difficult to keep it up., and the coach resources is at the other end of the chain, the qualifications, teaching experience, technical level of coach and course fees are core factors that the sports learner will consider. In recent years, the people’s consciousness in sports consumption gradually improved, the stadium is often in full state. At present, the service market around sports enthusiasts gradually formed a new ecological chain, participants including a variety of smart sports bracelet and other hardware, sports data storage, sports app developers, etc.. How does the sports industry successfully dock with the mobile Internet Under the current popular background of O2O mode?

Different from the app tools known as “Ledongli”and “Gudong”, which can automatically record the amount of exercise and calorie of the user, "coach appointment" as the sports and fitness O2O platform is an application of mobile phone APP technology connecting enthusiasts and professional coach based on mobile Internet and LBS geographic location technology, and takes O2O business mode as the core, devoted itself to combine the less developed sports industry in China with mobile Internet, it will lead a new trend of sports. "coach appointment” gathered a massive group of coaches, including sports enthusiasts and professional sports coaches, there are currently more than and 10 categories of sports, including badminton, tennis, swimming, fitness and weight loss, yoga, dance and so on, the user can directly make an appointment with coach online. The user can online select the most suitable coach service for their own by the location, price, coach comment, course type, directly purchase online course by a mobile phone, so as to improve the scientfficity of sports, improve exercise efficiency and reduce sports injuries. There is real and effective personal information and course information on the platform.

Both the beginner and the sports enthusiasts who desire to strengthen sports skills can find the course that they are interested in, and choose the coach class that is nearest and most convenient, and feel different sports fun from “coach appointment". On the entire ecological chain, "coach appointment" has brought new changes to the sport of ordinary users with the technical advantage of mobile Internet, and the interaction between the user and the coach will become the focus direction of the platform in the future, online provide convenience for the user and coach to share courses and extracurricular physical health, monitoring function of exercise, which is convenient to real-time communication between the coach and the user.

The O2O mode of "Coach appointment" takes the best experience of the user as the core content, the map information is as the entrance of O2O mode, "Coach appointment" has prepared a set of perfect LBS system, which can accurately locate the position of the user, and real-time updates the position information and price comparison of the coach nearest to the user. It has gradually established its own coaching system, real name registration, qualification certification to ensure teachers strength believable and be of high quality and efficiency. The payment means of "Coach appointment" has done small innovation, coach gives out consumer price on their own course, the consumer will receive a two-dimensional code on the client, coach scanned the code on the coach end in class and received the money after the end of the course. In addition, there are normally free online experience courses, the most popular items include badminton, swimming, yoga, dance, etc. the O2O mode of "Coach appointment" is still constantly exploring, they are more focused on products and
services, and improve their product popularity, and optimize the user experience, rather than only focus on investment returns.

**Conclusion**

In the era of national sports activities, in order to let more people have no space, time and equipment constraints and join sport and fitness tide, gradually enhance the movement awareness of public and develop good physical exercise habits, Practitioners in the sports industry began to utilize mobile Internet to move the sport fitness from the gym to the network and mobile phones, and sports O2O mode lower the threshold of sport. Compared with the western developed countries, there is the backward scale, level and quality of sports informatization in China. Sports information service platform has great potential to promote the development of public sports and fitness. The mode of Internet plus sports is highly favored, Internet enterprises attract and gather users into user groups through introducing competition, hold their own game, and guide users to purchase a variety of intelligent sports equipment by O2O mode through various forms of interest, at the same time, obtain tremendous amount of data about sports, hobbies, behavior preference and health and so on through intelligent sports equipment. Furthermore, they provide users with a variety of value-added services from sport fitness to health care. With the favorable policies, the influx of funds, Internet companies to get involved in sports market in-depth and cross-industry jointly, will form an ecological model of "Internet plus" sports industry.

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