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# Operation Management and Financial Analysis of a Sports Globalization App called Zhijing

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**Abstract:** Our team plans to establish a technology company called Bengbu Zhuoran Technology Co., Ltd., which develops a sports globalization app called Zhijing. Firstly, this paper analyzes the main functions, product technology and support of the app. Secondly, it analyzes the market background, market status, market positioning and industry development trend of the app. Thirdly, it analyzes the marketing mode and marketing strategy of the app. Finally, we analyze the capital structure, assets and liabilities, profits, expected income and other issues of the company.

**Keywords:** Market positioning, Marketing mode, Financial analysis.

## 1. Overview of the Company

The name of the company is proposed to be "Bengbu Zhuoran Technology Co., Ltd.". Registered as a technology company, the company is mainly engaged in the research and development of mobile phone software, focusing on sports fitness software. Its business scope also includes the dissemination of sports culture and the sales of fitness products. The company's products are mainly a sports globalization app called Zhijing, which is a comprehensive software integrating sports fitness, sports event broadcasting, sports culture communication, making friends and shopping. It is committed to driving people to exercise and improve their physical quality.

At the initial stage of the launch of the app, we should use advertising and activities to attract users and improve the stickiness of users. On the basis of ensuring the number of product users, we should continue to promote in various ways to attract new users. All kinds of products should be continuously improved through multi-party cooperation, so as to promote the market share of products and promote the development of the company. The platform cooperates with merchants selling fitness equipment and fitness products, sports culture experts and other aspects to provide users with diversified and multi-functional and comprehensive special category applications. The company takes users as the core and carries out the research and development and updating of new products according to the needs of consumers. It should effectively meet the needs of users, and the functions of products should be constantly updated with the changes of user needs [1].

The development stages of the company are as follows: the first stage is publicity and promotion. First of all, let the public know our products by holding activities, advertising and sponsoring programs, and use all kinds of marketing means to attract a group of first-generation users. The second stage is to improve the product. After the product has been in operation for a period of time, update the product according to the feedback of user needs and market changes, pay attention to the changes of various information in time, and the update speed should keep up with the change speed of user needs. In addition, increase cooperation with merchants on the platform and constantly improve products. The third stage is to establish a brand. When the product has a group of stable old users, that is, when the product enters the mature period, improve the popularity and recognition of the brand by increasing the guarantee of commodity quality on the platform and optimizing product pages and functions. Improve the market share of products. The fourth stage is to fix old users and attract new users. On the basis of certain brand awareness, a new round of marketing promotion will be launched to attract new users to use the products, increase the range and number of users, and hold some preferential activities to feed back to old users to fix the traffic of old users.

## 2. Products and Services

### 2.1. Overview of the App

Our app is a kind of sports fitness app. The app is mainly one for domestic users and one for the "one belt, one road" country. It aims to promote the national sports movement with the aim of "sports culture and service for users". The app covers sports video sharing and learning, sporting goods sales, sports culture communication, Olympic Broadcasting, social networking and other functions. Here, users can choose appropriate sports videos to learn and exercise according to their fitness needs, understand relevant sports knowledge, and buy sporting goods with quality and quantity in line with their own wishes. At the same time, in all kinds of activities held by the platform, all participants can contribute to public welfare activities and do their part for China's public welfare undertakings. Facing the environment of increasingly close international exchanges, we are ready to be a pioneer in the field of sports software and provide a suitable platform for the integration of international sports culture, so that all people who love sports at home and abroad can communicate and learn from each other in this app. At the same time, drive the whole people to participate in sports [2].

### 2.2. Main Functions of the App

(1) Import page. Open the app presentation import page, the logo of the software will appear, and guide people to participate in this sports and cultural feast in the form of

invitation. Users can click any area to enter the next page.

(2) Register login page. Users need to register and log in before entering the app for the first time. The registration method is mobile phone registration, or they can log in through a third-party account.

(3) Interface. The app page is divided into five parts: home page, community, plan, mall and my page. Users will conduct a hobby survey for the first time, including the preference of sports culture, the choice of sports methods, and the preference for hot topics (such as the Olympic Games).

(4) Fitness and fat reduction. This section is divided into free fitness camp and paid fat reduction camp. The page adopts single row browsing mode, and the sliding page can view more activity information. Users can click the activity to enter the page to understand the relevant contents of the activity. After joining, they can set the activity reminder function. Join the free fitness camp. Users can adjust the training time, choose the courses they are suitable for and interested in, share the daily clock in and record their daily fitness. After joining the paid fat reduction camp, users will first conduct relevant questionnaire surveys, including age, current weight and ideal weight, height, hand circumference, waist circumference, leg circumference and injury experience of free filling in the blank. The software will formulate corresponding training plans and recommend diet according to the user's answers, so that customers can feel their own sports process and stimulate their enthusiasm for sports.

(5) Community and privacy. The community is an exchange community for all users. An exchange platform is set up for different hobby groups, which can be used for the release of daily fitness punch in videos, the experience of training, the sharing of fat reducing meals, etc. The page adopts the single row browsing mode, and the sliding page can view more community activities. Under the released community dynamics, it has the functions of praise, comment, collection and forwarding. When publishing, users can choose "public publishing", that is, all users in the community can browse, or they can choose "private publishing", that is, only themselves can browse. According to the hot wind direction, combined with the comprehensive calculation of users' likes, collections and browsing times, the system launches daily updates and recommendation dynamics. The software will also invite popular sports bloggers to broadcast live in the community, share sports skills and experience, and help the full name sports.

(6) My page. The user's personal center is used to store all kinds of user's personal information and various personalized and privacy settings. ① Membership settings. Click the avatar to learn about member benefits and related expenses. ② Click the personal home page, users can modify the information, change the avatar, and view the sports talents they pay attention to and the number of their fans. Click QR code scanning to quickly add friends. ③ The page directly displays the shopping cart and user orders, including all orders, pending payment, pending delivery, pending receipt, evaluation, refund, after-sales and other contents. Click to view the order details. The order status will be updated in real time, such as whether the payment is successful, whether the merchant has received the order, whether the order has been delivered, whether the order has been completed, etc. In addition, this function cooperates with shopping software such as Taobao and Pinduoduo to compare and purchase multiple commodities to improve users' shopping experience.

(7) Product sales area. The mall is a way for all users to buy products from stores. This page includes search, commodity classification and user commodity display modules. ① Commodity column. Classify the goods of merchants to help users quickly find their favorite goods within the scope. The categories of classification include household equipment, sports bracelets, sports equipment, health food, men's and women's clothing, software peripherals and all categories. Click any category to see a large number of goods. ② This section cooperates with Taobao, Pinduoduo and other shopping software to compare and buy a number of goods to improve users' shopping experience. ③ According to the movement wind direction, combined with the comprehensive calculation of users' likes, collection videos and browsing times, the system cooperates with merchants to launch daily updated and recommended products.

(8) Video up master contract. When the number of published works and fans reaches a certain number and the popularity reaches a certain height, users can apply to become the signing sports talent of the app and get the recommendation of the app. The software will release the top three sports talents of each month, and present exquisite sports blind boxes.

## 2.3. Product Technology and Support

(1) Customer service. Customer service can be divided into manual customer service and electronic customer service, in which manual customer service can be subdivided into text customer service, video customer service and voice customer service. Text customer service refers to customer service mainly in the form of typing and chat. Video customer service refers to customer service mainly in the form of voice and video; Voice customer service refers to customer service mainly in the form of mobile phone. Electronic customer service refers to the service activities carried out by people using electronic means, including the solution of problems related to login, etc.

(2) Payment system. Through Alipay, WeChat two third party payment methods, Our app ensures that buyers and sellers transactions can be carried out safely and reliably. On the one hand, the payment system is protected by the third-party platform, on the other hand, it is protected by the business enterprise background of app. Professional technicians in the team are responsible for the technical support of app to ensure the safety and reliability of transactions between users and merchants [3].

(3) Business background support. Merchants settled in the mall need to provide proof information and sign relevant agreements. Merchants mainly use app to carry out the following activities: upload the basic information of their online goods and complete pricing; Check the orders of your own shops and complete the preparation and distribution; Set up their own preferential promotion activities. Understand the browsing volume, order volume and other series of data of online stores from the background.

(4) Logistics services. Our logistics service is a logistics form in which the third-party logistics enterprises undertake the logistics activities of enterprises. It does not belong to the first party or the second party, but provides its professional logistics services through cooperation with the first party or the second party. It does not own or participate in the sale of goods, but provides customers with a series, personalized and information-based logistics agency service constrained by contract and based on alliance.

# 3. Market Analysis

## 3.1. Market Background

### 3.1.1. Rise of the National Movement

(1) The rise of mass movement. In recent years, with the improvement of people's living standards and the call of the concept of "healthy China", more and more people begin to pay attention to the investment in their own sports health. From the aunt exercising in the square and the uncle doing morning exercises to the teenagers running on the green field in primary and secondary schools, from a few scattered runners running on the street to passionate young people in major gyms, sports already exist in every moment of our life.

(2) The rise of ice and snow sports. The 2022 Beijing Winter Olympic Games ignited the passion of the whole people for ice and snow sports, making "cold" ice and snow a "hot" fashion, and the trend of ice and snow sports swept across the country. The enthusiasm of the young people to participate in the snow and ice movement is rising.

### 3.1.2. Internet Development in China

With the rapid development of mobile Internet, the Internet has gradually penetrated into all aspects of people's study, work and life, and has a great impact on human production and life, enterprise development and social progress. According to the survey, at present, the average online time of Chinese netizens is 16.2 hours / week. Due to the frequent use of mobile Internet, netizens gradually increase their dependence on the Internet and have higher and higher evaluation on the positive role of the Internet. 93.1% of netizens believe that the Internet is very helpful to work or study, especially in entertainment. The proportion that the Internet enriches the entertainment life of netizens is as high as 94.2%.

### 3.1.3. E-commerce Maturity

According to the research report, China's e-commerce has entered a relatively mature stage of development. Although China's e-commerce started later than developed countries, in recent years, e-commerce has developed rapidly in terms of transaction volume, growth rate and proportion in total retail sales. China has become a real e-commerce country.

### 3.1.4. Daily Application of Social Software

According to the data of iiMedia Research, in the first half of 2021, the post-95 and Post-00 mobile social platform users in China accounted for 14.1% and 18.8%, accounting for 32.9% in total, compared with 36.8% before 85. At present, the mobile social networking industry is obviously showing a younger trend, and focuses on grasping the new generation, especially the mobile social networking platform after 00. The platform with the characteristics of low user stickiness and high willingness to pay will occupy a competitive advantage.

### 3.1.5. High Attention to the Olympic Games

On the evening of February 20, 2022 Beijing time, the Beijing Winter Olympics came to an end. Last summer's Tokyo Winter Olympics attracted more than 3 billion viewers around the world. The ratings of the Beijing Winter Olympics have not been released, but all parties are optimistic about the estimate of this figure.

## 3.2. Market Status

(1) User requirements. For many people, having a good figure can add a lot of charm to themselves. For people who love to eat and worry about getting fat, proper exercise and fitness is the best choice. In the era of mobile Internet, fitness app software such as "about running" and "about fitness" in the market has become the interactive mode of best friends in the new era. With the advent of fitness boom, more and more people join the ranks of fitness. Like a raging fire, the fitness enthusiasm of the public has stimulated more rapid development of fitness related industries. Especially the intelligent wearable equipment and intelligent fitness app generated by the combination of "Internet plus" have been developing vigorously. People can exercise anytime and anywhere through a fitness app application. They can achieve a perfect figure without going to the gym. In this way, the development of fitness app has brought great convenience to people [4].

(2) Functional requirements. Fitness app combines intelligent sports hardware to encourage fitness workers to exercise by establishing a fitness plan. The fitness communication guidance of fitness sports app provides real-life fitness teaching videos, and provides customers with professional and personalized fitness plans according to the user's initial information and personal wishes.

## 3.3. Market Positioning

The SG Zhijing app created by our company is mainly aimed at young people. Compared with the traditional sports fitness software, this software mainly focuses on fitness competition, sports product shopping, sports experience sharing, sports culture introduction and public welfare punch in. In addition, a special Olympic zone has been created, including Olympic video broadcasting and sharing and introduction of Olympic hot figures. In one belt, one road is the axis of the SG app, which introduces the characteristics of sports and development communication history along the line. It is the purpose of building a community of interests. It advocates the national movement while advocating the concept of the campaign.

## 3.4. Development Trend of the Industry

Fitness exercise is a kind of exercise that uses special movement methods and methods to develop muscles, increase physical strength, improve body shape and cultivate sentiment through bare hands or various instruments. In recent years, with the improvement of the living standard of our residents and the baptism of COVID-19, people's health awareness has gradually increased, and the number of sports participants in China has also increased year by year. By 2020, the number of people who regularly participate in sports in China has reached 435 million, an increase of 27 million over 2019, a year-on-year increase of 6.62%. In April 2020, affected by the epidemic, the number of active users of sports fitness app in China was only 27.46 million. However, at the same time, the epidemic has had a far-reaching impact on the operation of traditional gyms. Users' fitness habits are changing rapidly. With the help of Internet sports and fitness platform, the proportion of users' outdoor fitness and family fitness continues to increase. In April 2021, the monthly active users of Internet sports and fitness platform reached 54.79 million, growing rapidly. The distribution channels of fitness courses are rapidly online, and the online trend of sports and fitness is irresistible.

# 4. Analysis of the Profit Model

## 4.1. Online Advertising

SG Zhijing app inserts some advertisements in different ways and charges advertisers a certain fee.

(1) Banner Ads. We use the top of the main page of the platform as the advertising display area, and the interface displays the latest and popular trends of sports courses or sports goods to users in a regular rolling manner. Banner advertising has a large amount of display, wide media coverage and strong communication ability. Rolling publicity can leave a deep impression on users, so as to achieve better publicity purposes. Banner advertising is charged according to the length of display. We charge advertisers a certain length of advertising fee as revenue, which is relatively stable.

(2) Open screen advertising. Open screen advertisement is the first interface advertisement that users receive when they open an app. It is generally beautifully designed, has a large display target, is eye-catching and has a strong ability to highlight. Therefore, we will publicize some of the latest official activities of the platform, the sports video up owners with a large number of fans signed with the platform and the advertising display required by other important advertisers on the open screen advertising. The effect of open screen advertising is the best, and the charge is high. Using the billing method of thousands of people, we will charge a certain advertising fee in combination with advertising clicks, traffic and advertising space.

(3) Information flow advertising. At the bottom of the sports news information interface, we will put information flow advertisements. There are many ways to present information flow advertisements, such as small pictures, large pictures and graphic links. The layout is neat and attracts users' attention. Using artificial service optimization algorithm and data analysis, the platform can intelligently calculate the interests and hobbies of users and push accurate content for users. In this way, on the one hand, users' browsing volume is increased and users' application feeling is improved. On the other hand, it brings profits to advertisers, from which the platform can also obtain advertising expenses [5].

## 4.2. Commission Income

(1) Store fees. Our platform will collect rent and deposit from participating merchants, so as to standardize the business behavior of merchants in real time, protect the reputation of our app, enter the market in good faith and open the popularity. For businesses with better business conditions, we take rebate as encouragement, such as rebate profits, or improve the ranking of businesses to give them more traffic. This mechanism can improve the business enthusiasm of merchants, encourage them to attract users and bring more benefits to the platform.

(2) Video copyright fee. Based on China's regulations on the protection of people's intellectual property rights, our platform has also met the corresponding requirements. For the original video uploaded to the platform by the sports and fitness video up owner, the platform will decide whether to charge 5% copyright fee according to its own will to protect its video copyright.

## 4.3. Business Cooperation

In our platform, video up owners can cooperate with fitness and fat reduction studios, receive more formal training from the studios, or cooperate with sports equipment stores to endorse and sell them. For the cooperation between video up owners and studios and stores, we will charge a certain intermediary fee after the cooperation is reached.

## 4.4. Data Service

We employ a professional platform operation team to conduct big data analysis for the information used by users of the platform, convert the information of users' interests and concerns into market demand information, provide the basis and direction for the technical improvement and content update of our platform, and contribute to the further improvement of our platform. At the same time, reflecting the paid data analysis to the partners will help the effective adjustment of the partners' business mode, improve their comprehensive competitiveness, and contribute to the overall development of our platform.

## 4.5. Membership Services

Our membership services include customized personal courses, exclusive coach teaching, full reduction of goods, discounts, special customer service, etc. users become one of the members of this platform through recharge membership fees, and can have a better experience when enjoying the services of this platform.

# 5. Marketing and Product Strategy

## 5.1. Marketing Strategy

(1) Emotional marketing strategy. In the era of emotional consumption, what consumers value when buying goods is no longer the quantity, quality and price of goods, but the pursuit of emotional satisfaction and psychological recognition. Emotional marketing is starting from the emotional needs of consumers, committed to arousing and arousing the emotional needs of consumers, and inducing consumers to have spiritual resonance. In this way, emotional marketing is to make emotional marketing win ruthless competition. Therefore, emotional marketing strategy is most suitable for the third stage of digital marketing strategy - "enhancing user viscosity". For example, Pepsi Cola's "take music home" micro film on Weibo captured users with emotion. For this platform, the valuable available emotional factors include the love of sports and fitness, the pursuit of bodybuilding posture, the focus on healthy physique, the sports passion set off by the Winter Olympic Games, and so on. Skillfully using the emotional plot of users to set the emotional background for our platform can promote effective marketing.

(2) Experience marketing strategy. For the current situation of the transformation of modern consumer ideas, enterprises must make great efforts in brand promotion and let experiential marketing have a deeper understanding of consumer needs. To this end, we provide users with some free experience sports courses. First, let users have a certain initial impression of our products, give users the most authentic use experience, and then make appropriate adjustments for our product courses according to their experience, so as to better cater to users' tastes.

(3) Word of mouth marketing strategy. Word of mouth marketing means that enterprises let users spread our product information and brand through the communication between relatives and friends. This marketing method has high success rate and strong credibility. The marketing method based on word-of-mouth communication is called word-of-mouth marketing. To this end, we must first do a good job in our own

brand building, provide users with high-quality products and services, and attract user traffic. Thirdly, we can encourage users to introduce and recommend the platform to their surrounding people through the reward mode of forwarding, so as to help the platform expand users, stimulate everyone's interest in sharing positive word-of-mouth, and provide positive guidance for the platform brand.

(4) Member marketing strategy. Member marketing is a marketing method based on member management. By setting up member system and analyzing member consumption information, businesses can tap customers' subsequent consumption power and continuously absorb lifelong consumption value. Secondly, the value of a customer can be maximized through customer referral and other methods. In terms of operation ideas and concepts, there are many differences between member marketing and traditional marketing. In the digital marketing campaign, the most effective way is to use digital means to group, clean and optimize the members of the enterprise, and then formulate targeted marketing strategies. When promotional activities are carried out, different content focused dissemination can be carried out for different groups. By distinguishing user groups through membership and combining different business plans, the platform can obtain benefits more accurately.

## 5.2. Product Strategy

### 5.2.1. Product Positioning

**Table 1.** List of platforms and services

| Platforms | Services |
|---|---|
| Course platform | Daily sharing of fitness video courses and video up Masters |
| Information platform | Sports news information |
| Social platform | Sharing and communication between users and video up owners |
| Shopping platform | Sports equipment, clothing and food |
| Cultural platform | Sports culture and sports spirit publicity |
| Olympic zone platform | Olympic video and live broadcast, hot people and events |
| Service platform | Public welfare activities, concessions and benefits, member services |

### 5.2.2. Product Selection Strategy

For the selection of appropriate products, there are only three concerns - product sales, quality and price. First of all, the products with good sales volume must be in line with consumers' wishes and expectations. To achieve this, our platform will first investigate the shopping wishes and needs of different users. In order to meet the preferences of consumers, we will formulate cooperation target plans in the direction of the investigated demand and find suitable partners. Secondly, the quality of goods is the most important factor to retain consumers. Only when the quality of goods is absolutely guaranteed can we leave a good impression on consumers, and the platform can attract repeat customers, and such consumers will become loyal fixed users of the platform, which will bring us relatively stable benefits and the key to the profitability of the platform. At the same time, it will create a good reputation label for our platform. Therefore, when choosing cooperation, we will find the most reliable brand merchants with high integrity for consumers to ensure the reliability of commodity quality. At the same time, we will implement the supervision and reporting system for their commodity sales, so that platform users can consume at ease. Finally, the rationality of commodity prices is also an important factor affecting consumers' shopping. Learning from the operating lessons of other similar platforms, our platform chooses to cooperate with external merchants to build a shopping platform, and only charges certain franchise fees, guarantee fees and profit commissions from merchants as profit items, so as to avoid all kinds of expenses to be borne by self-produced goods. Selling in this way can control the price of goods within a reasonable range and attract consumers more widely.

### 5.2.3. Product Standardization Strategy

Product standardization is an activity process, which is composed of three related links, namely, formulating, publishing and implementing standards. This activity process is an endless cycle rising process in depth. That is to formulate standards and implement standards. In the implementation, with the progress of science and technology, summarize and revise the original standards in time, and then implement them. Every week of the cycle, the standard will rise to a new level, enrich new content and produce new effects. The purpose of standardization is to "obtain the best order and social benefits".

(1) Promotion strategy. ① Advertising promotion. Relying on the dissemination of network information, put the advertisement of SG Zhijing app into the page of small game application or website, increase the exposure of app and attract more users. ② App store promotion. Summarize the keywords and outstanding advantages of SG Zhijing app, briefly introduce the role and value of the app, and submit the content to the mobile app store after standard layout, so that users can more directly, conveniently and comprehensively understand the purpose and creativity of the app through the app store. Downloading apps through the regular channel of mobile app store can improve users' trust and support for us. WeChat official account is promoted. SG will be competing with app to establish an official account in WeChat. Through the operation of the official account, we will compile articles and activities promoting app, which will disseminated information about the functions and advantages of our platform to WeChat users. At the same time, it can provide benefits to users on WeChat official account platform. ④ Microblogging promotion. Among the many topics on microblog, sports topic has attracted much attention and the heat has not decreased. Therefore, SG Zhijing app will create an account on the microblog and regularly push some shops, sports courses and information pictures about the app to refresh the status in real time in front of microblog users and attract more users to download the app. We will officially interact with users on Weibo, or distribute app benefits through Weibo to push the app in front of the public. ⑤ Celebrity forwarding promotion. Invite spokesmen who are well-known in sports and fitness or have a voice in sports to speak for the platform, forward platform promotion articles, publicize the high-quality business of the platform, and attract more users to settle in.

(2) Promotion strategy. ① Traditional whole network promotion day promotion. Traditional promotion days

include double 11, double 12, new year's festival and so on. According to the experience of similar other platforms, the implementation of full reduction, discount, issuance of coupons and other activities can obtain a very considerable turnover on the promotion day. With the concept of small profit and quick turnover, the platform can still obtain several times higher income than usual after the promotion activities. Therefore, our platform will seize the golden opportunity of traditional promotion day, carry out value-added promotion activities of goods and courses, seize the special consumption psychology of consumers, and carry out publicity and promotion on WeChat, Microblog and Clients. ② Self built promotion day. Set another special time as the promotion day to carry out theme promotion activities.

## 5.3. Pricing Strategy

(1) Mantissa pricing. Mantissa pricing is to use the method of keeping the mantissa without rounding the commodity price, and use the psychological factors of consumers to set the price of commodities. It is common to lower the mantissa of the price reservation by one digit, and it is more common to end the price with the number of 6, 8 and 9, because it will give consumers a sense of cheapness or auspiciousness.

(2) Prestige pricing. After analyzing and studying the relationship between price and quality cognition of many commodities, we will find that this relationship is positively correlated. For example, people will default that cars with higher prices are more likely to have higher quality, and may recognize that the price of high-end cars can be higher than their real price. The method of selling cars is prestige pricing. The higher the price of the product, the greater the value of the commodity, the better the quality, the more expensive and the more brand. Using prestige pricing method can not only bring us rich profit returns, but also enable consumers to obtain a great sense of psychological satisfaction and security. However, because prestige pricing is not applicable to general products, we only use it in brand based sports goods and advanced customized sports courses.

(3) Solicit pricing. Solicitation pricing is to use some customers' psychology of seeking low price when purchasing goods, and deliberately set the price of some products lower to attract customers. Some stores implement the strategy of randomly launching low-priced goods to ensure that there are one or two kinds of goods sold at low prices every day. While often selling cheap goods, they can also attract customers to buy other goods at normal prices. When pricing, we rely on the reference price, and when customers evaluate a product, they often have a reference price in their brain. Therefore, the solicitation pricing method plays an obvious role in more and more frequent preferential promotion activities. Therefore, during the promotion day, we will guide consumers to rush buy through soliciting pricing strategies, so as to expand the publicity effect.

## 5.4. Market Penetration and Development Plan

(1) Market penetration. The setting of products mainly focuses on sports fitness courses, sports commodities, all kinds of sports information and sports knowledge; The age of the population is mainly adults over the age of 18, especially universities and working groups. In terms of geography, according to market analysis, the economically developed areas in the East have higher acceptance and popularity of such apps, and the demand market is also larger. Therefore, we will focus our attention on these sports demand groups and provide them with the services and products they need. SG Zhijing app will also be gradually popularized among users of other ages or regions. We will continue to explore the real needs of users, change deficiencies, improve the comprehensive competitiveness of our platform, continue to develop market potential and strive to build a mature app.

(2) Market development. Sports apps often remind people of health, vitality, positive and other endorsements. Therefore, we will expand the "sports +" linkage activity market of sports + tourism, sports + food and sports + public welfare as an innovation point.

## 5.5. Emergency Countermeasures for Unexpected Situations in Marketing

The platform will resolutely safeguard the legitimate rights and interests of users. When the legitimate rights and interests of users on the platform are damaged, the person in charge of the platform will come forward to investigate the truth at the first time and compensate the actual losses of users. In case of conflict between users and merchants of the shopping platform, the person in charge of the platform shall negotiate and mediate, and strive to peacefully solve the contradiction between the two sides. If the cooperative merchants violate the principles and regulations of the platform, the platform will give a warning; If it knows it will commit a crime again, the platform will make a fine or even terminate the cooperation. For the quality of goods and services, businesses accept the supervision of the platform and users by default. Users have the right to report, and the platform will remind them. If the platform operation participants have non-standard behaviors, the person in charge of the platform will point them out and provide them with professional knowledge and skill training to standardize the operation of the platform. The platform will update the development strategy in real time according to big data analysis to help the efficient operation of the platform.

# 6. Financial Analysis

## 6.1. Capital Structure and Early Investment

It is estimated that the initial start-up capital of the company mainly comes from personal investment, bank loans, venture capital and college students' venture capital application. It is estimated that the registered capital is 1million yuan, including 200000 personal investment, 300000 bank loans, 350000 venture capital, 150000 college students' Entrepreneurship applications, including 50000 college applications and 100000 social applications.

## 6.2. Financial Statements

Financial statements are accounting statements that reflect the capital and profit status of an enterprise or budget unit in a certain period of time. The financial statements can comprehensively show the financial status, operating results and cash flow of the store in a certain period of time, help the operation and management personnel better understand the development status of the company, estimate the future development of the company, make timely response decisions, and improve the quality of our operation and management. The following financial statements are expected financial statements, not actual statements.

### 6.2.1. Balance Sheet

**Table 2.** Balance sheet

| Assets | Balance in Year end | Balance at the beginning of the year | Liabilities and owner's equity | Balance in Year end | Balance at the beginning of the year |
|---|---|---|---|---|---|
| liquid asset | | | Current liabilities | | |
| Monetary funds | 4,559.00 | 7,889.00 | Short-term borrowing | 5,555.00 | 66,666.00 |
| Trading financial assets | 13,414.00 | 14,411.00 | Transactional financial liabilities | | |
| Bills receivable | 1,441.00 | 414.00 | Bills payable | 66,666.00 | 333,333.00 |
| Accounts receivable | 522,445.00 | 555,555.00 | Accounts Payable | 13,313.00 | 113,444.00 |
| Advance payments | 521.00 | 6,777.00 | Accounts received in advance | 1,333.00 | |
| Interest receivable | 66,666.00 | 67,777.00 | Remuneration payable to employees | 13,311.00 | 1,113.00 |
| Dividends receivable | | | Taxes payable | 1,333.00 | 1131 |
| Other receivables | 666.00 | 7,777.00 | Interest payable | 6,666.00 | 3,333.00 |
| Stocks | 6,353.00 | 6,666.00 | Dividends payable | 1,313.00 | 1,313.00 |
| Non-current assets due within one year | | | Other payables | 1,313.00 | 13,333.00 |
| Other current assets | 333.00 | 6,666.00 | Non-current liabilities due within one year | | |
| Total current assets | 616,398.00 | 673,932.00 | Other current liabilities | | |
| Non-current assets: | | | Total current liabilities | 110,803.00 | 533,666.00 |
| Financial assets available for sale | 3,333.00 | 5,355.00 | Non-current liabilities: | | |
| Hold-to-maturity investments | | | Long-term borrowing | | |
| Long-term receivables | 553.00 | 353.00 | Bonds payable | | |
| Long-term equity investment | | | Long-term payables | | |
| Investment real estate | 3,535.00 | 3,535.00 | Earmarked payables | | |
| fixed asset | 88,888.00 | 666666 | Projected liabilities | | |
| Works under construction | 22,222.00 | 22.00 | Deferred tax liabilities | | |
| Engineering materials | | 335.00 | Other non-current liabilities | | |
| Liquidation of fixed assets | | | Total non-current liabilities | - | - |
| Productive biological assets | | | Total liabilities | 110,803.00 | 533,666.00 |
| Oil and gas assets | | | Owner's Equity: | | |
| intangible asset | | | Paid-in capital (or share capital) | 333,333.00 | 333,333.00 |
| Development expenditure | | | Capital reserve | | |
| goodwill | | | Minus: Treasury shares | | |
| Long-term amortization of costs | | | Surplus reserve | | |
| Deferred tax assets | | | Undistributed profit | | |
| Other non-current assets | | | Total owner's equity | 333,333.00 | 333,333.00 |
| Total non-current assets | 118,531.00 | 676,266.00 | | | |
| Total assets | 734,929.00 | 1,350,198.00 | Liabilities and owners' equity combined | 444,136.00 | 866,999.00 |

As can be seen from the current balance sheet, our store is not only safeguarding the rights and interests of consumers and the company, but also taking into account the rights and interests of store operators and employees.

### 6.2.2. Income Statement

**Table 3.** Income statement

| Project | The amount for the current period | The amount of the previous period |
|---|---|---|
| **1. Main business income** | 72 | 0 |
| Less: Operating costs | 65 | 0 |
| Business tax and surcharge | 3 | 0 |
| Selling expenses | 2 | 0 |
| Manage expenses | 3 | 0 |
| Finance expenses | 2 | 0 |
| Impairment losses on assets | 3 | |
| Plus: Gain on change in fair value (loss is listed with a "-" sign) | | |
| Investment gains (losses are listed with a "-" sign) | — | 0 |
| Among them: investment income from associates and joint ventures | | |
| **2. Operating profit (loss is filled in with a "-" sign)** | — | 0 |
| Plus: Non-operating income | 5 | 0 |
| Less: Non-operating expenses | 3 | 0 |
| Among them: loss on disposal of non-current assets | 3 | |
| **3. Total profit (loss is filled in with the "—" sign)** | — | 0 |
| Minus: Income tax expense | 2.2 | 0 |
| **4. Total net profit (total loss is filled in with a "—" sign)** | — | 0 |
| **5. Earnings per share:** | | |
| 5.1Basic earnings per share | 44.64 | 0 |
| 5.2Dilute earnings per share | 43.56 | 0 |

### 6.2.3. Cash Flow

**Table 4.** Cash flow statement

| Project | The amount for the current period | The amount of the previous period |
|---|---|---|
| **1. Cash flow from operating activities** | | |
| Cash received from the sale of goods and the provision of services | 45.3 | 0 |
| Tax refunds received | 5.1 | 0 |
| Other cash received in connection with operating activities | 23.5 | 0 |
| Subtotal of cash inflow | 73.9 | 0 |
| Cash for the purchase of goods and payment for services | 35.7 | 0 |
| Cash paid to and for employees | 20.4 | 0 |
| Taxes paid | 3.7 | 0 |
| Other cash paid in connection with operating activities | 10.5 | 0 |
| Cash outflow subtotal | 70 3 | 0 |
| Net cash flow from operating activities | 3.6 | 0 |
| **2. Cash flow from investing activities:** | | |
| Recover the cash received from the investment | 5.8 | 0 |
| Cash received for investment gains | 8.9 | 0 |
| Net cash recovered from the disposal of fixed, intangible and other long-term assets | 6.4 | 0 |
| Net cash received from disposal subsidiaries and other business units | 10.7 | 0 |
| Other cash received in connection with investment activities | 23.3 | 0 |
| Subtotal of cash inflow | 34.1 | 0 |
| Cash paid for the acquisition and construction of fixed assets, intangible assets and other long-term assets | 12.4 | 0 |
| The cash paid for the investment | 5.3 | 0 |
| Net cash payments from subsidiaries and other business units | 5.8 | 0 |
| Other cash paid in connection with investing activities | 15 6 | 0 |
| Cash outflow subtotal | 39.1 | 0 |
| Net cash flow from investing activities | -5 | 0 |
| **3. Cash flows from fund-raising activities:** | | |
| Absorption of cash received from investments | | |
| Cash received for borrowing | 5.6 | 0 |
| Other cash received in connection with fund-raising activities | | |
| Subtotal of cash inflow | 5.6 | 0 |
| Cash paid to repay debts | 10.3 | 0 |
| Cash paid for the distribution of dividends, profits, or interest payments | 4.8 | 0 |
| Other cash disbursed in connection with fund-raising activities | 5.6 | 0 |
| Cash outflow subtotal | 20.7 | 0 |
| Net cash flow from fund-raising activities | 4.8 | 0 |
| **4. The amount of the impact of exchange rate changes on cash** | | |
| **5. Net increase in cash and cash equivalents** | 4 0 | 0 |
| Plus: Opening cash and cash equivalent balances | 3.4 | 0 |
| **6. Cash and cash equivalent balance at the end of the period** | 3.8 | 0 |

#### 6.2.4. Total Cost Estimation

**Table 5.** Total cost estimation (Unit: 10000 yuan)

| Project | Specific ways | First year | Second year | Third year |
|---|---|---|---|---|
| Payroll payable | Software developer compensation | 5 | 5 | 5 |
| | Salary of customer service personnel | 4 | 4 | 4 |
| | Salary of promotion personnel | 4 | 4 | 4 |
| | Salary of maintenance personnel | 4 | 4 | 4 |
| | depreciation charge | 15 | 12 | 9 |
| | Amortization expense | 5 | 5 | 5 |
| Selling expenses | Advertising expenses | 10 | 10 | 10 |
| Administrative expenses | Network communication fee | 2 | 2 | 2 |
| | Travel expenses | 1 | 1 | 1 |
| | R & D expenses | 20 | 20 | 20 |
| Financial expenses | Interest | 5 | 3 | 1 |
| | Intangible assets | 2 | 2 | 2 |
| | Total cost | 77 | 72 | 67 |

#### 6.2.5. Revenue Estimation

**Table 6.** Income estimation(Unit: 10000 yuan)

| Project | First year | Second year | Third year |
|---|---|---|---|
| Brand entry fee | 10 | 15 | 20 |
| Flow fee | 13 | 17 | 22 |
| Platform revenue sharing | 6 | 13 | 18 |
| Official account platform revenue | 7 | 10 | 15 |
| Commission | 12 | 20 | 25 |
| Promotion fee | 11 | 15 | 20 |
| Total | 60 | 90 | 120 |

## 6.3. Development Plan

**Table 7**. Development plan (Unit: 10000 yuan)

| Year | | Total operating income | Total operating cost | Current profit | Accumulated net profit | Development stage |
|---|---|---|---|---|---|---|
| First year | First quarter | 10 | 35 | -25 | -25 | The company was established, with more expenses and increased profits. |
| | Second quarter | 20 | 25 | -5 | -30 | |
| | Third quarter | 25 | 20 | 5 | -25 | |
| | Fourth quarter | 35 | 20 | 15 | -5 | |
| Second year | First half of the year | 60 | 40 | 20 | 15 | The product has entered a stable operation period. |
| | Second half | 80 | 30 | 50 | 65 | |
| Third year | Annual | 120 | 80 | 40 | 105 | Expand the scale and attract investment. |

Operating profit margin = operating profit / operating revenue×100%. First year: first quarter: - 25/10×100%=-250.00%. Second quarter: - 5/20×100%=-25.00%. Third quarter: 5/25×100%=20.00%. Fourth quarter: 15/35×100%=42.8%. Second year: First half year: 20/60×100%=33.34%. Second half: 65/80×100%=81.25%. Year 3: 40/120×100%=33.34%, Return on investment = 140%. The analysis and prediction show that the project starts positive capital flow in the third quarter of the first year. In the second year, the company fully recovered its investment capital and began to make a net profit. The company entered a period of all-round development.

## 6.4. Financing Plan

It is planned to raise 5 million yuan, 1.5 million yuan for company operation, 1 million yuan for product improvement, 1 million yuan for business expansion, 1 million yuan for market promotion and 500000 yuan for reservation.

## 6.5. Financial Summary

At the beginning of its establishment, the company needs app design and maintenance, technician salary, R&D equipment cost, advertising and promotion cost, interest, internal management cost, etc. After the launch of the app, it earns profits such as traffic fees, commissions, cooperation promotion fees and income of each platform. During the three-year operation period, the operating profit margin of the proposed company will increase year by year, the return on investment will be 140%, the return on net assets will increase, the profit margin of the main business will be stable, the investment of the project can be recovered in a short time, the investment risk is low, the return on capital is considerable, the capital turnover is smooth and the reserved funds are preserved. According to the expectation, the investment cost

can be fully recovered in the second year, and the profit will be accumulated in the second and third years. After the project is mature, the financing plan can be carried out in the third year to obtain funds for app to expand the market and company operation, and attract investment and cooperative business at the same time.

# 7. Biographical Notes

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