



*Build together
Win together*



Health is indeed wealth

SFW Report: Opportunities in Sports,
Fitness and Wellness (SFW) in India

28th February, 2018

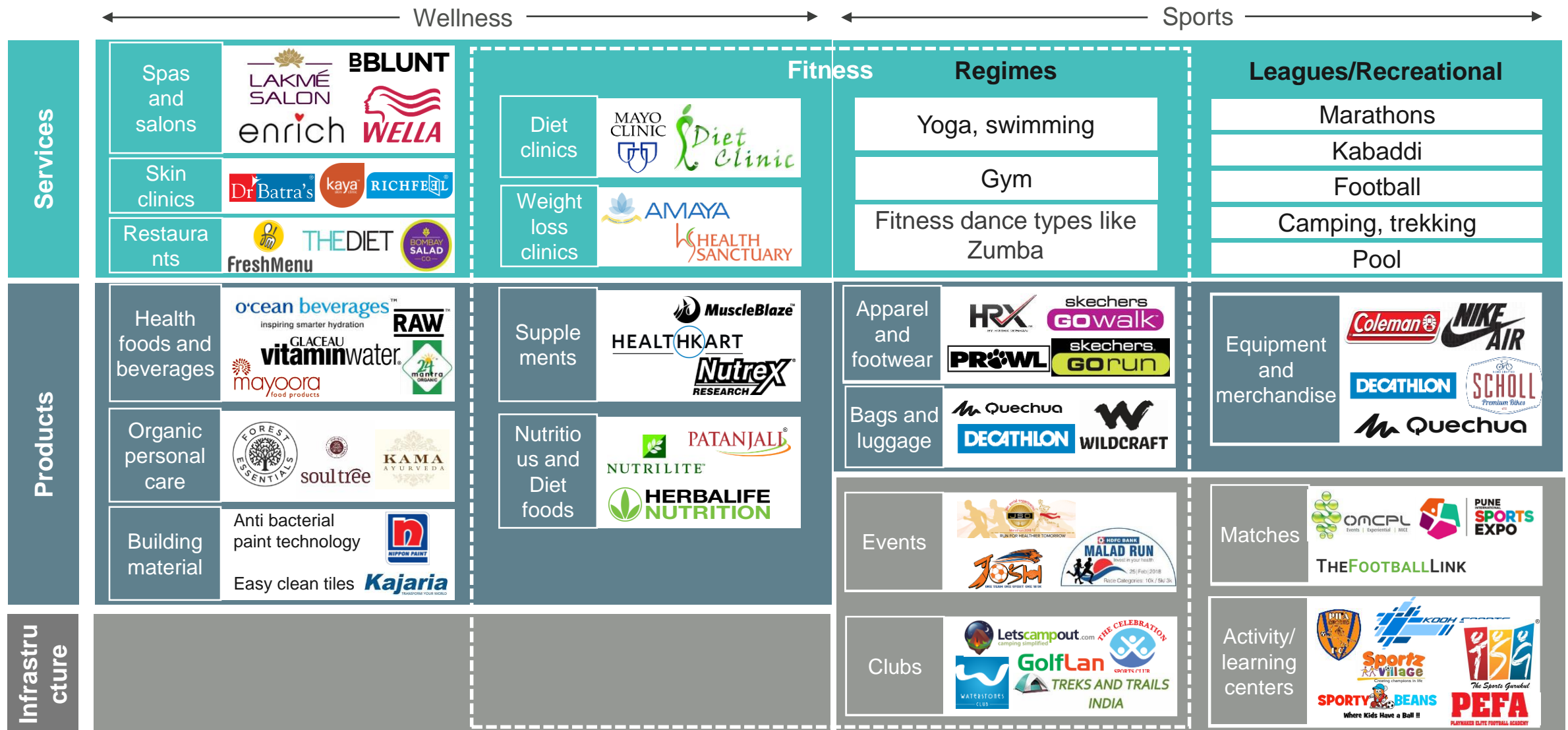
Table of Contents

S. No	Content	Page No.
1.	Executive summary	3
2.	SFW market definition and inclusions	4
3.	SFW historical growth and future growth projections	5
3.	SFW growth drivers	6
4.	SFW trends in 2017	7
5.	PE investments in SFW	8
6.	SFW market size across categories	9,10
7.	SFW market size across different levels of GDP per capita in other countries	11
9.	Key imperatives	12
10.	Sources of input	13
11.	Glossary	14
12.	About	15-18

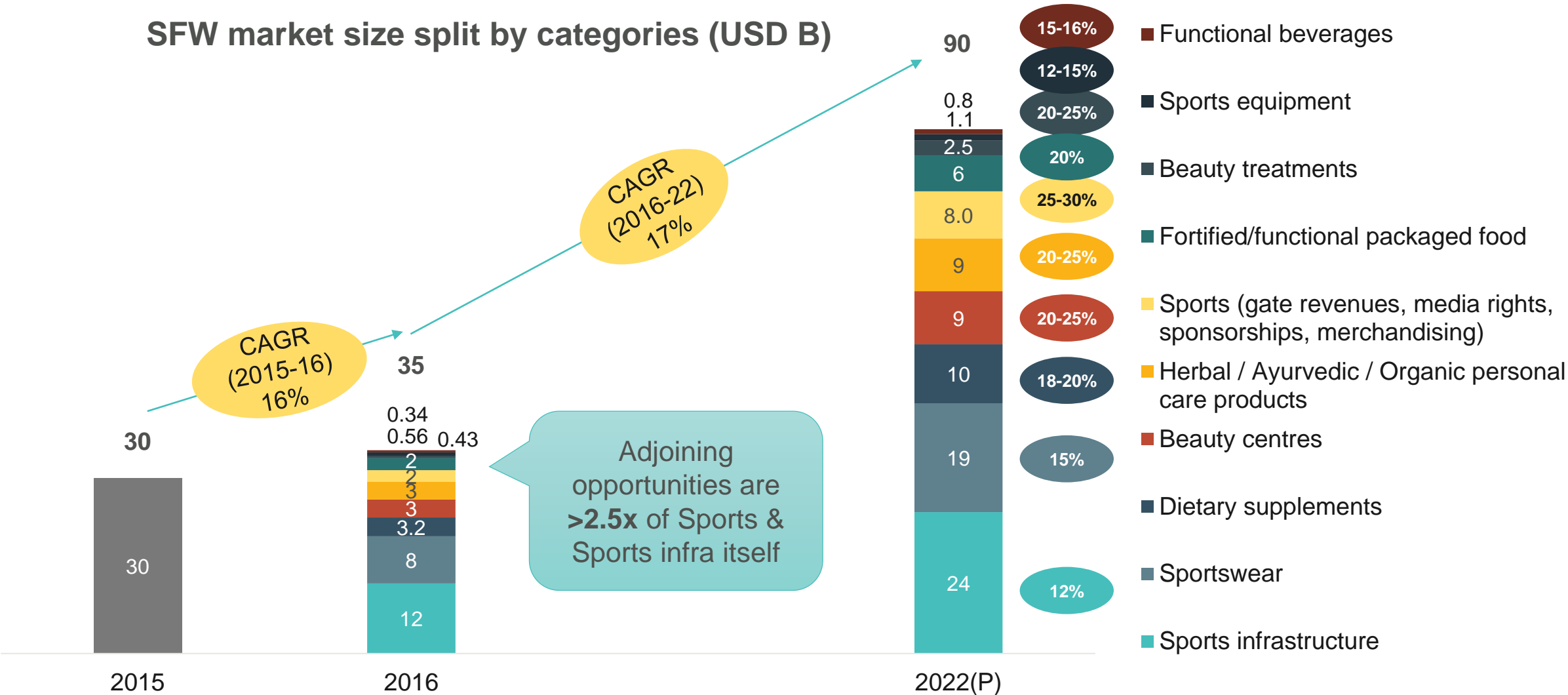
Executive summary

- **Theme of Sports, Fitness and Wellness is emerging with a large multi-\$B opportunity in India (large market with robust growth drivers)**
 - Sized at ~**USD 35B** in 2016 and expected to grow @~**17% CAGR** to reach **USD 90B** by 2022
 - Robust Demand growth drivers: affluence, sedentary lifestyle, increasing awareness about health and fitness, backed by
 - Supply drivers: Development in sports infrastructure, more trainers, greater advertising spend backing sporting events
 - Trend evident as new sports leagues are emerging, more corporates/residential complexes are creating facilities, new health focused TV channels are seeing viewership growth and the mass consumer is diversifying beyond just cricket
- **Across the consumer spectrum, the time to ride the SFW wave is now**
 - From the SFW trend seen in other countries, SFW market growth kicks in at USD 4K GDP per capita levels and starts to taper at USD 30-35K GDP per capita levels
 - India, currently at a GDP per capita of ~USD 1.7K has massive growth headroom
- **Opportunity is being created not just in SFW but more importantly, in the peripheral products/services like gear, apparel, food items and several other brand extensions (>2.5 times the opportunity than Sports itself)**
 - Several brands have extended their brands and offerings to SFW and will create bigger plays (e.g. Harley gears > Harley bikes)
 - Healthy food variants of several brands is already >25% of the staple flagship variants
- **SFW is attracting investment not only from VC/PE but several profitable verticals like apparel, personal care and consumer services are pumping in money to ride this growth wave**
 - Consumer services businesses (yoga, gym, spas and salons, ayurvedic centers, etc)
 - Consumer products (yoga mats, organic foods, sports merchandise, etc)
 - Specialized high-performance apparel and personal care goods (functional food, sweat-resistant apparel, marathon shoes, etc)
 - Infrastructure (training academies, amateur sports facilities, coaching in schools, etc)
- **Large brands and retail footprint already being created (e.g. Decathlon crossed Rs 1,000cr in sales). Realizing full potential from the opportunity will entail diligent micro-segmentation, brand repositioning and technology led product/service innovation**

Market definition: Sports and Wellness are complementary to each other with Fitness traversing across



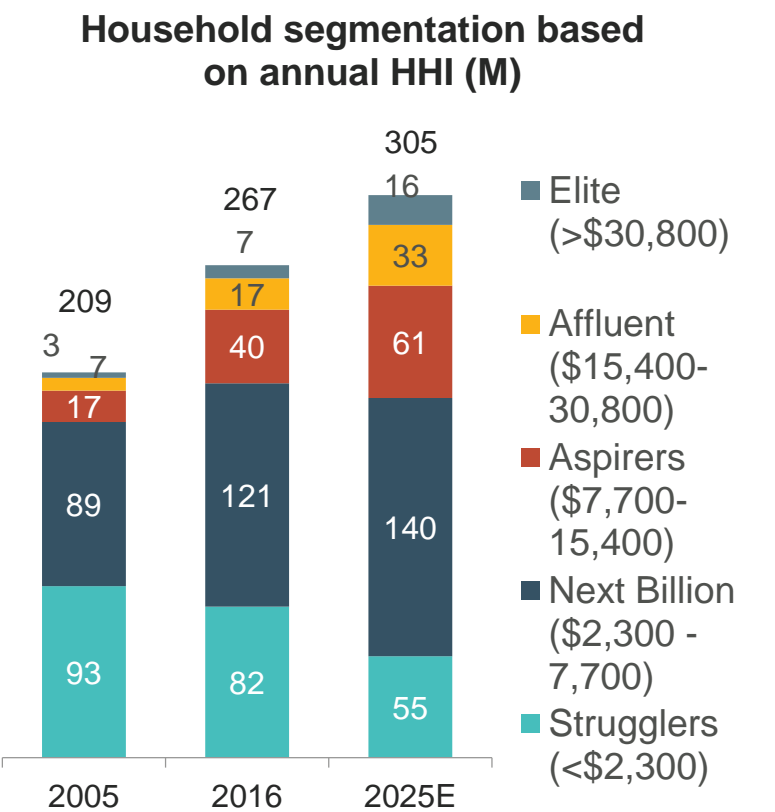
SFW market is currently sized at ~USD 35B (2016); expected to grow at a CAGR of ~17% to reach ~USD 90B in 2022



Note: Sportswear includes non-activewear used for sports and unorganized segment

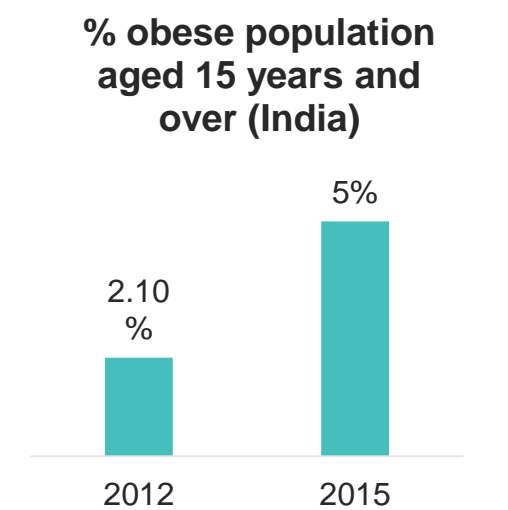
The SFW industry is driven by increasing affluence, sedentary lifestyle, increasing awareness about fitness and development in sports infrastructure

Growing affluence



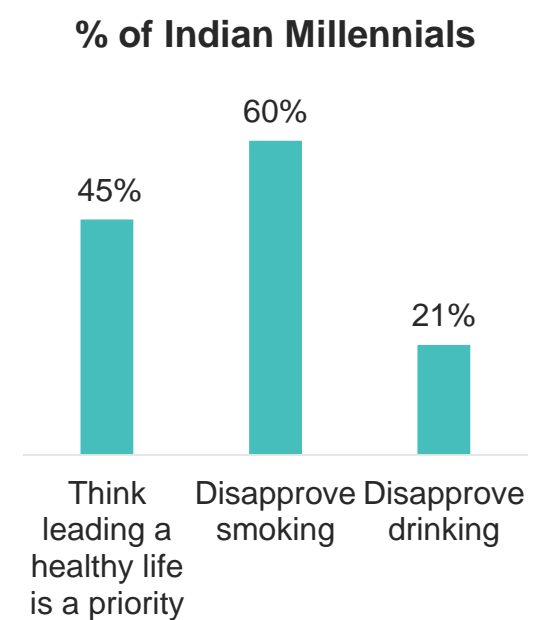
Sedentary lifestyle leading to increasing incidence of diseases

- Diseases like Obesity, Diabetes Type II, High blood pressure, etc are rampant due to sedentary lifestyles



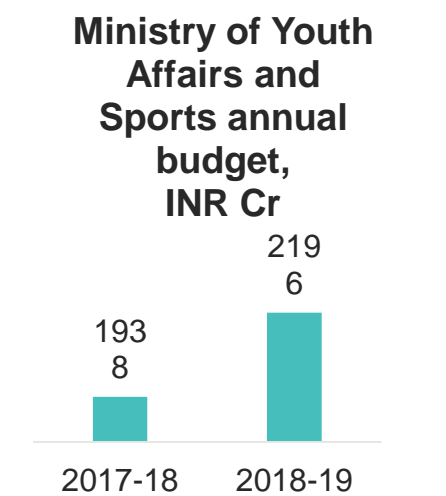
Increasing awareness about health and fitness

- Support from entertainment industry, media and government has led to propagation of the theme



Development in sports infrastructure

- Inflow of sponsorships and funds from the government have catalysed development of sports



Demand factors

Supply factor

SFW as a trend is showing up daily in the consumers' lives

Emergence of new sports and leagues



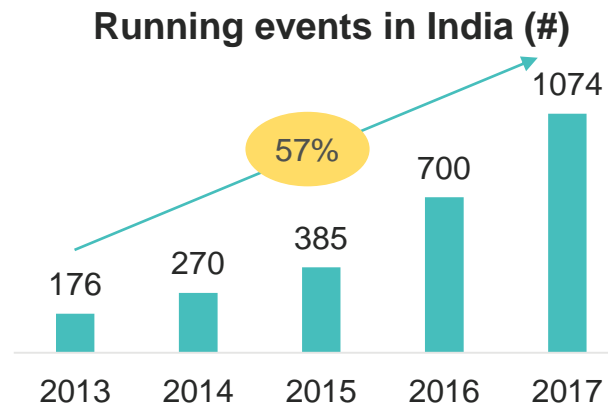
Kids specific leagues and sporting facilities



Increasing inter and intra corporate sports events



Increasing number of marathons and other outdoor activities





















Sports icons beyond cricket attracting large number of followers



Health and wellness specific TV channels and magazines

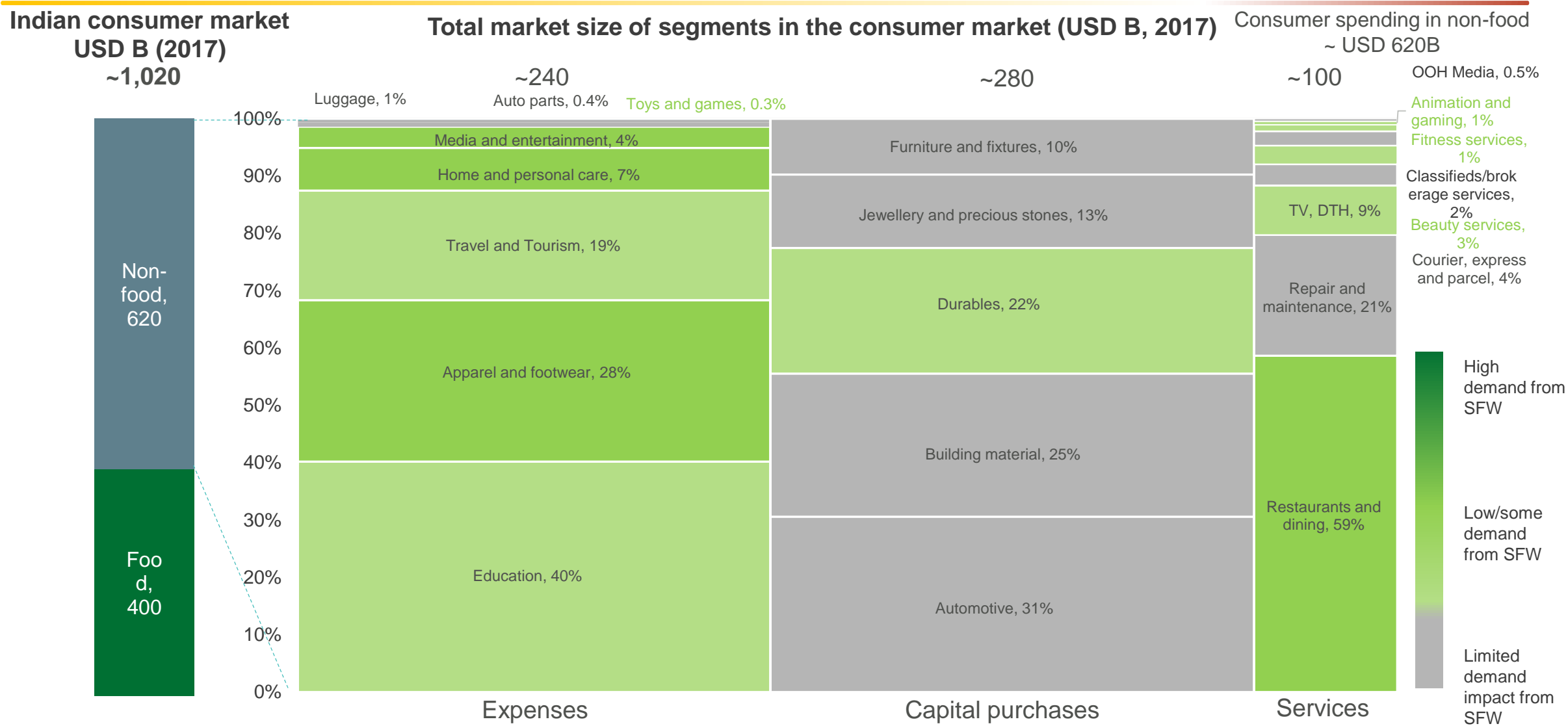


As a result, SFW space has seen recent acceleration in investor interest

Health and wellness		Fitness and sports			
 <p>Grow Fit</p> <p>\$4.5M</p> <p>Health tech company that helps cure lifestyle diseases</p>	 <p>JunoClinic</p> <p>\$1.2M</p> <p>Online counseling</p>	 <p>cure.fit</p> <p>\$53.9M</p> <p>Health platform providing coaching, engagement and delivery</p>	 <p>baseline VENTURES</p> <p>\$1M</p> <p>Sports marketing, consulting</p>	 <p>COLLECTABILLIA OWN THE MOMENT®</p> <p>\$38.9M</p> <p>Online platform selling sports and celebrity merchandise</p>	 <p>HolaPlay</p> <p>\$0.2M</p> <p>Online fantasy sports platform</p>
 <p>FITSO</p> <p>\$400K</p> <p>Health and weight loss coach mobile app</p>	 <p>COVE Kaha Pte Ltd</p> <p>\$4.5M</p> <p>Platform that enables several services verticals like digital payment, wellness, fitness, sensor based gaming, etc</p>	 <p>mobiefit</p> <p>\$2.4M</p> <p>Mobile app providing workout videos for exercises without equipments</p>	 <p>SPORT BUDDY</p> <p>\$1.5M</p> <p>Sports and fitness centre discovery and booking platform</p>	 <p>Sportz Village Creating champions in life</p> <p>\$12M</p> <p>Sports management service provider</p>	 <p>SportsCaffe</p> <p>\$0.2M</p> <p>Publishes news article on sports and tracks scores</p>
 <p>Your DOST</p> <p>\$1.2M</p> <p>An online counselling and emotional wellness platform</p>	 <p>Momspresso</p> <p>\$3M</p> <p>Largest content platform for mothers' health and wellness in India</p>	 <p>FITPASS™</p> <p>\$2M</p> <p>Provides access to workout across 1000+ Gyms and Fitness Studios for a fee</p>	 <p>VEDTA</p> <p>\$0.5M</p> <p>On demand sports video live streaming platform</p>	 <p>SPORTS 360</p> <p>\$1M</p> <p>E-commerce store for sports accessories and equipment</p>	 <p>ARKLEY</p> <p>\$0.2M</p> <p>Private label retailer of sports gear</p>

SFW, as a theme, is creating monetary opportunities across many categories especially in Apparel, Personal care and Food

Praxis Consumer Market map™



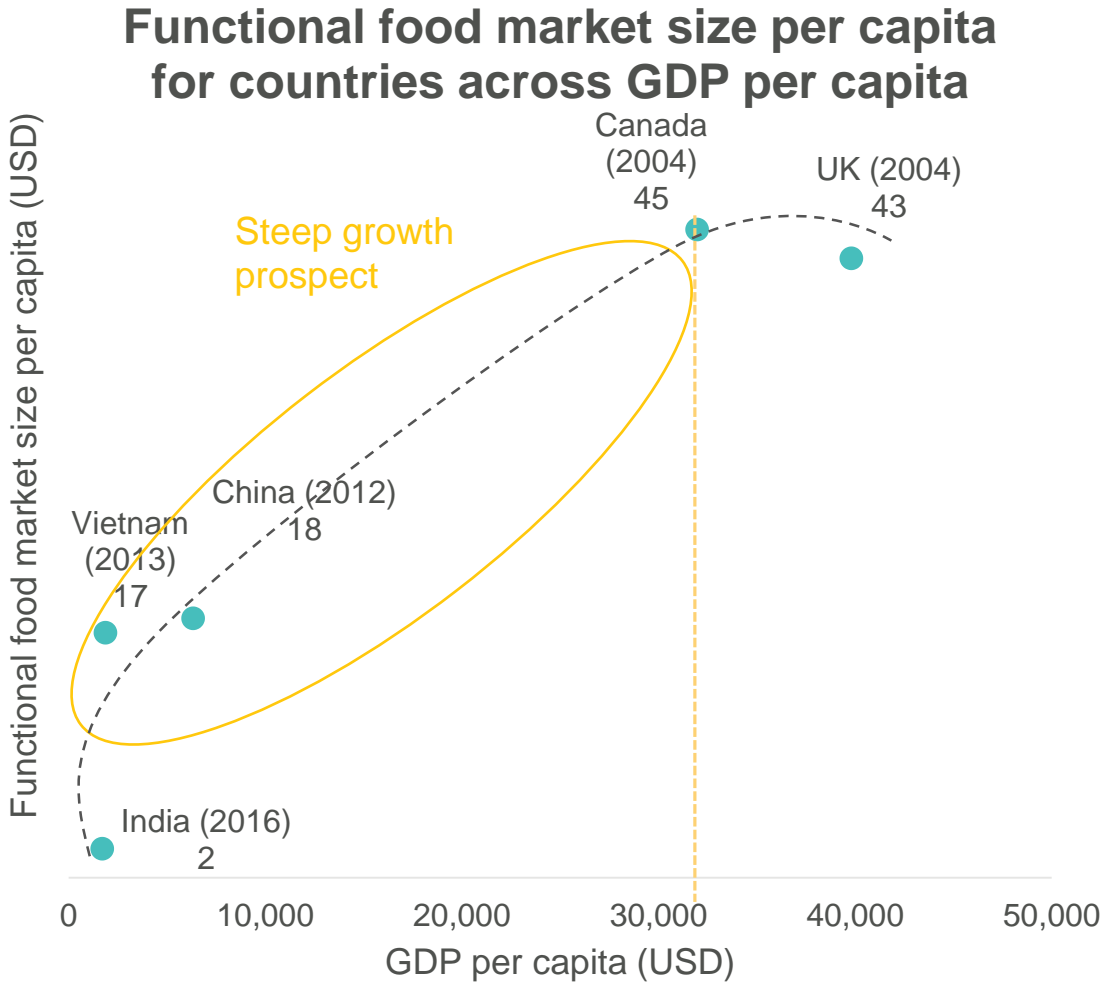
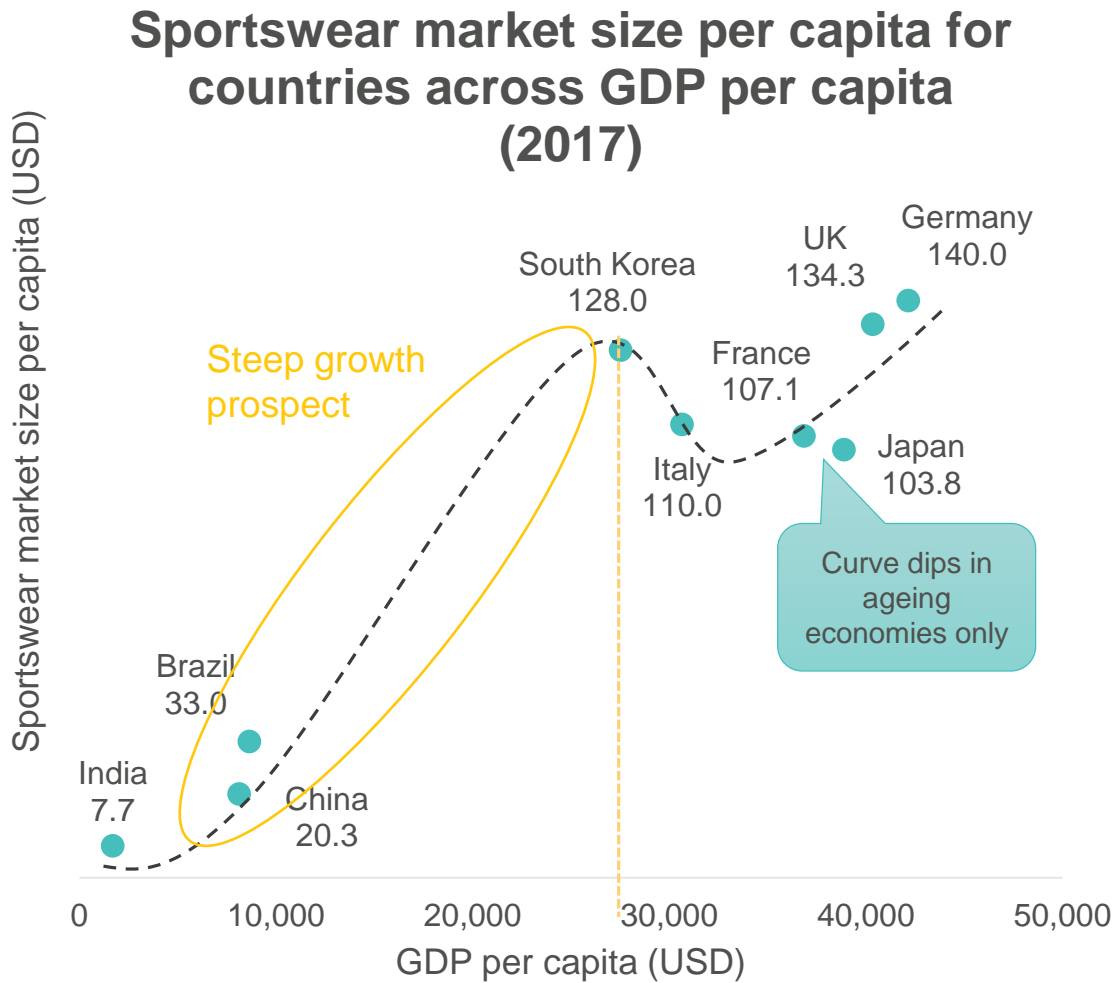
SFW share in key consumer spend buckets is growing rapidly, plus new SFW categories have emerged

Share of SFW within ‘organized’ key consumer categories (2016, USD B)



Note: Sports includes gate revenues, media rights, sponsorships and merchandising

India is approaching the SFW market growth inflection point that will not taper off for a long time (typically growth tapers off at USD 30-35k GDP per capita levels)



Key imperatives

For Investors (PE/ VC/ Family funds of related enterprises)

- How can VC/PE investors 'spot the winners' to the attractive SFW trend?
- Based on the consumer journey, what whitespaces exist in the consumer need (food/ apparel/ facility/ trainer/ other) that can be monetized?
- What are the expected adoption curves by sport category? What are the related business incubation opportunities?
- How can your current Consumer portfolio companies extend their brand and products into SFW?
- How does Digital impact the Go-to-market on value chain, product discovery and product delivery (including conceptualization)? What additional capital needs does it create for the business?

For Consumer product and services companies

- How can one capture a larger share of wallet within the existing customer/consumer base?
- How should one think of value chain as an asset and not an impediment for market expansion?
- How can brands adopt 'Unified Commerce' to integrate into Consumers' lives more tightly? How can higher RoI be realized from deeper customer engagement/ brand development and increased digital marketing?
- How can a brand map customer needs and convert into product - Agility with Relevance? How can it create a targeted-yet-universal appeal (a la Nike)?
- What should be the operational optimization focus for these retail efforts (operations and cusp with omni-channel and tech enabled value chain)?

Sources of input considered

1. Secondary Sources we used to study popular perspectives

- Press review: The Economic times, Financial Times, Business line, Financial Express, Mint
- IBEF
- World Food India, 2017
- ASSOCHAM India Report
- Euromonitor International as derived from different articles
- Tech-Sci research report
- Market Access Secretariat Global Analysis Report
- International Food and Agribusiness Management Review
- MARDI
- Statista
- KMPG: The Business of Sports
- PWC: Imperatives of growth, the wellness industry
- Nielsen derived from Economic Times Article
- Journal of Food Engineering

2. Praxis Consumer Market Model (proprietary)

3. Market visits and industry conversations (retailers, manufacturers)

Glossary of terms

	Term	Description
Industry related	SFW	Sports, Fitness and Wellness
	Functional foods and beverages	Functional foods are foods that provide health benefits beyond basic nutrition due to certain physiologically active components
	PE	Private Equity; General term used for PE and Venture Capital (VC) investments
Units	CAGR	Compounded Annual Growth Rate
	FY	Indian Financial Year starting April 1 st of one year and ending on 31 st March of the next year
	Cr	<i>Crore = 10 million</i>
	INR	Indian Rupees <i>Note: 1 USD is assumed as INR 65 in all calculations</i>

About the authors



Nidhi Agarwal

Leader – Digital brands, Agile Consumer Ops (Praxis Global Alliance)

EIR – YourNest Venture Fund, Founder – KAARYAH.com, Ex-Bain & Co, Honeywell, Airtel, KPMG

- Pioneered tech enabled online brand building and brand led value chain innovation
- ~20 years experience in Strategy, tech-enabled products and digitally integrated brand development

Chartered Accountant, MBA (Kellogg School); India's Top 30 Businesswomen 2016 by Business World, CNBC Young Turk 2015



Madhur Singhal

Leader – Consumer and Digital

Managing Director (Praxis Global Alliance)

Ex-Partner at Bain & Co, BCG

- Deep experience with growth strategy, Go-to-market and overall Digital/Analytics implementation
- >14+ years of experience in creating value for financial investors and family-run businesses

MBA (IIM Ahmedabad, Schulich School), B.Tech. (IIT Delhi)

Praxis Global Alliance is a global business analytics, research and advisory firm. We believe that clients should get a very high ROI on research and advisory spends. We do this by combining domain experts, technology and 'lean cost' delivery approaches.

Our **Consumer practice** covers the full basket (goods and services) of the consumer to bring most meaningful and current insights to our work with Financial investors and Consumer companies. We do this by:

- Conducting proprietary research on various market sub-segments
- Tracking brand stories of legacy brand leaders and emerging winners (online, offline)
- Building comprehensive on-ground IP that enables us to deliver insight at the ground level (e.g. distribution retail network mapped across the country)
- Leveraging innovative web analytics to draw actionable insight
- Combining 'on-ground' practitioner experience with analytics to create 'superior outcomes'

About Praxis Global Alliance™

Praxis Global Alliance is a global business analytics, research and advisory firm. We believe that clients should get a very high ROI on research and advisory spends. *We do this by combining domain experts, technology and 'lean cost' delivery approaches.*

Our expertise:

PraxDigital™

Data engineering and analytics, AI, OpenData and Visualizations

Financial Investors Group (FIG)

Pre-deal support, Commercial DD, Post-acquisition value creation

Business Excellence & Transformation (BET)

Next-gen business advisory (lean-cost, long duration engagement)

PGA Labs™

Cutting edge business research and tools



Praxis is 'Practical'



We work with agility, flexibility and embed with your teams to enable SUPERIOR OUTCOMES



We bring the best domain expertise (deep pool of industry practitioners) and implementation teams as two-in-a-box



We leverage technology deeply to enable higher-ROI on your consulting/analytics spend

Contact us

We will be happy to share perspectives

PRAXIS
GLOBAL ALLIANCE

*Build together.
Win together.*

Madhur Singhal

Leader – Consumer and Digital, Mumbai

 madhur.singhal@praxisga.com

 +91 908 221 8254

Nidhi Agarwal

Leader – Digital brands, New Delhi

 nidhi.agarwal@praxisleader.com

 +91 11 4932 3564

Aryaman Tandon

Leader – Digital and Analytics, New Delhi

 aryaman.tandon@praxisga.com

 +91 11 4932 3564

Share your thoughts with us using the hashtags **#PraxGlobal** **#PraxInsights**



[Twitter](#)



[Linkedin](#)

www.praxisga.com | www.insights.praxisga.com

New Delhi | Mumbai | Bengaluru | Singapore | ...and growing.

Disclaimer:

This material has been prepared by Praxis Global Alliance, which is the trade name of Praxian Global Private Limited ("Praxis") with the intent to showcase our capability and disseminate learnings to potential partners/clients. This material can be referred to by the viewers on the internet but should be referenced to Praxis Global Alliance, if reused or adapted in any form or in any forum. The frameworks, approaches, tools, analysis and opinions are solely Praxis's intellectual property and are a combination of collection of best data we could find publicly, and Praxis team's own experiences and observations.

We make no representation or warranty, express or implied, that such information is accurate or complete, and nothing contained in here can be construed as definitive predictions or forecasts. Before reading further, the Recipient expressly agrees that this might not address any and all risks and challenges facing Recipient, its business and the markets within which it operates, nor all possible market conditions. No responsibility or liability whatsoever is accepted by any person including Praxis or its Business partners and affiliates and their respective officers, employees or agents for any errors or omissions in this document.

This document is not complete without an accompanying oral discussion and presentation by Praxis though Praxis is not obligated to do so. Praxis does not have any duty to update or supplement any information in this document. Praxis shall not be responsible for any loss sustained by any person who relies on this presentation.