

Remarks By

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## **1. Introduction**

I would like to welcome you to the main press conference at ISPO MUNICH 2016 and provide you with a synopsis of everything that will be offered.

There is no question about it, competition within the sports industry has become tougher. This applies both to online and offline commerce; changes in the digital world will continue to keep the industry on its toes in 2016. Markets are undergoing extremely rapid changes. Traditional borders are becoming blurred: retailers sell their own brands, brands open their own stores. The interplay of online and stationary retail is undergoing reorganization. Don't expect these two areas to experience parallel development, they will increasingly mesh with each other.

The actual beneficiary of these changes is the consumer. Consumers want to use every single purchasing channel available – buy where and when they want; they want to be part of product development and share their experiences and know-how. The spotlight is on the consumer, setting the rhythm for the changes throughout the industry.

Suppliers wishing to stay at the top have to take this into account. They have to find ways to distinguish their business from the competition, and cleverly interface a variety of channels with each other. They have to be omnipresent – on smartphones, on the worldwide web and in stores – and they have to offer exciting, stimulating incentives to buy with the help of a combination of price/performance, comfort and experience. The challenge is to develop the right profile and most suitable concept in this area of tension.

This is exactly where ISPO comes in: Our mission is to provide competent, reliable and in-depth support for our partners, and to offer the highest level of access to the ISPO network. We focused on the digital orientation of our services early on – we live and breathe networking. Our services are not limited to renting exhibition space. ISPO offers services and platforms perfectly customized for the industry, which account for market changes and deal with and delve deeper into current issues, an item I will talk

more about a little later.

## **2. Key Statistics / New Exhibit Hall Layout**

We are pleased to report that the number of exhibitors has increased again, from 2,585 last year to 2,645 this year. 88 percent are from foreign countries. All 16 exhibit halls are fully booked. This translates into 180,000 square meters of gross exhibit space. ISPO experienced an increase in new exhibitors in all segments, particularly in Health & Fitness. New exhibitors include companies like Cosinuss, Medisana, Mizuno and Woodway. Outdoor has also gained a number of new additions. We are pleased to welcome new exhibitors like Polarmond to exhibit hall A1.

### **Slide New Exhibitors**

This shows clearly the importance of ISPO as a leading exhibition for the international sports business, its enduring popularity, and the success of the past years' efforts by the ISPO team continuously working on the exhibition's further development. A visit to ISPO is mandatory for everyone in the sports business: ISPO brings together decision makers and key players, presents trends and uncovers potential opportunities and developments. This is the place where visitors discover how to tap new target groups and increase sales.

In 2016 ISPO MUNICH made changes to its appearance. We are launching a new exhibit hall layout customized to take market developments into account. The mix of industry branches within the exhibit halls more or less stays the same, but the restructuring measures generated attractive synergies between the various exhibit areas. Areas with similar context are now closer together. Visitors will benefit from a more convenient and compact way to gain information on trends and innovations.

The unrelentingly growing Health & Fitness segment will have even more room in hall B4, covering an additional 1,000 square meters. The Action Sports segment will be accessible via the dedicated East Entrance, which will also host unique and

segment-oriented events. The international scene's nightly events will be held there.

A new highlight in the Action Sports area is the Watersport Village with disciplines like kayaking, stand up paddling and kiting. A 240-square-meter pool is available for demonstration and testing of watersports products.

The Outdoor segment with the Scandinavian Outdoor Village moves into halls A1, A2 and A3 near the West Entrance, and is thus directly connected to the Ski segment, which will remain in halls A4 and A5, attracting leading manufacturers from all over the globe.

Running apparel at the disco or shopping while wearing a technical shirt: what used to be considered a faux pas is now an expression of the latest trend. Fitness apparel is shaking up the world of fashion. This trend is called Athleisure. The word is a combination of the terms "athletics" and "leisure", and describes sportswear suitable for everyday use. In the USA only about half of the sportswear sold is actually used for sports. If you are interested in the phenomenon of Athleisure don't miss the special exhibit in the ISPO VISION area (hall B1). Brands like Bogner, Kjus, Peak Performance, New Balance or Sportalm believe in this trend and exhibit their products in this segment.

Yet ISPO not only attracts international exhibitors and visitors, well-known personalities from the world of sports and politics come to the show in Munich. The accomplished alpinist Gerlinde Kaltenbrunner is expected at the ISPO VIP Dinner on Tuesday, January 26, an event considered one of the highlights of the exhibition, hosting close to 350 renowned guests from the sectors of sports, economy and the media.

Gerlinde Kaltenbrunner, who was the first woman to climb all fourteen eight-thousand-meter peaks without supplemental oxygen, is considered one of the world's best alpinists. She will be honored as the sports personality of the year. The award also recognizes Gerlinde Kaltenbrunner's involvement in Nepalhilfe Beilngries, aiding charitable projects in Nepal.

On Tuesday, professional alpinists and extreme climbers David Lama and Stefan

Glowacz will also present on physical and mental fitness as well as nutrition for extreme athletes.

On Monday, January 25 at 1 o'clock in the afternoon, the Federal Minister for Economic Cooperation and Development, Dr. Gerd Müller, will report on the development of the Alliance for Sustainable Textiles, with the mission to improve the conditions in textile production. On Tuesday, January 26, we welcome the Vice President of the European Commission and Commissioner of the Digital Single Market Team, Andrus Ansip. Also expected are the Brazilian Minister of Sports George Hilton and the Brazilian Minister of Tourism Rogerio Coser.

### **3. Health & Fitness**

Health & Fitness remains a very attractive segment for the sports industry and offers a lot of potential, as the awareness for health and fitness continues to be on the rise. This is, in part, the result of a demographic development: A large part of today's population lives almost twice as long as a hundred years ago. This means we are old for a longer period of time than we are young. It also means that we are more aware of our physical condition and attempt to hold on to our youth and fitness for as long as possible.

ISPO recognized this development early on. Health management plays a very important role at our exhibition. We created the Health & Fitness area in 2014, and provided it with an elaborate layout. This year, one of the focus topics covers mobile technologies such as activity trackers and smart watches. Samsung will once again act as the sponsor of ISPO Health & Fitness.

Running style analysis, sleep, calorie or step tracking – if you want to stay fit and healthy in your everyday life, you can instantly monitor all your activities thanks to mobile devices. The products and apps in this segment are experiencing an extremely rapid world-wide development, but there are still plenty of opportunities in the technical sector, as you will see in the following podcast.

A program with panel discussions, live shows, presentations and workshops complements the displays in the Health & Fitness hall. Presenters and experts include the former Olympic weightlifting champion Matthias Steiner, yoga instructor for the German National Soccer Team Patrick Broome, and actor and yogi Ralf Bauer. The program also covers nutrition and food preparation. Cooking demonstrations and interviews with the master of vegan cuisine Surdham Göb, starred chef Sybille Schönberger, and top chef Roland Trettl are on the list.

The Running Shoe Symposium in cooperation with Runner's World will be held on Monday, January 25, at the International Congress Center München (ICM). It is a congress covering the trends and developments in the running footwear market, Experts from Currex, Salomon and Saucony share their professional know-how.

### **3.2. ISPO's Involvement**

Inspiring more people to exercise and actively maintain their health is the mission of ISPO's involvement in initiatives such as the European Outdoor Group's campaign "It's Great Out There", or the European Week of Sports, an event held all over Europe last September.

## **4. Outdoor**

### **4.1. The Challenges, or Why Outdoor Continues to Grow at ISPO**

Outdoor industry and retail have undergone fundamental changes. A selection of products by and for specialists has evolved into a profitable mass market. Outdoor has become a mega trend covering all social classes and age groups. There is a lot of interest in an active and healthy lifestyle centering around rediscovering nature.

ISPO also experienced consistent, positive development in the Outdoor segment.

This development is the result of our consistent focus on the multi-segment exhibition concept, because it offers the most and best opportunities for growth. At ISPO all segments are represented parallel to their appropriate markets and brand environments, which in turn creates a great potential for synergistic effects.

The segment borders are the spawning grounds for exciting and new trends. Take a look at the development of dynamic outdoor sports such as Freeriding and Freeskiing, Trail Running, Climbing or Slacklining, all sports that make Outdoor more interesting even for younger target groups – or the blending of Outdoor and Fitness – trends that translate into renewed growth.

The latest statistics are proof that the ISPO Outdoor concept has merit. At ISPO, the segment has grown again in 2016, all industry greats are represented, and to date 50 new exhibitors have registered. Among them are Hydro Flask, Polarmond, Tom Joule and Völkl Performance Wear.

## **4.2 Vision Outdoor 2020**

On Monday, January 25, our long-time partner, the European Outdoor Group (EOG), will present the latest results of EOG research on the situation in the Outdoor market and point out which products have undergone development.

Competition is becoming tougher, markets are changing extremely quickly, and the industry is in the middle of a consolidation phase. Therefore it is extremely important that all market partners network closely with each other. We are proud to have been asked by the EOG to officially present our “Vision Outdoor 2020” and the ISPO exhibition concept.

ISPO’s goal is to continue to act as a competent partner for the Outdoor industry 365 days per year. ISPO wants to point out new market opportunities and chances – both for B2B and B2C. In the B2C area we are not focusing on opening the exhibition to consumers, but on our online platform ISPO COMMUNITY. It offers companies instant access to direct dialogue with consumers, opinion leaders and experts.

## **5. ISPO Services**

The mission and task of ISPO today is to make ISPO accessible at the highest level. To accomplish this we created the ISPO SERVICES which are undergoing continuous further development.

### **5.1 ISPO BRANDNEW**

The ISPO BRANDNEW AWARD is the sports industry's most important award for young entrepreneurs. The competition celebrates its 15<sup>th</sup> anniversary this year. Since its inception the award was presented for products and concepts that embodied the industry's innovative work and appealing ideas. The competition is open to all brands that have been in existence no longer than four years and have never exhibited at ISPO. To date more than 5,000 participants have entered. Many of the former winners – among them GoPro, Maloja, Nixon or Nash Kites – are now world-renowned brands.

This year close to 400 companies from around the globe submitted their entries. It was no easy feat for the independent jury to select 50 favorites from the many attractive entries. The final top selection was ICAROS from Germany, a company presenting a state-of-the-art home trainer.

The exercise equipment features a headset that whisks the user into a virtual world while working out. The user mounts the movable arm and leg rests face down and tries to stay balanced. With the help of a special program a sensor transmits the movements to a computer, which then integrates the data into virtual reality games. The user controls his or her avatar by movement alone.

For their first game the developers wanted to offer the sensation of flying, but new games are planned for this year, allowing the user to slip into the role of a pilot, diver or astronaut. There is no doubt, after trying this new exercise equipment users will consider dumbbells and cross trainers boring.

All winners will be exhibited at the ISPO BRANDNEW VILLAGE in hall B5.

The following podcast will take you on a short trip through the history of ISPO BRANDNEW and present highlights from the past as well as a few of the latest winners.

## **5.2 ISPO AWARD**

The ISPO AWARD has become an indispensable part of the industry. Many businesses and brands recognize its importance and covet the title "ISPO AWARD Winner". After all, the award represents innovative spirit and quality, and is



recognized all over the world as the seal of quality for extraordinary sports products. Year after year it helps retailers navigate the continuously growing selection of sporting goods and provides consumers with an independent purchasing recommendation.

This year the jury selected their favorites for 2016 from 535 entries. Six products from the ASIAN PRODUCTS sector, and the ACTION, OUTDOOR, SKI, PERFORMANCE and HEALTH & FITNESS segments received the title PRODUCT OF THE YEAR. In addition, the ECO jury awarded three titles to especially eco-friendly concepts and innovations. The winners demonstrate the productive work of the sports industry, and how consumer expectations are considered and integrated into product development. Why not get your own impression by visiting the ISPO AWARD exhibition in hall B1?

### **5.3 ISPO OPEN INNOVATION**

The ISPO OPEN INNOVATION was launched by ISPO in December of 2014 and has set new standards in consumer communication.

With the help of the online platform businesses and brands start a qualified dialog with consumers, allowing them to ask targeted questions regarding their expectations. Companies can ask consumers to participate in product development or test the products and provide feedback.

This offers companies a valuable opportunity to gain the consumer's loyalty and increase brand recognition at the same time. It is not necessary to become an ISPO exhibitor to use this platform, it is an independent service. Consumers are also becoming increasingly more important for ISPO. Close to 50 percent of ISPO website views are by consumers who want to get information and network with others. Since last year, consumers can also apply to become a jury member for the ISPO AWARDS.

The success of ISPO convinced us to take a step further. Bauma – the leading global exhibition for construction equipment – recently also included this service in its portfolio.

#### **5.4 ISPO ACADEMY**

The ISPO ACADEMY focuses on continuing education. The ACADEMY prepares brands, companies and retailers for the future. Participants gain information on trends and innovations in the sports industry in lectures and workshops, network with others, or take a look behind the scenes of brands and manufacturers.

In 2016 the ISPO ACADEMY at ISPO MUNICH will once again be held in the East Entrance area. We are pleased to offer a program covering the industry's most relevant topics, and were able to commit numerous experts to act as presenters.

The primary focus is the topic of "Digitalization in Sports Retail". On Sunday, January 24 at noon, Bernd Mayer of Serviceplan Consulting will discuss Sports Retail 4.0, and share options for improving the retail supply chain. Based on existing shop concepts and market research data the discussion covers possibilities to increase sales with the help of multi-channel concepts.

If you are interested in software solutions and brand-new technologies for point of sale make sure to plan a visit to the interactive Retail Lab 4.0.

The focus of the panel discussion with the CEO of Sportler AG, Jakob Oberrauch, and the Vice President of the German Digital Industry Association (Bundesverband Digitale Wirtschaft), Thorben Fasching, is also on digital innovations in the field of sports retail. The discussion is planned for Monday, January 25, beginning at 2.30 in the afternoon.

The ISPO Sports Communication Day on Tuesday, January 26, beginning at 11 o'clock, revolves around successful planning and implementation of communication. An entire series of lectures covers the so-called technique of "story telling". Experts show what successful marketing with the help of telling

authentic stories looks like. The Trainee project on Wednesday, January 27 puts the spotlight on the new generation of sport industry participants.

The four-day Retail Tour throughout Munich introduces a variety of shop concepts. Among the visits are the new flagship store by Sportscheck and the weShop, a small store occupying only 50 square meters, cleverly combining on- and offline elements.

The ISPO ACADEMY is not only held in Munich. It offers training programs for retailers, brands and industry professionals throughout the world. In 2016 stopovers are planned in Barcelona, Warsaw, Leusden and Lech. We are also planning repeat events in China and Japan.

## **6. ISPO BEIJING/ISPO SHANGHAI**

Particularly in times of stagnating development in Europe, China is the most promising and opportune market for sporting goods manufacturers altogether. If you want to grow in this industry, you have to be present there. Sports and exercise are becoming increasingly more popular in China, and the Chinese population is discovering recreational sports.

Many sports are still in the first stages of development, yet the government consistently supports the development of the sports industry. It launched initiatives to increase the population's awareness for fitness and motivate people to exercise more frequently. The mission is to help 500 million Chinese discover sports. At the same time, the Chinese government endorses the sports and outdoor industry; the goal is to increase the industry's share in the gross domestic product from 0.6 percent to 1.0 percent by 2025.

ISPO BEIJING has established itself as the most important B2B multi-segment platform in the Asian territories. The exhibition began eleven years ago with 153 exhibitors; this year 433 exhibitors representing 590 brands will be at the event in Beijing from February 24 to 27. The exhibit spaces are fully booked.

The Olympic Winter Games, to be held in Beijing in 2022, will definitely continue to drive this positive development, I am certain of that. Other than in developed markets such as the USA, Austria, Germany or Switzerland we need this mega event in China to shine the spotlight on winter sports and to allow the public to discover their passion for winter sports. The Olympic Winter Games, the Chinese ski industry and the infrastructure of ski resorts are on the agenda at the Asia Pacific Snow Conference, one of the program highlights at ISPO BEIJING.

The Running Village presents innovations for running sports, the ISPO TEXTRENDS Forum for materials and textiles covers the latest for the fall/winter season 2017 and 2018.

Businesses wishing to gain a foothold in the Chinese sports market should participate in the two-day “Market Introduction Program 2016”, to gain a comprehensive overview of the necessary first steps and to find valuable business contacts.

Thanks to the highly successful developments in China we launched the ISPO SHANGHAI last year. It will be held for the second time this summer, and is also set up as a multi-segment exhibition. The feedback to the premiere was extraordinary: more than 350 exhibitors and 470 brands were represented, industry and retail reacted enthusiastically, and a large number of market leaders presented their products from the Outdoor, Health & Fitness, Sportstyle, Action Sports, Running and Watersports segments.

## **Conclusion**

ISPO SHANGHAI, ISPO BEIJING and ISPO MUNICH are not just about square meters of rented exhibition space or the presentation of the latest products. These exhibitions with their multi-faceted amenities and digital services provide businesses and brands with expert know-how to successfully enter new markets and maintain a foothold. They assist them in developing new strategies to distinguish themselves from the competition and to gain valuable training. They are the ideal platforms for new business contacts and bring brands, retailers and

customers together.

I am certain that this year's ISPO MUNICH will once again provide you with first-class information and exciting innovations and surprises.

Thank you for your attendance and attention. Please refer to the press kit and our website for more information on ISPO MUNICH and its program. You can also use the ISPO MUNICH app to plan your visit.

I hope you will enjoy an interesting time at the event and wish you the best of success.