

The business model of "City Marathons"

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Abstract: This article analyzes the commercial logic of city marathons as a sports industry project that is considered "the most cost-effective yet highly profitable." The article highlights that city marathons, with their low participation threshold, high public engagement, and the scarcity of sports venue resources, have become the preferred choice for ordinary people to experience the joy of sports. Their profit model primarily relies on dual sources of income: registration fees and sponsorship fees. Taking the Beijing Marathon as an example, its revenue in 2015 was approximately 40 million yuan. The article further introduces the concept of "Marathon Plus," explaining its synergistic value with urban tourism, running training, sports equipment consumption, and the internet. It argues that city marathons are not only a "cash cow" for organizers but also a catalyst for urban vitality and a driver for consumption in related industry chains. The article recommends that cities should establish marathons as regular events.

Keywords: Road Running Economy, Mass Sports, National Fitness, Event Operations, Sports Towns

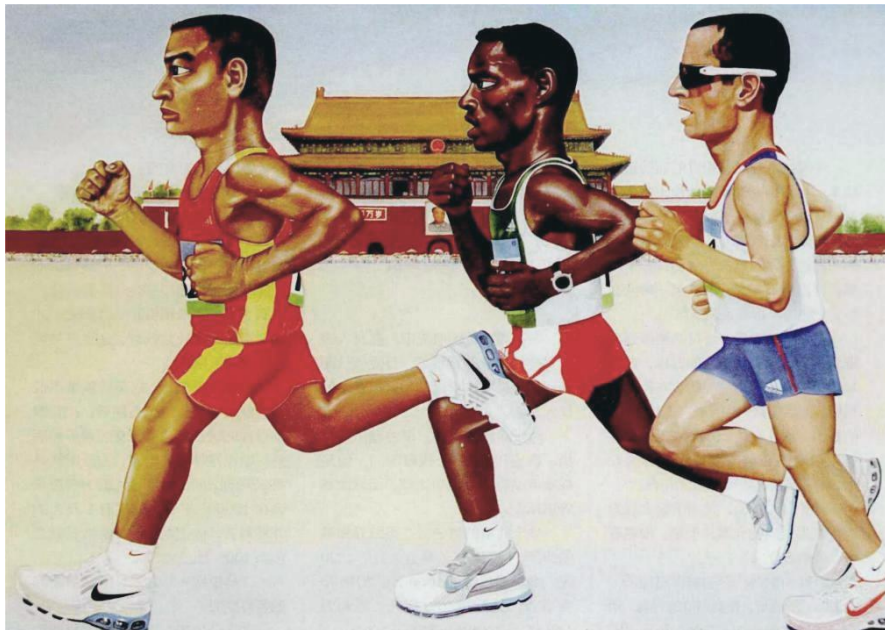


Figure 1

1. Introduction

For the majority of ordinary people, who cannot afford to participate in high-end, expensive sports, activities that are low in barriers to entry, highly participatory, interactive, and offer a strong experiential appeal are bound to become the preferred choice for the general public.

As people gradually free themselves from the pressures of survival and begin to recognize the joy and value of sports, the "city marathon" has emerged as the most accessible option for the public to experience the happiness of sports, especially in the face of severely limited sports venue resources.

2. The growing popularity of city marathons

Compared to many other sporting events, city marathons are among the most cost-effective yet profitable projects in the sports industry.

Currently, among China's top-tier professional sports events, only the Chinese Super League has entered the "era of broadcasting rights," with its staggering 5-year, 8-billion-yuan deal capturing widespread attention, while other events are still in a challenging phase of development.

The same applies to city marathons. However, due to the relatively low costs associated with organizing such events, city marathon operators can achieve considerable revenue through a combination of "registration fees and sponsorship fees."

Among city marathons such as Beijing Marathon, Shanghai Marathon, Xiamen Marathon, Hangzhou Marathon, and Haikou Marathon, whether organized by sports administrative departments or operated by related social companies, city marathons (road running events) have become a "cash cow."

3. The relatively low barrier to entry for marathons

This is attributed to the low threshold for participating in marathons, as well as the relatively low operational costs for organizers. If you possess a healthy physique, strong willpower, a desire to exercise, and a goal to challenge yourself, you can sign up for a city marathon.

Even if your willpower is weak, you can sign up to transform yourself, striving to become stronger and cultivate greater resilience.

More importantly, while other sports events remain distant from the general public and lack participation, city marathons provide an optimal platform for participation and interaction. Moreover, as a "competitive" event, it offers the best avenue for the general public, who may not have the opportunity or means to excel in the field of competitive sports, to engage and interact.

Participation and interaction are among the most popular and fashionable elements in today's society. As a result, the number of applicants is high, and participants are numerous.

The public believes that participating in city marathons is the most uplifting form of nobility and the most affordable form of fashion. Using their own feet to measure 42.195 kilometers, their own hearts to endure the physical strain of 42.195 kilometers, and their own willpower to conquer what appears to be a long and winding road—whether driven with determination or faced with helplessness, the outcome is one they have created themselves.

For Shanghai Marathon and Beijing Marathon, the final number of participants is capped at 30,000 each. Due to the overwhelming number of applicants, a random lottery or draw system is implemented.

It is worth noting that in Beijing, such methods are typically only used for car purchases or purchasing price-capped housing. This alone highlights the appeal of city marathons.

In China, if a project or an event truly connects with the grassroots and is closely related to ordinary people, it is bound to attract large crowds of participants and offer boundless business opportunities. City marathons have seized this opportunity, transforming the most ordinary public event into a "cash cow" for organizers.

Take Beijing Marathon as an example: each runner pays a registration fee of 200 yuan, totaling 6 million yuan. Combined with sponsorships and related product development, the revenue of Beijing Marathon in 2015 was approximately 40 million yuan.

For runners, spending 200 yuan to participate in a bustling event, experiencing the joy of sports and challenging themselves firsthand, is far more uplifting than spending 200 yuan on dining and drinking in a restaurant. Therefore, 200 yuan is not expensive.

4. The deep-rooted popularity of marathon sports and events

Despite severe smog conditions and incidents of sudden deaths during marathons, the public remains enthusiastic about participating, underscoring the deep-seated popularity of this sport and its events.

For organizers, hosting a city marathon requires coordination with 26 government departments, but the associated costs are far lower than those for events like football or basketball matches.

A simple example is Zhimei, a well-known name in the road running industry. They organize up to 1,300 events annually, attracting 10 million participants. In 2014, their event revenue reached 253 million yuan, with a gross profit of 152 million yuan, representing a 100% increase compared to 2013.

Road running, with such remarkably high profitability, demonstrates that city marathons and related road running events are truly low-cost "cash cows."

Consider the growth in the number of city marathons: from 33 in 2011, 44 in 2012, 53 in 2014, 56 in 2014, to 120 in 2015. This surge is not only due to the national "Document No. 46" — Several Opinions on Accelerating the Development of the Sports Industry and Promoting Sports Consumption — which relaxed restrictions on sports events, but also because city marathons are indeed an excellent "sports industry" for generating revenue.

Unsurprisingly, starting in 2016, more cities began hosting marathons. Over the next five years, it is highly likely that the number of marathons nationwide will match the annual count of 700 in the United States.

5. The promising "Marathon Plus"

While "Internet Plus" is a daily topic of discussion, the era of "Sports Plus" has also arrived. Delving deeper, within the highly popular city marathon movement, "Marathon Plus" offers numerous highlights, making city marathons more grounded and actionable.

5.1. The "Marathon Plus" concept: Urban tourism

People's lifestyles have long been diverse and multi-dimensional. Specifically in sports, for both organizers and participants, no single event can fully maximize the sporting value and societal benefits. Only by integrating sports events with tourism can the greatest social impact be achieved, an outcome that is also welcomed by governments at all levels.

Tourism here is broadly defined, encompassing not only visits to famous landmarks but also various forms of consumption during travel, such as dining, shopping, and transportation. For out-of-town runners, the trip may span up to three days, with an average expenditure of around 1,000 yuan per person. If there are 10,000 out-of-town runners, the tourism consumption they generate could amount to 10 million yuan.

5.2. The "Marathon Plus" concept: Road running training programs

This is an emerging field with promising potential. As sports consumption shifts from being product-driven to demand-driven, people's perspectives on sports will undergo significant changes. In relatively specialized sports domains, the demand for training in various skills will continue to grow, which is also why the sports services sector is beginning to thrive.

Taking marathons as an example, if you are a dedicated runner who wishes to improve your road running techniques and acquire knowledge in areas such as health, medicine, and self-diagnosis, you will need to seek training from professional institutions. If more runners take this step, they will gain better control over their physical well-being, avoid tragedies like sudden cardiac death, and make road running a more enjoyable experience.

5.3. The "Marathon Plus" concept: Boosting daily sporting goods consumption

For any sports activity, participation inevitably comes with the consumption of sporting goods. In the context of city marathons or road running, the primary areas of expenditure include compression wear, sweat-wicking socks, wearable devices, sunglasses, and other related products.



Figure 2

Some argue that road running and other related sports requiring consumption are essentially activities for the wealthy. This view is overly simplistic. In the case of road running, while affluent individuals may opt for high-end gear totaling over 7,900 yuan or mid-range equipment costing more than 2,000 yuan, the general public can also participate with gear priced as low as just over 200 yuan.

Ultimately, it's about acting within one's means—there's no need for comparison.

Regardless of whether the equipment is high-end, mid-range, or low-end, the end result is the promotion of sporting goods consumption, which benefits businesses across the entire industry chain. After all, the running community is vast. Take Adidas, for example, which saw a 20% increase in sales in Greater China, a growth significantly contributed to by road running.

5.4. The fourth aspect of "Marathon Plus": Seamless integration with "Internet Plus"

Integration with the internet here refers not only to online registration but also encompasses all the various interactions surrounding city marathons. These interactions include online networking and socializing, discussions on marathon culture and its humanistic value, and the sharing of insights and experiences among runners on the internet post-marathon.

The internet has facilitated the widespread dissemination of city marathons. At the same time, it serves as excellent promotion for the host cities, with a name card effect similar to that of professional football clubs.

6. Every city can have its own marathon

China's sports industry is booming, and cities are making new plans. Developing football towns, sports towns, leisure and tourism sports resorts, and creating various competitive and pillar events have become goals for provinces and cities nationwide.

However, during the planning process, there is still a focus on competitive events, or perhaps many places remain stuck in the mindset of "event + operation" rather than transitioning to the approach of "industry + operation + service."

The industrial model of city marathons offers valuable insights for all cities. When everyone has the opportunity to participate, it becomes a city-wide celebration, driving the sports industry chain and boosting consumption in areas such as dining, tourism, and shopping, creating a vibrant scene.

Every city can have its own marathon.

Generally, as long as the city's sports bureau organizes the event, coordinating with 26 or more government departments is relatively straightforward. Even without extensive sponsorship, the organizers are unlikely to incur losses; and even if losses occur, they are typically minimal.

Compared to the added value that a city marathon brings to the city, any potential losses are negligible.

Government departments in every city must recognize that when a city decides to establish a marathon as a regular event, it's not just about organizing the event itself—it's about energizing the city and its residents.

This is because not all participants simply show up on race day. Many runners spend a considerable amount of time preparing for the event. For the 42.195 kilometers, they follow training plans to figure out how to complete the distance.

This process also helps shape individuals.

With its low barrier to entry, people of all ages and genders in every city can participate. In the first half of 2015, among participants in 42.195-kilometer city marathons, 23% completed the race in under 4 hours, 43% finished between 4 to 5 hours, and 34% took over 5 hours. Female participants accounted for 14.1% of the total, with an average completion time of 4 hours, 55 minutes, and 41 seconds. As 26,294 participants completed the Beijing Marathon, accounting for 88% of the total, these figures are subject to change.

City marathons are flourishing, and now is the time for every city to take action.

7. Conclusion

With its "low barrier to entry, high participation, and strong interaction," city marathons precisely meet the evolving demands of public sports consumption, successfully transforming a simple national fitness activity into a mutually beneficial commercial ecosystem. They are not only a lucrative "cash cow" for organizers but also a crucial tool for cities to stimulate sports consumption, boost tourism, and enhance their image. In the era of "Sports Plus," the "Marathon Plus" model, through deep integration with tourism, training, equipment, and the internet, demonstrates strong industrial extensibility and social value. For every city, creating its own marathon is both a wise choice to align with the growth of the sports industry and an effective way to energize residents and promote urban prosperity—the trend is in full swing, and now is the time to act.