2012~2013
The China Golf Market Research

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Introduction

It is said that China has become the second largest economy country in the world. The golf market usually develop at the same pace with the other market, and the market scale is truly increasing. However, the golf market is quite remarkable as the golf industry in China, its size is really unknown.

Therefore, we put efforts to take good command of Chinese golf market scale through this survey. The result is “2012~2013 the China Golf Market Research”.

We hope this market research could become “Road Signs” to help the related people who engaged in the golf industry correctly know the golf industry in China, and then it could be issued.

Golf Equipment World Co., Ltd.
Vice President
International Department, Leader Mitsumasa Katayama
The Outline of General Golf Market

The shift of the golfers population

(10 thousand)

Summary

The Chinese golf-playing population shows the growth rate of about 10% of the annual rate. However, growth becomes slow in the economic deterioration on and after the second half this year. The present, estimated 1 million people (core golfer: 300,000 people, occasional golfer: 700,000)

The properties of golfers

Summary

By the central government having regulated Establishment of the golf course, the pace of expansion shows rapid depression for past five years. According to the government announcement, although it will be called 500 places across the country as of 2012, if the institution managed illegally is included, it will be expected that it goes up to 700 places. However, the institution which owns 18 holes is only 300 places of a little more than 40 percent of the whole, and most manages it 9 hole. Or it becomes a short course.

The existing The newly

The shift of the quantity of golf course

Summary

China has golf history only less than 30 years. Therefore, most of golf population are young age group (age at 30's to 50's) occupies 75%. Moreover, at a present stage, a female participating rate is also low and is a little less than ten percent of the whole.

Summary

The number of golf shops receives expansion of market size, and is also increasing. The number of golf shops which include shops of a road side and a large-sized driving range are about 400 location in the whole country. The maximum is 22 stores (as of October, 2012) of "200 Golf."
The outline of general golf market

The composition ratio of the kinds of the golf gears

Summary
A price range can divide the full set of a club roughly into three types. In 120,000 Japanese Yen or less (about 1,455 US dollars or less) which is for beginners, in 180,000 Japanese Yen or less (about 2,168 US dollars or less) which is for occasional, and, in 1,200,000 Japanese yen or more (about 14,400 US dollars or more) which is for premiums.

Lesson fee of a teaching pro (per hour) (RMB)

Summary
Chinese lesson fee changes a unit price sharply by a pro's national origin. The highest one says in an American that it goes up at the time of 2000 RMB (about 24,000 Japanese Yen/h or about 289 US dollars). Moreover, a Chinese pro is a grade at the time of an average of 300 RMB (about 3600 Japanese Yen/h or about 43 US dollars).

Sales percentage according to club single article

Summary
The driver (40%) has projected in single article sale (quantity base) of the club, and, subsequently there are much UT (a utility, 20%) and volume of sales. Hereinafter, percentage according to item. FW (10%), an iron set (8.5%), a wedge (15%), a putter (10%). Although the long iron was conventionally incorporated by full-set purchase, Chinese golfers who substitute it to UT are increasing.

Transition of the number of golf repair shops

Summary
According to the market growth, club repair and custom making club shops are also increasing. Most of the shops are managed in major cities such as Beijing, Shanghai and Guanzhou. But those shops are increasing in 2nd cities such as Dalian and Chengdu as well.
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THE GOLF GEARS MARKET

Licensed goods and contraband goods added up to about 15.27 billion Japanese yen (about 184 million US dollars the calculation according to the retail amount). In previous years, they maintain the growth rate of 10% per year. It is expected that Chinese economy will enter to a negative economic growth in the second half of 2012, and it is speculated that the growth rate will only last a few percentage points next year.

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In Beijing, the same with the golf courses and driving ranges, the set rates of the pro shops are also high (occupied overall 40%).

Pro shops are centered in Guangzhou and Shenzhen. Near the golf course, there are also many monomer shops. (occupied overall 30%)

There are 70% of pro shops opening in the driving ranges. (Shanghai, occupied overall 10%)

The quantity of the golf courses increased rapidly in Hainan Island, and mainly about the pro shops. In the rapid development of Chengdu, there mainly exists the HONMA golf or the agent businessman of Japanese brand with high sale prices. Whose targets are for golfer betting among the golfers. Few pro shops are located in Chongqing and Dalian, etc, who are marked with white color pin (accounts for about 20% of the whole).
Sales level at region

Sales level at each region, Beijing is worth more than Shanghai and Guangzhou. Because of the capital city, wealthy people such as government officials and corporate executives live in the city.

The growth of Chinese economy spread out to local area, golf markets are being born also to local cities.
The Beijing market

Taylormade still holds the highest market share (20%) position in Beijing, but the market share of Honma golf (15%) is still dazzling. The market share by the rest of brand and the characteristic of the market were written into the report.

The selling price

Driver: 30 thousands Japanese Yen~36 thousands Japanese Yen (about 360US dollars ~about 433 US dollars)
The selling price for Fairway wood, Hybrid, set of irons, Wedges, And putters were written into the report.
The Shanghai market

Comparison with Shanghai and Beijing, the particular brand takes up the most parts. Taylormade and Callaway accounted for 55% of the entire market. The market share by the rest of brand and the characteristic of the market were written into the report.

The selling price
Driver: 30 thousands Japanese Yen ~ 42 thousands Japanese Yen (about 360 US dollars ~ about 506 US dollars)
The selling price for Fairway wood, Hybrid, set of irons, Wedges, And putters were written into the report.
The Guangzhou market

Relative to other areas, Taylormade takes up much share (40%) in the market, because it sells well in its agent shops. The market share by the rest of brand and the characteristic of the market were written into the report.

The selling price

Driver: 24 thousands Japanese Yen~36 thousands Japanese Yen (about 290 US dollars ~ about 433 US dollars)

The selling price for Fairway wood, Hybrid, set of irons, Wedges, And putters were written into the report.
THE GOLF BALLS MARKET

It is estimated that the licensed goods and the contraband goods are 3.524 billion Japanese Yen (about 42 million US dollars) in the golf market. A growth rate has been about 10% so far, but Chinese economy begins to decline after this summer, so the growth rate will also decline from the second half of this year to the next year.
The Beijing market

Golf ball of the most popular is Pro V1 of the Titleist exclusive. Though there are also play as with the use demand, but a gift on demand or a lot, overwhelmingly occupy to 70%. The market share by the rest of brand and the characteristic of the market were written into the report.

The low-priced zone, Nike is popular, occupy the share 40%. The market share by the rest of brand and the characteristic of the market were written into the report.
The Shanghai market

In the premium zone, Pro V1 Strongly holds 70% of the market share, it is remarkable Callaway "HEX", occupying 15% of the market share. The Callaway in Shanghai is more popular than it in Beijing or Guangzhou.

Turned to look the low-priced zone, PD7 of Nike, Burner of Taylormade, WarBird of Callaway are popular. The market share by the rest of brand and the characteristic of the market were written into the report.
The Guangzhou market

Because Guangzhou near by Hong Kong, so, contraband into the Guangzhou market is higher probability. The many pro shops in order to make a living, begins sales low-cost contraband from Hong Kong.

Titleist Pro V1 is most popular as share of 70% at premium zone, And Nike PD7 is popular as share of 40% at low-priced zone. The market share by the rest of brand and the characteristic of the market were written into the report.
THE AFTER-SERVICE(CLUB FITTING)

Although there are a lot of the beginning golfer in China, has accumulated the experiences carrier golfer began their re-shaft and custom clubs. As a result, the so-called club fitting market with an average annual growth rate of 20% in the growth. The current market size in 2012 is estimated to be 370 millions Japanese Yen(about 4.5 million US dollars) includes the shaft and grip. We have seen that an increase in the carrier golfers in the future will be expected, and walk about the same rate in the future growth path.
The golf shaft market

The market scale of the shaft is about 20 thousands per year, sales volume has increased rapidly with an annual rate of 30%.

No.1 of the graphite shaft is Mitsubishi Rayon as share of 35%. In addition, No.1 of the steel shaft is "NS PRO SERIES“(Nippon Shaft) with 70% market shares.

The market share by the rest of brand and the characteristic of the market were written into the report.
The golf grip market

The market scales for 150 thousands and Golf Pride occupies 80% of the market. It is expected that it will growth at the rate of 15% in the future. Golf Pride occupies the top market share, and it has the great advantage.

MCC series of Golf Pride is No.1 share as of 65%. The market share by the rest of brand and the characteristic of the market were written into the report.
The present of the work shops

As can be seen from the expansion of the golf work shops, has been growing demand for fitting and repair clubs. In use the present and personal use two aspects taking the practical strong growth at around 20% is expected in the future.

The popular price of order made driver in Beijing & Shanghai is Between 120 thousands Japanese Yen(about 1,455 US dollars) Or above. It is in Guangzhou is around 108 thousands Japanese Yen about 1,300 US dollars.) The popular price for different items, the market share by the rest of brand and the characteristic of the market were written into the report.
Thanks Very Much!

<The Price>
1. The General Golf Market: $1,250
2. The Option Golf Gears: $1,250
3. The Option Golf Balls: $875
4. The Option After-Service: $1,250

<INFORMATION>
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